

March 1, 2024

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

Dear Secretary Becerra:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing regarding ongoing concerns with the cybersecurity incident that has impacted Change Healthcare and resulted in disruptions in claims processing, eligibility checks, and other impacts on day-to-day practice operations that has severely hampered physicians' ability to care for patients. As the situation continues to deteriorate and physicians await further guidance from Change Healthcare, **we ask the Department to use all its available authorities to ensure that physician practices can continue to function, and patients can continue to receive the care that they need.**

The AMA urges U.S. Department of Health and Human Services (HHS) to issue guidance documents on appropriate next steps for physician practices and implement enforcement discretion where available. The Department should also continue to facilitate all channels of communication from Change Healthcare to the health care community so that physician practices can stay up to date on the latest developments.

It is the AMA's understanding, from multiple interactions with our members, that the top concerns that physician practices have encountered include the following:

- **Interruption of numerous administrative and billing processes**

The inability to send claims, verify eligibility to confirm insurance coverage and benefit specifications, obtain prior authorization approvals, or receive electronic remittance advice. A considerable proportion of revenue cycle processes have ground to a halt across practices. Are there flexibilities that HHS can encourage health plans to provide to physician practices on meeting timely claim submission requirements?

- **Enormous administrative burdens are being shifted to practices**

Practices are being instructed to use direct data entry and portals to submit claims, which are quite labor-intensive compared with using their regular practice management systems that pre-populate data. These "workarounds" are adding extensive administrative burdens as well as substantial costs to physician practices for this extra manual work. In addition, practices are filing claims on paper when available, but many insurance companies no longer accept paper claims.

- **Significant data privacy concerns**

Fear that this incident has caused extensive breaches of patient and physician information.

- **Assurances associated with reestablishing connectivity with Change Healthcare systems**

Physician practices are looking for guidance on the security- and incident-related questions or criteria for Change Healthcare to answer before those practices reestablish connectivity.

- **Will physician practices be able to maintain operations?**

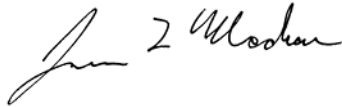
Many practices have not been able to submit claims since Wednesday, February 21, 2024.

Given the severe impact of this cybersecurity incident thus far and the significant and continuing erosion of Medicare payment to physicians, the AMA is concerned about the undue financial hardships facing physician practices if this incident is not resolved quickly. It is especially challenging financially at the beginning of the year since many practices do not carry over reserves. We are particularly concerned about small, safety net, rural, and other less-resourced practices that often serve underserved patient communities. **We urge HHS to utilize any available emergency funds and authorities to provide critical financial resources to physicians, ensuring they can continue to deliver essential health care services during these challenging times.**

The AMA appreciates your attention on this matter and will work with you and your staff to ensure that the physician community, as well as all those impacted by this incident, can maintain their operations.

As this situation continues to evolve, we pledge to keep you informed about what we are hearing from the physician community. In the meantime, if you have any questions or need any additional information, please do not hesitate to contact Margaret Garikes, Vice President of Federal Affairs, at margaret.garikes@ama-assn.org.

Sincerely,



James L. Madara, MD

cc: The Honorable Chiquita Brooks-LaSure