



April 16, 2024

The Honorable Brett Guthrie  
Chair  
Committee on Energy & Commerce  
Health Subcommittee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Anna Eshoo  
Ranking Member  
Committee on Energy & Commerce  
Health Subcommittee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Guthrie and Ranking Member Eshoo,

On behalf of the American Academy of Family Physicians (AAFP), representing more than 130,000 family physicians and medical students across the country, thank you for the bipartisan leadership in examining the impact of recent health care cyberattacks as part of today's hearing entitled "Examining Health Sector Cybersecurity in the Wake of the Change Healthcare Attack."

On February 21, 2024, Change Healthcare, a UnitedHealth Group (UHG) company, experienced a severe cybersecurity attack that had far-reaching implications for family physicians and other providers of health care services, impacting their ability to receive payments and perform everyday business functions that are essential to the delivery of care to patients. Since the cyberattack, the AAFP has been in close contact with UHG, as well as federal regulators who oversee public insurance programs and private payers impacted by the breach, with the goal of providing much needed support for our members.

The cyberattack disrupted multiple service lines at Change Healthcare and the effects are still being felt by health care delivery organizations across the country. The functions impacted by the Change Healthcare outage include everyday administrative tasks, such as confirming patient insurance eligibility, submitting electronic prescriptions, processing electronic prior authorizations, filing claims, and receiving payment for care they continue to provide. While large health care organizations with significant administrative/technology staff and substantial financial reserves may have weathered this storm, small physician-owned practices are in an entirely different situation – particularly primary care practices that frequently operate on razor thin margins in the best of times.

We are nearly two months removed from the initial cyberattack and the situation on the ground for many small practices has worsened over time. The AAFP continues to receive desperate inquiries from family physicians across the country who are reaching the point of possible practice closure. They are describing their current situation as "worse than COVID." During COVID, we saw practices temporarily closing – not providing patient care and not being reimbursed for services. Today, we see practices continuing to care for patients, but their revenues are reduced to a fraction of their normal cash flow prior to the attack. So, while caring for patients, physicians are faced with deciding which bills to prioritize, which creditors to negotiate with, and what they personally can go without due to the sudden and unexpected loss of revenue. These practices are struggling due to failures of systems that are beyond their control.

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UHG responded quickly offering remedies that include service workarounds and interest-free temporary funding programs, both of which are administratively complex requiring valuable staff and/or physician time. United HealthCare, the insurance subsidiary of UHG, also stepped up early in the aftermath of the attack to offer advanced payments to practices based on their average payment level before the attack. The AAFP directly, or indirectly through its chapters, asked that other national and regional private payers do the same and offer advanced funding to practices that were continuing to deliver care to their patients without receiving payment through normal channels. Of note is that the payers were not financially harmed by this incident as their ability to receive payments from their customers was largely unaffected. What we understand from our conversations with national payers and the input we receive from family physicians across the country is that the response from payers has been very inconsistent. Many of our members have not benefitted from the outreach of payers they contract with seeking to remedy the situation created by the payers' reliance on Change Healthcare.

Unfortunately, the efforts of Change Healthcare, UHG, and others, including the Centers for Medicare and Medicaid Services (CMS), have not been sufficient to be truly helpful to all – especially small, physician-owned primary care practices. The ongoing nature of this disruption is creating revenue challenges that are particularly troublesome for these practices that operate on very thin margins. The expectation that these practices would be staffed and equipped to simultaneously implement workarounds, negotiate with creditors to navigate the sharp downturns in revenue, and/or file for temporary funding while continuing to care for patients is unrealistic and unfortunate.

Described below are a few examples from family physicians to illustrate how this situation has intensified for small, physician-owned practices.

A family physician in Oregon noted that, since they have not received any income for more than six weeks, the practice has been forced to leverage its cash reserves to continue caring for patients. As the situation has become more dire, she turned to her own personal savings to stay afloat.

A family physician from Colorado described challenges associated with maintaining payroll. As a small practice, their financial wellbeing is based on weekly collections, and they generally have one week's worth of backup to pay weekly bills. Over the past six weeks, the practice was forced to manage their reserves on a daily basis and to prioritize vendors to pay until their income cash flow normalizes. This physician also noted that the local accountable care organization has been supportive over the past six weeks, but there was no outreach from local payers.

A family physician from South Dakota described financial losses reaching \$200,000 and has struggled to maintain payroll with the limited financial assistance they have received from private payers.

A family physician in Texas described the challenge with securing financial assistance from Change Healthcare. After applying for financial support, they still had not heard back when they contacted us in early April. This member noted that his clinic is at risk of shutting down, leaving their patients without immediate access to care.

A family physician in Alabama describes scaling back staff hours in order to manage expenses and maintain sufficient operations. When they contacted us, they were only receiving \$220 a week in temporary financial assistance, which is insufficient for meeting basic expenses such as payroll and utilities.

Change Healthcare has said repeatedly they have workarounds in place, have restored some services, and are working to restore full functionality to all service lines. They have also acknowledged as the backend technology support for multiple service lines that primarily connect to payers and/or other technology providers come online, restoring service initiates a chain of events that require others to act in order to restore full functionality for practices. This can explain why family physicians report to us that practice disruptions are continuing. Some examples of this include administratively burdensome workarounds, implementing manual mechanisms in cases where workarounds don't work, and, in many cases, leaning on outside sources of financial assistance or forgoing their own compensation in order to maintain adequate operations. Some members have even reported shifting away from electronic claims submission to utilizing antiquated paper claims that further delays payments. There still is not wide-scale national health care interoperability despite HIPAA and billions invested under the Health Information Technology for Economic and Clinical Health Act. This lack of interoperability coupled with consolidation has resulted in a health care system that is not resilient in light of this, and future cyberattacks to come.

There are several things the AAFP has learned during this cyberattack. As the committee examines the effects of this incident, below are items we offer for your consideration:

- **Improve ease of access and affordability of cybersecurity insurance, especially for small physician-owned practices.** While cyber insurance is available to protect small business against losses stemming from a cyberattack, our members report burdensome requirements that must be met to be eligible for such coverage. These requirements present significant challenges for small physician practices that are already facing substantial burdens, such as prior authorization requests, electronic health record documentation, coordinating care across clinicians, and contracting with multiple payers. Should the practice be able to meet these requirements, they are still faced with expensive premiums.
- **Work is needed to understand and fortify the resiliency of our nation's health care infrastructure.** Many of the workarounds put in place by Change Healthcare were developed and tested in real-time. For other companies vulnerable to similar attacks, it is necessary to understand what contingencies are in place amongst payers and vendors in the event that cyberattacks of similar scale and scope are realized in the future.
- **Address the impacts of industry consolidation and lack of oversight on the health care infrastructure that supports delivering care to patients, especially those related to administrative functions that do not improve the quality or value of care for patients.** Much of the nation's health care system is reliant on a small number of companies, such as Change Healthcare, providing these services. Their medical network completes 15 billion transactions each year, representing \$1.5 trillion in health claims. With one in three patients being impacted and almost \$14 billion in claims being affected, we urge Congress to closely examine how this kind of consolidation impacts the overall health system from the perspective of all stakeholders, including patients and the physicians who care for them.

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We appreciate the committee exercising its authority to understand the real impacts of this cyberattack. For more information about the AAFP's efforts, please contact David Tully, Vice President of Government Relations at [dtully@aafp.org](mailto:dtully@aafp.org).

Sincerely,

A handwritten signature in black ink, reading "Tochi Iroku-Malize". The signature is written in a cursive style. Below the signature, the text "MD, MPH, MBA" is printed in a smaller, sans-serif font.

Tochi Iroku-Malize, MD, MPH, MBA, FAAFP  
Board Chair, American Academy of Family Physicians