



February 28, 2024

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Mitigating the impact on medical groups from the cyberattack on Change Healthcare

Dear Secretary Becerra:

The Medical Group Management Association (MGMA) thanks you and the Department of Health and Human Services (HHS) for your efforts to address the harmful impact resulting from the cybersecurity attack on Change Healthcare. Given the size of Change Healthcare and the breadth of services it provides to physician groups and the healthcare sector, the fallout from this malicious cyberattack is rippling across the country. We urge HHS to use its authority to avoid compounding these concerns, supporting physician practices, and helping facilitate patients' continued access to care.

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 group medical practices ranging from small private medical practices to large national health systems, representing more than 350,000 physicians. MGMA's diverse membership uniquely situates us to offer the following insights.

It is imperative that all Change Healthcare operations be safely reestablished as quickly as possible. While the full extent of the cyberattack and a comprehensive understanding of its effects on the healthcare system currently remain unknown, MGMA has been engaging with members and hearing alarming feedback about the myriad ways their practices have been impacted. By no means comprehensive, here are a just a few of the consequences medical groups have felt over the past week:

- **Substantial billing and cash flow disruptions**, such as a lack of electronic claims processing. Both paper and electronic statements have been delayed; some groups have been without any outgoing charges or incoming payments for the duration of the outage.
- **Limited or no electronic remittance advice from health plans**; groups are having to manually pull and post from payer portals.
- **Prior authorization submissions have been rejected** or have not been transmittable at all. This further exacerbates what is routinely ranked the number one regulatory burden by medical groups and jeopardizes patient care.
- Groups have been **unable to perform eligibility checks** for patients.
- Many **electronic prescriptions have not been transmitted**, resulting in call-in prescriptions to pharmacies or paper prescriptions for patients. Subsequently, patients' insurance information

cannot be verified by pharmacies, and they are **forced to self-pay or go without necessary medication.**

- **Lack of connectivity to important data infrastructure** needed for success in value-based care arrangements, and other health information technology disruptions.

We request HHS utilize all the tools at its disposal to mitigate these impacts, so medical groups do not have to take drastic actions to remain in operation. Guidance, financial resources, enforcement discretion, and more are needed to avoid escalating an already serious situation.

Physician groups have been diligently instituting workarounds for issues that have arisen but given the already significant financial constraints practices are facing — ongoing cuts to Medicare reimbursement, high inflation, staffing shortages — significant delays in payment and other impediments could further weaken their ability to operate. Overall, most practices (especially those outside of health systems) have a line of credit, but many don't carry reserves from year to year given their tax status. Credit is essential at the beginning of the year before practices are able to accrue enough revenue to pay salaries and expenses. The timing could not be worse.

These financial realities faced by medical groups illustrate just how impactful an extended billing disruption can be when consolidated under one large corporate entity. These effects are even more pronounced in smaller medical groups, which may not have the ability to weather extended cash flow delays. The ultimate goal is to maintain patients' access to high-quality care and medical groups' ability to serve their communities.

MGMA looks forward to working with HHS to ensure medical groups are able to operate effectively despite these attempts to weaken our nation's health system. If you have any questions, please contact James Haynes, Associate Director of Government Affairs, at jhaynes@mgma.org or 202-293-3450.

Sincerely,

/s/

Anders Gilberg
Senior Vice President, Government Affairs

cc The Honorable Chiquita Brooks-LaSure, CMS Administrator