



**Kansas Hospital
ASSOCIATION**

The Honorable Jerry Moran
U.S. Senate
521 Dirksen Senate Office Building
Washington, DC 20515

March 14, 2024

Dear Senator Moran,

On behalf of our 122 hospital and health system members, the Kansas Hospital Association (KHA) appreciates the ongoing dedication you and your staff have provided to Kansas hospitals, their workforce, and the patients they serve. I am writing to update you on the recent cyber-attack on Change Healthcare and its impacts on hospitals and health systems in Kansas as we enter week four of the shutdown.

KHA has actively monitored the impacts of the cyber-attack since it was announced on February 21, 2024. While the impact on hospitals across the state is variable depending on their level of use of Change Healthcare and UnitedHealth Group services, all hospitals are impacted, many quite substantially. The impact has grown over the last two weeks and the relief being offered is woefully inadequate.

Our chief concern is how cyber-attack is preventing or impeding patients from accessing care and jeopardizing health outcomes. A major issue immediately felt is providers unable to transmit prescriptions to community pharmacies, patients unable to fill prescriptions, and patients being asked to pay cash for their prescriptions even if they have insurance. Without access to needed prescription drugs, patients get sicker and possibly need emergency care. We understand that mitigation efforts have improved access via retail pharmacies, but more work is needed to ensure patients have timely access to vital medications.

As the extent of the attack unfolds, we have concerns about impacts to pre-authorizations, referrals, and eligibility checks slowing down patients' access to care – these are all Change Healthcare transactions which are currently shutdown.

In addition to these impacts on patients, there are profound consequences to hospital financial stability. Many hospitals in Kansas are operating with razor-thin margins and worry how they will be able to weather this crisis. We are hearing serious concerns about impacts on the revenue cycle at hospitals, with no ability to file claims, no payments, past due payments, or payments where it is not clear to what patient they are tied. Once again, these Change Healthcare transactions are shut down. Many hospitals are holding claims or resorting to manual processes that are insufficient and labor intensive; hospitals are having to use many more staff to engage in time-consuming tasks such as filing paper claims and calling health plans to verify benefits. All these impacts will result in significant viability concerns if not improved. Because hospitals do not have clarity on what insurance will pay, they are unable to tell patients what their financial responsibility will be or bill patients, which is frustrating and stressful for patients needing care.

Change Healthcare's goals and timing. Thus far, UnitedHealth Group, the parent company of Change Healthcare, has been unable to adequately mitigate the impact of this attack. It now appears that the impact of the cyberattack is broader and longer lasting than was initially shared with customers. As the company states it



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hopes to be back online soon, experience has shown us that the return to normal is usually rocky and often contains lingering issues.

The financial assistance offered by Change is inadequate – a fraction of normal payments. Additionally, the contract terms to receive the assistance are one-sided and unacceptable.

We are advising our members that it is prudent to prepare as if this will be a longer-term, not a short-term, interruption. The scope of assistance offered thus far from UnitedHealth Group is insufficient to support impacted hospitals and physician practices, and we grow more concerned each day about the potential long-term impacts.

We need your help: We ask you to urge the Centers for Medicare and Medicaid Services to more actively engage in solutions that protect patients, hospitals, and physician practices. On March 4, the American Hospital Association sent a [letter](#) to congressional leaders asking to support and, if necessary, facilitate executive action to ensure patients can access the care they need and that our state’s hospitals remain solvent. We support this request and urge you to weigh in with the administration to push for action. Specifically, AHA has requested:

- Direction for Medicare Administrative Contractors to prioritize and expedite review and approval of hospital requests for sufficient Medicare advanced payments for those hospitals experiencing a delay in payments.
- Issuing guidance to all payers that outlines expectations that payers will implement periodic interim payments or advanced payments to providers; waive timely filing requirements for claims; extend timelines for appeals; and not deny claims due to lack of authorization, failure to give notice of admission, failure to check eligibility electronically, failure to receive medical records or failure to timely appeal denials; among other considerations given the widespread disruption in routine operating procedures.
- Using all power at the Secretary’s disposal to ensure that UnitedHealth Group takes all necessary steps to remedy the situation, including implementing a meaningful financial assistance program and engaging in frequent and forthright communication with providers.

It is particularly concerning that while Change Healthcare’s systems remain disconnected, it and its parent entities benefit financially, including by accruing interest on potentially billions of dollars that belong to health care providers.”

Please do not hesitate to reach out to Audrey Dunkel at adunkel@kha-net.org if you have any questions or would like more information.

Chad Austin

President and Chief Executive Officer
Kansas Hospital Association