



HEALTHCARE BUSINESS MANAGEMENT ASSOCIATION

March 4, 2024

Hon. Mike Johnson
Speaker, United States House of Representatives
H-232, The Capitol
Washington DC 20515

Hon. Hakeem Jeffries
House Minority Leader
H204 O'Neill House Office Building
Washington DC 20515

Hon. Chuck Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington DC 20510

Hon. Mitch McConnell
Senate Minority Leader
S-230, The Capitol
Washington DC 20510

Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
7500 Security Blvd
Baltimore, MD 21244

Neera Tanden
Director
White House Domestic Policy Council
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Speaker Johnson, Minority Leader Jeffries, Majority Leader Schumer, Minority Leader McConnell, Administrator Brooks-LaSure, and Director Tanden.

On behalf of the Healthcare Business Management Association (HBMA), we are writing to share information with you about the recent cyberattack on Change Healthcare and to strongly advocate for you to cooperate in a whole-of-government effort to provide desperately needed assistance to medical practices.

[HBMA](#) is a non-profit professional trade association for the healthcare revenue cycle management (RCM) industry in the United States. HBMA members play an essential role in the operational and financial aspects of the healthcare system. Our work on behalf of medical practices allows physicians to focus their attention and resources on patient care - where it should be directed - instead of on the many administrative burdens they currently face. The RCM process involves everything from the lifecycle of a claim to credentialing, compliance, coding and managing participation in value-based payment programs.

On February 21, 2024, Optum [announced](#) that its subsidiary, [Change Healthcare](#), was the victim of a massive cyberattack. Change Healthcare is one of the largest clearinghouses for medical claims. Clearinghouses such as Change Healthcare serve an essential role in the healthcare revenue cycle management (RCM) process. Clearinghouses exist to simplify the claims submission workflow for providers by allowing providers to submit claims to a single entity (the clearinghouse) instead of to each individual health plan. Submitting claims through a clearinghouse is standard industry practice. Most payers only accept claims through a clearinghouse and do not support an option for direct submission from the provider to the health plan.

Essentially all claims are submitted to commercial and government payers through a clearinghouse. Change Healthcare is among the largest – if not the largest – clearinghouse. About [15 billion](#) healthcare transactions for both commercial and government payers are processed through Change Healthcare each year.

In response to the cyberattack, physician practices and hospitals were immediately advised to disconnect from Optum to mitigate against future impact. While there was concern that the malicious actor could have access to all of UnitedHealth's servers, Optum says it is confident that the attack was contained to Change Healthcare.

Given the size of Change Healthcare, a huge amount of medical claims cannot be submitted to commercial and government payers. While there are alternative clearinghouse vendors, switching to a new clearinghouse or submitting claims directly to payers are huge operational changes that take time and resources to implement. Further complicating the situation, many other clearinghouses route their claims through Change Healthcare. In short, Change Healthcare is in many ways the hub of a giant wheel of spokes that is the healthcare revenue cycle management process.

With no resolution to this situation in sight, the reality of the situation is that many medical practices will experience massive cashflow disruptions which threaten their survival. Given the central role Change Healthcare plays, many practices are not able to submit claims or receive reimbursement until Change Healthcare is reconnected or workarounds are established.

Historically low reimbursement rates and high overhead costs mean many medical practices operate on thin profit margins. Any cashflow disruption can have a huge financial impact. This issue will compound beyond the practice to other entities. The practice's vendors, such as their RCM companies, cannot be paid if the practice has no cashflow. With a resolution potentially weeks away, the situation has become dire for many medical practices.

Some practices have attempted to mitigate these issues by obtaining lines of credit or by filing claims with their cybersecurity insurance vendors. However, many practices are not able to obtain lines of credit at this time and cybersecurity insurance policies vary and might not support practices since they are not the victims of this attack.

UnitedHealth Group announced a temporary financial assistance program for impacted providers. However, the structure of this program clearly pales in comparison to the reality of the situation. This program is no where near sufficient for providing the necessary cashflow practices need until the situation is resolved.

Congress and the Centers for Medicare and Medicaid Services (CMS) are responsible for ensuring access to care for Medicare and Medicaid beneficiaries. This means supporting medical practices through this challenge to ensure medical practices are financially viable to serve patients. We urge Congress and CMS to:

- The Biden Administration should declare a public health emergency (PHE) that enables CMS to take emergency actions to expedite enrollments, claim submissions and claim payments.
- Establish financial relief programs for medical practices similar to the relief programs established the COVID-19 pandemic. The cashflow disruptions caused by this situation are akin to the disruptions caused by the COVID-19 pandemic.
- More actively communicate information to providers about how CMS is responding to this situation and what resources are available to providers.
- Improve communications about what actions are being taken to help Optum resolve this issue to bring Change Healthcare back online.
- Eliminate the 3.37% reduction to the 2024 Medicare Physician Fee Schedule (PFS) Conversion Factor (CF) and provide sustainable Medicare reimbursement rates that account for the fact that inflation has outpaced updates to the CF by over 20% since 2010. Sustainable reimbursement

rates means practices would have a larger operating margin which would make it easier for practices to weather storms such as this.

- Congress should hold hearings on the cyber attack's impact on the healthcare revenue cycle process. HBMA would be happy to participate as a witness in such a hearing.

HBMA can help serve as a resource to CMS and Congress by sharing real-time, on-the-ground information from our members about this situation. Please contact us at any time if we can be a resource or answer any questions that you have about this situation or our recommendations by emailing HBMA Director of Government Affairs, Matt Reiter (reiterm@capitolassociates.com) or HBMA Executive Director Brad Lund (brad@hbma.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle Tucker", with a long horizontal flourish extending to the right.

Kyle Tucker
President, HBMA