

Publications

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Texas Turns Up Heat on Medicaid Fraud

Key Takeaways:

- Texas has launched investigations into dozens of Medicaid providers using newly released federal claims data, marking a significant expansion of data-driven enforcement.
- The initiative signals heightened enforcement risk for providers, particularly in home health, occupational therapy and COVID-19-related services.
- Providers should expect more proactive investigations and potential enforcement actions as federal and state efforts intensify.

On April 7, 2026, Texas Attorney General Ken Paxton's office announced that its Healthcare Program Enforcement Division (HPED) has launched investigations into dozens of Medicaid providers across the state relying on newly released Medicaid claims data from the U.S. Department of Health and Human Services (HHS) made available through the Department of Government Efficiency (DOGE). The initiative reflects an increasingly data-driven approach to identifying potential fraud, with the Attorney General emphasizing that his office has recovered more than one billion dollars from Medicaid fraud since 2020 and will continue to pursue alleged misconduct involving taxpayer-funded health care programs.

Earlier this year, DOGE publicly released federal Medicaid claims data as part of a broader effort to detect fraud. Using this dataset, the Office of the Attorney General has initiated multiple investigations and plans to combine the federal data with its internal claims data and other investigative tools, including civil investigative demands, where appropriate, in anticipation of potential litigation.

Providers and Services Under Heightened Scrutiny

According to the Attorney General's office, the investigations focus on home health providers, occupational therapy providers and entities that may have submitted fraudulent claims related to COVID-19 treatments. These matters are expected to involve both detailed data analysis and formal investigative processes as the state evaluates potential enforcement actions and litigation.

Related People

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Related Capabilities

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The investigations come amid a broader trend of heightened scrutiny of Medicaid fraud and abuse by state officials. In recent months, the Attorney General's office has pursued multiple enforcement actions against health care providers and organizations, including a February lawsuit involving alleged improper Medicaid billing related to care for minors.

In addition, the HPED has recently brought several high-profile cases against health care providers, pharmacy networks and pharmaceutical companies, including allegations of illegal kickbacks and failure to disclose drug risks. The division has also secured significant financial recoveries, including a \$41.5 million settlement related to allegations involving adulterated drugs provided to children.

Federal Task Force Signals Increased State–Federal Coordination

These developments align with broader federal enforcement trends, including the Trump administration's recent executive order establishing a Task Force to coordinate anti-fraud efforts across federal benefits programs. The executive order places particular emphasis on state-administered programs, calling for stronger eligibility verification, enhanced data sharing and more robust anti-fraud controls at the state level. Texas's use of newly released federal data to initiate provider investigations reflects this shift toward closer federal-state coordination and a more proactive enforcement posture. As the Task Force evaluates state compliance and considers conditioning federal funding on the adoption of enhanced safeguards, state-led actions like those by the Texas Attorney General may serve as early examples of heightened expectations for program integrity and enforcement.

Should you have questions regarding the information discussed, please reach out to Adrienne Frazier, Gulnara Anzarova or your preferred Polsinelli attorney.