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Healthcare Association



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Shared Services, Inc.

Informational Vendor Briefing Change Healthcare/Optum Cybersecurity Incident

Monday, March 4, 2024 – 5:00 p.m.

Background

Change Healthcare is a revenue and payment cycle vendor providing services across the health care spectrum of providers.

They may be used as a primary, secondary or perhaps even tertiary vendor, processing some or all aspects of pharmacy claims transactions, provider claims processing, patient access and financial clearance, provider payments, and authorizations and medical necessity reviews.

■ Providers potential worst case,

- ▶ Entire revenue cycle is shut down and now a manual process is needed to send out claims.
- ▶ Any new process needs to be accepted by payers.
- ▶ Patients can't get medication at pharmacy as the authorization form can not be sent from provider.

■ Payers potential worst case,

- ▶ Can not accept claims and can not send out claims.
- ▶ Move to a manual review process which effects both providers and consumers as this causes an extended amount of time and backlogs.

■ Pharmacy potential worst case,

- ▶ Inability to receive pharmacy claim from provider.
- ▶ Can not authorize release of medication without authorization form on claim.
- ▶ Patient directly impacted and can not receive medication. Could be life threatening.

Background

Change Healthcare Cyberattack began on or about 2/21/24

- ▶ IHA staff have been involved in a number of state and national calls and will continue to monitor the situation.
- ▶ AHA update calls 2/23 and 2/28
- ▶ Latest DOH update 2/29

Optum's latest public update 3/4

- ▶ Threat actor known: ALPHV/Blackcat
- ▶ Multiple workarounds suggested by Optum
- ▶ No indication when systems will be back online.
- ▶ New solutions may be pushed out by Optum in the coming days
- ▶ UnitedHealthcare managing all updates

Current National Assumption

Change Healthcare will be unavailable for weeks if not months. We must assume that this service may not return. Focus on finding creative and new solutions.

Background

- IHA continues to monitor a cybersecurity incident affecting Change Healthcare
- Optum is providing status updates, but it is possible that this could be a weeks-long problem
- IHA has been in regular contact with the Hochul Administration highlighting hospital operations dealing with significant disruptions.
- Emergency Regulatory relief is needed

Change Healthcare Cyberattack Update

- DOH considering solutions
- Nothing solid
- DOH Survey
 - ▶ Are they asking the right questions?
 - ▶ What information would be (more) useful?
- Urging Executive Order to recognize a state of emergency and provide regulatory flexibility similar to those which were used during the pandemic
- Attorney General Involvement
- Should Optum post a bond to cover emergency funding?
- Do they have Cyber insurance? Is this covered?
- How will the state review, assist and fund emergency funding requests?
- Transformation Grant application deadline of March 13 related to cybersecurity extended to March 28

Change Healthcare Cyberattack Update

- Late last week Change/Optum announced a [Temporary Funding Assistance Program](#). In short, providers who receive payments from payers that were processed by Change Healthcare are eligible and are subject to initial review. This is a loan program that Change says will need to be repaid once regular claims processing resumes. The link has additional information and FAQs for review.
- It appears that Providers who receive assistance will need to renew the request for funding each week.

State Level Advocacy

- IHA held a meeting of its members last Thursday evening to ascertain the impacts of the incident. We shared a summary of this feedback with the Governor's staff, DOH and DFS urging them to take some action to provide assistance to hospitals in Upstate New York.
- Essentially our message to the Governor, DOH and DFS is that even prior to this crisis, our hospitals needed significant assistance. Moreover, many are one crisis away from disaster. As the Change cybersecurity incident continues to unfold, we are seeing that this may just be that crisis.



State Level Advocacy

- We shared that the impacts are not uniform because the prevalence of the use of the Change platform is not uniform. Some members use it for virtually all lines of business others use it for less. It seems that all use it or use vendors that use it in some capacity. The impact is widespread and of varying levels of disruption.
- We also shared our latest financial data showing that our members are already operating on razor thin margins. In addition, we shared that some members are in jeopardy of not making payroll the week of March 4 and others will be in the same situations shortly thereafter.

State Level Advocacy

- We urged DOH to more quickly process hospital VAP funding for those who are in the VAP/VAPAP program. In addition, the Governor should issue an executive order declaring an emergency because of the disruption and allow:
 - ▶ extend timeframes for timely filing of claims and corrected claims;
 - ▶ eliminate prior authorization;
 - ▶ implement provider advances through periodic interim payments or another alternative reimbursement model to address immediate cash flow needs;
 - ▶ prohibit payer denials for technical reasons;
 - ▶ waive authorizations for patient transfers to post-acute care; and
 - ▶ extend internal and external appeals timeframes.
- Some members are seeking back up vendors, but this presents technological, transitional and logistical challenges.

National Level Advocacy

- There are reports that the White House's National Security Council is looking into ways to provide short-term financial relief to U.S. hospitals facing a mounting cash crunch amid the fallout of this cyberattack.
- Senator Schumer in Central New York Today.
- In addition, the AHA today sent a letter to congressional leaders that, among other requests, urged lawmakers to press the Department of Health and Human Services “for bold, swift action to prevent further fallout and to ensure a complete and fulsome response from UnitedHealth Group,” which owns Change Healthcare. As the entire health care system continues to be affected by the ongoing cyberattack on Change Healthcare, we need Congress to act and support hospitals and other providers to help minimize further fallout from this attack.
- AHA also sent today a letter to UnitedHealth Group expressing concerns with the Temporary Funding Assistance Program that the company announced on March 1.

Vendor Community Support

- Hospital payables could be delayed; be tolerant and work with hospitals to avoid credit hold situations
- Exercise patience while hospitals and other providers seek alternative methods to mitigate their revenue cycle issues
- Keep in communication with hospital Accounts Payable and Supply Chain departments as this is a fluid situation
- Explore extending payment terms temporarily
- Make IHA/UISS and members aware of potential technology and solutions that can help support and accelerate recovery of hospital revenue cycles