



March 20, 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 America's pediatricians and children's hospitals, we write regarding the ongoing challenges posed by the recent cybersecurity attack on Change Healthcare. The subsequent shut-down of Change Healthcare services has had far-reaching and lasting effects on the health care system, including those that care for children. As more than half of all children in the United States rely on Medicaid and CHIP for coverage, we particularly appreciate your early and continued attention to the impact of this major system disruption on Medicaid and CHIP providers including the recent CMCS Informational Bulletin outlining state flexibilities in Medicaid. Today, we ask for additional action and to continue your targeted work with states and payers to ensure these flexibilities and supports reach pediatric providers to prevent any further negative impact on children's access to care.

The ramifications of the cyberattack on and shutdown of Change Healthcare services have directly affected pediatricians and children's hospitals. Challenges have included inability to submit claims or receive payments for rendered services, inability to verify patient insurance status, significant delays in prior authorization reviews, appeals, and approvals, inability to file electronic prescriptions, and more. Pediatric providers have been obligated to invest substantial resources in finding and implementing workarounds to these significant obstacles, where they can. Because of the typical lag in claims processing and payments, we are still gaining a fuller understanding of the ways the system disruption is impacting pediatric providers and expect more impacts to come to light in the coming weeks.

We urge you to ensure that relief funding is reaching pediatric providers. Some children's hospitals and pediatric practices have not been paid for multiple weeks. Unfortunately, we know that the existing sources of relief have not been accessible to or adequate to support pediatric practices and children's hospitals. For example, a pediatric practice that utilized the Optum Temporary Funding Assistance Program found that the available funding covered less than a tenth of the impacted claims, even after the program was expanded beyond United claims. Another practice was offered \$10 per week. Faced with these major disruptions in revenue, our members are taking out new lines of credit and considering drastic measures like furloughing staff and limiting clinic hours. These and other workarounds are particularly problematic for hospitals and pediatric practices caring for large numbers of children on Medicaid. They are working to continue operations without funding coming in. HHS must step in to ensure stopgap

financial relief reaches pediatric providers, whether from commercial plans, Medicaid programs, or other sources. We applaud the March 15 CMCS Informational Bulletin focused on Medicaid flexibilities to make interim payments in Medicaid fee-for-service programs. We are also particularly glad to see CMS urge states to suspend beneficiary cost-sharing. While the bulletin reiterates that Medicaid managed care plans are already able to offer financial relief to networked providers, it would be valuable to recommend best practices for a simple mechanism for providers to access that relief. For example, state Medicaid programs could direct their contracted managed care plans to proactively communicate with providers about the financial and administrative relief they are offering.

In addition to Medicaid support, many pediatric providers need – and are not currently receiving – financial support from commercial insurance plans. Unfortunately, many children's hospitals and pediatric practices are not receiving outreach from their plans, and when they have proactively asked for financial support, the stopgap funding offered in return is deeply inadequate to fill the gaps from the blocked claims and payments. We appreciate the attention that HHS has paid to the role of commercial plans in enduring and recovering from this major system disruption and ask for your continued support in urging plans to make financial and administrative relief easy to understand and easy to access. Importantly, the impacts of this disruption will be felt long after the Change Healthcare platform is fully back online. We ask you to please consider opportunities to bring transparency to the support offered by commercial insurance plans, such as a public listing of the financial relief offered by each plan along with a URL to access additional information or apply for relief for that plan. Further, we ask for your support in addressing the costs borne by pediatric providers to respond to this crisis. Pediatricians have taken out loans to cover payroll and operating costs while waiting for stopgap funding from payers to become available. Pediatricians and children's hospitals have recruited and redeployed staff to find and implement workarounds, transition to paper claims or manual submission, manually verify insurance eligibility, and track prescriptions and lab orders impacted by the system disruption. As a result, pediatric providers are incurring costs that will not be covered when the system disruptions are fixed, such as staff overtime and interest on loans. We stand ready to collaborate to find creative solutions to make pediatric providers whole.

To minimize the continued impact on pediatric providers, we ask for your support to reduce administrative burdens and extend flexibilities to the greatest extent possible across Medicaid, CHIP and commercial markets. We applaud the directive from the Centers for Disease Control to its Vaccines for Children (VFC) awardees to implement flexible measures including in borrowing and private stock requirements. Pediatricians impacted by the Change Healthcare outage have been unable to verify insurance status, and in some cases may have inadvertently used private vaccine stock for a VFC-eligible child, or VFC vaccine stock for a child enrolled in CHIP or a commercial plan. The flexibility outlined by CDC will ensure VFC providers are not penalized for ensuring children have timely access to vaccines. To best support children and pediatric providers, we recommend ensuring additional flexibilities from Medicaid, CHIP, and commercial plans including, but not limited to, the following:

- Waive prior authorization and utilization management requirements to the greatest degree possible. When these cannot be entirely waived, ensure flexibility for providers in timely submission of claims, appeals, and prior authorization documentation.

- Ensure that pediatric providers can access relief such as extending reporting periods, waiving documentation requirements, providing general hardship exceptions, and other programmatic flexibilities. CMS could highlight the Extreme and Uncontrollable Circumstances hardship exception for its Merit-based Incentive Payment System program and encourage Medicaid programs and commercial payers to implement similar relief.
- Ensure patients can access emergency refills and 30-day supplies of medications without additional cost sharing, including extending in-network benefits for prescriptions filled by out-of-network pharmacies.
- Offer guidance for tracking and redirecting lab orders that may be impacted by the system disruption. Hold providers harmless for delays in making test results available to patients electronically per 21<sup>st</sup> Century Cures requirements.

As our health care system addresses and recovers from the disruptions of this cybersecurity attack, we must anticipate and protect against future attacks. We are eager to learn what you will require of the health care sector to prevent such a disruption in the future. We were glad to see the attention to the HHS Cybersecurity program in the President's Budget for fiscal year 2025 and urge HHS to dedicate programmatic and financial resources specific to the pediatric health care system to ensure stronger cybersecurity.

Lastly, we ask that you continue strong communication and work with the states and payers to ensure the flexibilities and support you have allowed for occurs and makes its way to pediatric providers. HHS and CMS taking strong targeted action with states and plans will ensure focus and attention on what is needed to best support children's access to care during this disruption and subsequent system recovery.

The nation's pediatricians and children's hospitals are striving to ensure children have timely access to the care they need despite the challenges posed by this major system disruption. Our organizations stand ready to work with you to support the pediatric health care system.

Best regards,



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