

March 19, 2024

Kate McEvoy  
Executive Director  
National Association of Medicaid Directors  
601 New Jersey Avenue, NW  
Suite 740  
Washington, DC 20001

**RE: Relief for physician practices impacted by Change Healthcare crisis**

Dear Ms. McEvoy:

On behalf of the physician and student members of the American Medical Association (AMA), I am writing to ask that the National Association of Medicaid Directors (NAMDD) urge its members to take immediate action to assist physician practices in their states impacted by the Change Healthcare cybersecurity breach and resulting service outage.

As you know, many physician practices across the country are not receiving payment for claims submitted via the Change Healthcare network prior to the February 21st cyberattack; have limited ability to submit new claims and receive payment; cannot check patients' health insurance information including patient eligibility; are struggling to electronically prescribe medications for patients; and are generally spending significant resources to mitigate the impact of this outage on their patients and practices. Unfortunately, most physician practices operate without significant reserves, and as they are now facing weeks of lost or reduced revenue, we have heard from many who are failing to make payroll for their staff and are unsure whether they will be able to remain solvent.

The AMA has been advocating for immediate and targeted financial relief for physician practices from payers in the form of advance payments. For physician practices devastated by the Change Healthcare outage, such payments serve as a lifeline. Therefore, we are asking that you **urge state Medicaid departments to immediately capitalize on the [new flexibilities](#) from the Centers for Medicare & Medicaid Services (CMS) related to State Plan Amendments (SPAs) for authority to make interim payments to physicians and other health care providers.** It is critical that states quickly apply for such Medicaid SPAs to assist physician practices serving Medicaid beneficiaries in weathering this crisis.

Additionally, we ask that state Medicaid directors work directly with their Medicaid managed care plans to exercise existing authority to provide interim payments to physician practices, as well as to adjudicate filed claims as quickly as possible.

Moreover, we are asking Medicaid directors to work with Medicaid managed care plans, and provide leniencies in their fee-for-services programs, to:

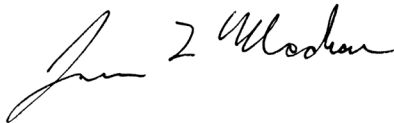
- **Suspend utilization management processes** such as prior authorization that may be compromised by the outage or burdening a practice that needs to use its limited resources elsewhere to care for its Medicaid patients;

- **Waive any claim denials based on lack of patient insurance eligibility or utilization management approval**, as many practices are unable to submit electronic eligibility requests to confirm coverage, benefits, and co-pay amounts for patients, making them potentially liable if a patient's coverage has lapsed;
- **Waive timely filing deadlines for claims and appeals** given the extensive challenges with claim submission resulting from the outage; and
- **Allow submission of paper claims** to assist those practices, including smaller or rural practices, that have not been able to switch to alternate clearinghouses or use other electronic workarounds for claims submission.

Again, we ask that you take a proactive role in urging NAMD members to quickly apply for SPAs to provide advance payment to physician practices and to take action on the items above to mitigate the immediate and long-term impact of this crisis on physicians serving Medicaid beneficiaries. We also ask that your members work directly with their individual state medical associations to identify additional issues related to individual state Medicaid programs and markets and the Change Healthcare crisis.

Thank you for your consideration. Please contact Emily Carroll, Senior Attorney, AMA Advocacy Resource Center, at [emily.carroll@ama-assn.org](mailto:emily.carroll@ama-assn.org) or Annalia Michelman, Senior Attorney, AMA Advocacy Resource Center, at [Annalia.michelman@ama-assn.org](mailto:Annalia.michelman@ama-assn.org) with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and "M".

James L. Madara, MD