

CHANGE HEALTHCARE CYBERSECURITY BREACH



BACKGROUND

The recent cyberattack on Change Healthcare has severely affected community health centers, which serve over 31.5 million Americans. This cyberattack, called “the most serious incident of its kind” by the American Heart Association, has disrupted operations, cash flow, and patient care, creating significant funding challenges. Health centers are struggling with unpaid claims, additional fees for new platforms, and extra staff time for workarounds. Patients are experiencing difficulties accessing prescription assistance programs and insurance eligibility checks, potentially deterring them from seeking care. Support from the Administration is needed to mitigate the impacts on both health centers and their patients.

- Health centers’ staff and providers have been working overtime to minimize the cyber attack’s effect on patient care.
- For safety net providers operating on razor thin margins, the additional costs have been significant.
- Health centers appreciate that CMS released an informational bulletin encouraging state Medicaid programs to provide advance payments to providers affected by the cyber attack.
- 50% of health center patients are Medicaid beneficiaries, and the delay in processing claims has created financial hardships for health centers.
 - Every Managed Care Organization has a different process for requesting advanced payment, creating additional administrative burden for CHCs.
 - Health centers also report that loans are not enough to cover the loss or revenue, much less the additional costs of administering the benefit.

NACHC’S APPROACH

NACHC reached out to health centers and related organizations affected by the cybersecurity attack to gather insights into the challenges faced by staff in maintaining patient care and administrative operations. This brief survey is intended to supplement existing impact information to better understand the ongoing effects of the cyberattack.

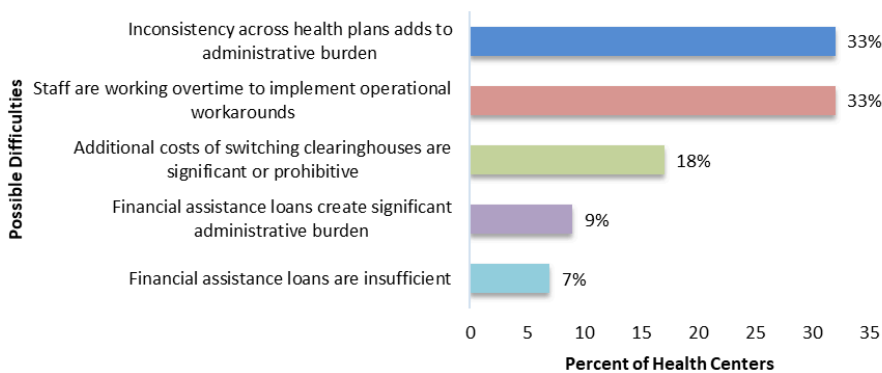
KEY FINDINGS

- 77% of health centers report that they were negatively impacted by the cybersecurity breach.
- An average 15% of health center patients have been directly affected by the breach. Health centers collectively serve over 31.5 million Americans.
- 62% of health centers have patients who were impacted by a delay in access to care due to inability to obtain prior authorization, service interruption, or went without needed medications.
- 12% report that access to discounted medication or health care services has been affected.
- One in five health centers (20%) have had over half (50%) of their revenue impacted by the breach.

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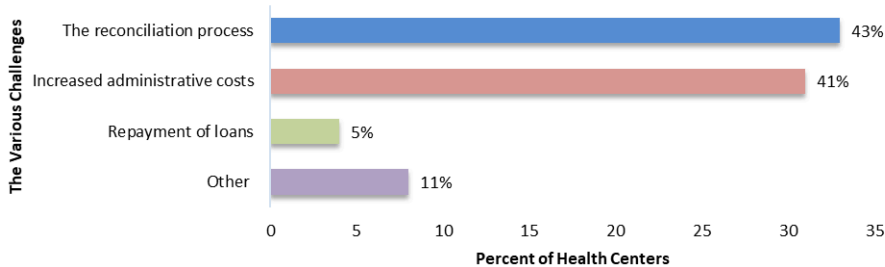


Difficulties faced by Health Centers



The administrative burden resulting from inconsistency across health plans, as well as staff overtime to implement operational workarounds, were among the greatest challenges faced by health centers during the breach (33%, respectively).

Challenges anticipated in 6 months by the Health Centers



The reconciliation process and/or increased administrative costs are expected to be major challenges over the next six months for almost half of health centers. (43% and 41% respectively).

In addition to repayment of loans, other challenges included increased costs in other areas, balancing finances, reevaluating IT connections, and identifying missing claims.

ABOUT THE SURVEY

The survey was conducted in early April of 2024. 408 health centers responded to the survey representing all 50 states, the District of Columbia and territories including Puerto Rico. The sample included both 330-funded and look-alike centers. The response rate was 28% and the margin of error is approximately 4% at a 0.05 confidence interval.