Cybersecurity Alert: Change Healthcare

Strategies to Support Cash-Flow

As we informed you earlier this week, on Wednesday, February 21, 2024, UnitedHealth Group Inc.'s technology subsidiary Change Healthcare announced that its systems were adversely affected by a security incident.

At this time, we do not know the breadth of the impacts on long term and post-acute care community as most claims submissions and billing activities occur at month-end. However, we believe there is a risk that many providers may encounter difficulties in submitting and being paid for claims through vendors that have been using Change Healthcare clearinghouse services.

Today, we sent a letter to the U.S. Department of Health and Human Services (HHS) Secretary Xavier Becerra requesting that HHS and CMS take specific actions in response to this issue. In the letter, AHCA/NCAL President and CEO Mark Parkinson asks HHS and CMS to announce that the situation meets the criteria for issuing accelerated payments through the Medicare program; instruct Medicare Administrative Contractors (MACs) to notify providers of the policy; and to encourage Medicare Advantage plans to provide a similar advanced payment option.

How Providers Can Take Action

If you are not able to process claims through your billing software vendor related to the Change Healthcare situation:

- Check with your healthcare payer to see if they have a provider portal or other mechanism that would permit manual or batch entry of claims.
- If that is not an option available, check with your payer to see if they are able to offer an advanced or accelerated payment until the billing software issues related to the Change Healthcare issue is resolved.

To request an accelerated payment:

For Medicare Part A and Part B services, providers that are unable to submit claims or receive payments from the MACs, or are unable to direct claim submission through the MAC portal due to administrative burden challenges, consider exercising your right to request an accelerated payment from your MAC. Your MAC's website should contain

the necessary information, or you can call your MAC provider helpdesk for guidance.

Below is a brief overview of the CMS Medicare Accelerated Payment Policy. Full details can be located in the Medicare Financial Management Manual, Chapter 3, Section 150.

- **An accelerated payment may be issued where there is:**
  - A delay in payment by the MAC for covered services rendered to beneficiaries and this delay as caused financial difficulties for the provider; (Not applicable in this situation)
  - In highly exceptional situations where a provider has incurred a temporary delay in its bill processing beyond the provider's normal billing cycle (May be applicable in this situation); or
  - In highly exceptional situations where CMS deems an accelerated payment is appropriate (AHCA has requested that HHS/CMS deem this situation applicable).

- **Eligibility for Accelerated Payment**

Provider eligibility for accelerated payments is contingent on the provider meeting all of the following conditions:

- A shortage of cash exists whereby the provider cannot meet current financial obligations; and
- The impaired cash position described above is due to abnormal delays in claims processing and/or payment by the MAC. However, request for accelerated payments based on isolated temporary provider billing delays may also be approved where the delay is for a period of time beyond the provider's normal billing cycle. In this instance, the provider must assure and demonstrate that the causes of its billing delays are being corrected and are not chronic; and
- The provider's impaired cash position would not be alleviated by receipts anticipated within 30 days which would enable the provider to meet current financial obligations; and
- The basis for financial difficulty is due to a lag in Medicare billing and/or payments and not to other third-party payers or private patients; and
- The MAC is assured that recovery of the payment can be accomplished according to the recoupment process instructions.

- **Computation of the Accelerated Payment**

To compute the accelerated payment on account, providers must:

- Determine the amount of the interim reimbursement for unbilled and unpaid claims;
- Subtract the deductibles and coinsurance amounts; and

- Multiply by 70% to determine the net reimbursable amount which can be paid to the provider.

CMS has developed a Sample Format for Provider Requests for Accelerated Payment that is provided in the Medicare Financial Management Manual, Chapter 3, Section 150. Your MAC may have this template as well.

- **Recoupment of the Accelerated Payment**
  - The Medicare Contractor shall attempt to recover any accelerated payment within 90 days after it is issued.
  - To the extent that a delay in the provider's billing process is the basis for the accelerated payment, recoupment is made by a 100 percent withhold against the provider's bills processed by the (Part A) contractor or other monies due the provider after the date of issuance of the accelerated payment.
  - Any remainder is recovered by direct payment by the provider not later than 90 days after issuance of the accelerated payment and be subject to interest charges and other administrative activities as necessary.

Again, this is an evolving situation, but we recognize how critical this is to our impacted members. We will continue to keep you appraised of any developments or share any guidance through this situation.

Please contact Grant Beebe or Dan Ciolek at AHCA/NCAL with any questions.
