



May 17, 2024

Secretary Xavier Becerra
Department of Health and Human Services
200 Independence Ave., SW
Washington, D.C. 20201

Re: Nonprofit, Community Health Plans Continue to Experience Prolonged Challenges From UnitedHealth Group's Change Healthcare Cyberattack

Dear Secretary Becerra,

The Alliance of Community Health Plans (ACHP) is concerned that the public perception and narrative of the cyberattack on UnitedHealth Group's technology arm, Change Healthcare, is largely misleading and inaccurate. A recent conversation with HHS Chief Competition Officer Stacy Standers at ACHP's Board of Directors meeting signaled interest in receiving on the ground updates on the continued challenges resulting from the cyberattack. We appreciate the opportunity to share ACHP member companies' current experience getting operations back to pre-breach levels.

As you know, within days of the crisis, ACHP's nonprofit, community-based and provider-aligned health plan members implemented an array of targeted workarounds to minimize disruptions for providers and patients. These included advance payments, claim deadline flexibilities, paper claim and temporary check processes, assistance establishing new clearinghouse connections and more. While these processes remain in place, they were intended as short-term solutions to support providers and ensure patients received necessary prescriptions and care. Many of these processes are administratively burdensome and expensive to maintain, making them impractical to sustain long-term.

Despite recent congressional testimony from UnitedHealth Group CEO, Sir Andrew Witty, indicating a return to normal operations, ACHP member companies continue to experience partially or fully inoperable Change Healthcare systems, including claims processing. Further, our member companies note significant challenges communicating with UHG for resolution assistance. One member company reported that when requesting an exception to the contract's exclusivity clause, Change Healthcare was unable to locate its contract with the health plan, delaying necessary and timely business operations.

The following examples are just few of the challenges our member companies and their affiliated community providers continue to encounter:

CommunityCare in Oklahoma reports that it was just able to accept claims from Optum's iEDI Clearinghouse, the UnitedHealth Group alternative system, at the beginning of May, roughly 10 weeks after the cyber event. The health plan has received sparse communication regarding the restoration of the Emdeon clearinghouse, Change Healthcare's legacy clearinghouse system.



The temporary switch to the iEDI only allows the acceptance of standard claims transactions. This system does not include key components of the health plan's operating environment such as remittances, real-time eligibility processing, real-time claim status checks, print fulfillment services or electronic explanation of benefits processing. The delayed restoration of the systems forced CommunityCare to move to another clearinghouse for claims and remittance processing. Alternative solutions or vendors for benefit eligibility or claim status checks are more challenging given the backlog of other payers with similar issues moving to other vendors.

Security Health Plan in Wisconsin relied on Change Healthcare for ACA EDGE submissions, MA encounter submissions, medical chart retrieval and real-time insurance eligibility checks for its virtual care app. All of these processes remain fully inoperable. In response, Change Healthcare has been encouraging a shift to an alternative Optum product with significant delays. Without real-time eligibility check processing for the virtual care app, the health plan is unable to offer the seamless, no upfront charge experience for members.

Select Health in Utah anticipates a lengthy recovery for claims submissions. In the first two months of the UHG systems shutdown, Select Health experienced a 50% claim volume decrease. Those volumes are not yet back to pre-cyberattack levels due to provider backlog in submission. In addition, Select Health is addressing significant claims errors as a result of the transition to alternative systems, such as claim scrubbers that ensure the correct transaction standard, and clearinghouse. Select Health will spend at least the next six months reviewing data, identifying errors and adjusting claims, requiring thousands of personnel hours to address delays in services.

Martin's Point Health Care in Maine is experiencing increased provider call volume due to the nonoperational Change Healthcare eligibility benefit inquiry and response functions. In addition, Martin's Point still does not have an estimated time frame from Change Healthcare on restoring the Emdeon clearinghouse, leaving some provider groups dependent on paper claims for the foreseeable future.

UCare in Minnesota continues to rely on claim connection workarounds through other vendors and is unclear from the communication with UHG when processes will be fully restored. UCare relied on Change Healthcare for eligibility benefit inquiries and provider remittances. Neither of these processes have been restored and there is no expected resolution timeframe.

These specific examples highlight the ongoing impact of the UHG debacle on nonprofit, community health plans which have stepped up from the beginning to support and minimize disruptions for providers and patients. While temporary systems, like Optum's iEDI clearinghouse, or backup connections to alternative vendors are operational and technically allow the flow of claims to health plans, many other critical processes remain nonoperational.

UnitedHealth Group must continue to prioritize restoring the full suite of Change Healthcare's services, rather than highlighting the few systems that have been restored. Until these processes are fully operational, providers and health plans are forced to rely on patchwork solutions or be forced to adopt new, long term vendor partnerships to restore usual payer and provider system processes. This delay



continues to impact patient navigation of health care services and health care spending through increased administrative costs. As detailed in earnings calls and other public statements, UHG has the financial wherewithal to do much more to address this ongoing crisis.

ACHP member companies reiterate their commitment to working with the Administration and affected providers to ensure the whole provider community has access to the appropriate information and resources. To truly consider this crisis resolved, all provider and health plan systems need to be functioning at pre-cyberattack status, and communication from Change Healthcare to clients must improve. We appreciate the Administration's attention and encourage ongoing engagement with UnitedHealth Group. Our member companies eagerly await full restoration of these essential systems and services, as well as third-party attestation and flexibility in contracts that may have had exclusivity clauses.

We thank the Administration for its partnership and will continue to raise on-the-ground experiences of our nonprofit community health plan members and their provider partners. Please contact Dan Jones, Senior Vice President of Federal Affairs, ACHP (djones@achp.org) with any questions.

Regards,

Ceci Connolly
President and CEO

CC:

Chiquita Brooks-LaSure, Administrator, CMS

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