The Three Minute Read™

Insights from the Healing American Healthcare Coalition™

Celebrating **TMR**'s 5th year with a March Madness subscription offer – just $12.00/yr. March 2024-1

HEALING AMERICAN HEALTHCARE COALITION

From the Editor: As **TMR** begins its 5th year, this issue includes updated Covid guidance from the CDC and the prefect storm facing UnitedHealth Group. To celebrate the anniversary, subscriptions will be only $12.00/yr. during March, just $1.00/month for timely coverage of emerging healthcare issues. You can subscribe here. Click on each headline to read the full article.

CDC drops 5-day isolation time for Covid-19, Associated Press, 3/1/24

TMR Topline – The CDC has revised its guidance on Covid-19 isolation. People who have tested positive can now return to work or regular activities if their symptoms are mild and improving and it's been a day since they've had a fever. The new guidance is similar to longstanding recommendations for flu and other respiratory viruses. In a related development, the CDC's independent vaccine advisers recommend that people age 65 and older should get an additional dose of the current Covid-19 vaccine if more than four months have elapsed since their previous shot. There were about 20,000 hospital admissions and 2,000 Covid-19 deaths a week as of mid-February. Strong evidence from new research shows that the vaccine can not only prevent severe disease but may cut the chances of getting a symptomatic infection by half, including against JN.1.

Young adults have higher rates of long Covid than older Americans, by Sara Chernikoff and Janet Loehrke, USA Today, 2/21/24

TMR Topline –,Recent data from the Census Bureau indicate that nearly one in four adults who contracted Covid-19 developed long Covid symptoms, a condition that can devastate people's lives for months or years. Adults aged 25-39 had the highest rates of long Covid symptoms, closely followed by adults aged 40-54. As of May 2023, about 70% of the US population received their primary series of Covid-19 vaccines, but only 17% has an updated booster shot according to the CDC. The symptoms for long Covid include fatigue, especially after exercise; brain fog; dizziness; gastrointestinal symptoms; heart palpitations; issues with sexual desire or capacity; loss of smell or taste; thirst; chronic cough; chest pain; and abnormal movements.

TMR's Take: Whether young or old, Covid remains a lingering threat. A word to the wise: if you haven't already done so, get vaccinated and boosted.

CHANGE HEALTHCARE

Pharmacies across US disrupted following hack at Change Healthcare network, by Raphael Satter and Sriparna Roy, Reuters, 2/22/24

TMR Topline – Pharmacies throughout the US began experiencing problems following a cyberattack on Change Healthcare's IT systems, impeding their ability to process insurance claims. United Health's technology unit provides a wide range of billing and claim processing services to providers, payers, third-party administrators and pharmacies. A variety of pharmacy chains said that the outage was having knock-on effects on their businesses.

Healthcare hack spreads pain across hospitals and doctors nationwide, by Daniel Gilbert, Dan Diamond and Kim Bellware, Washington Post, 3/3/24

TMR Topline – The cyberattack on Change Healthcare has cut off tens of thousands of physicians, dentists, pharmacies and hospitals from the systems they rely on

to transmit patients' claims and get paid. It operates the largest electronic *"clearinghouse"* in the US, acting as a pipeline that connects providers with insurance companies who pay for their services and determine what patients owe. The company handles 50% of all medical claims in the US totaling over $1.5 trillion a year. The hackers stole data about patients, encrypted company files and demanded money to unlock them. The American Hospital Association described it as **"***the most significant attack on the healthcare system in U.S. history."*

Midsize to large hospital systems across the country were affected to varying degrees by the cyberattack. Many hospitals disconnected from all of Change's systems after learning of the hack and are scrambling to set up alternative payment pathways with insurance companies. Many community hospitals are finding themselves victimized by an attack on a business entity that created vulnerabilities through its marketplace dominance.

Change Healthcare outage: AHA slams UnitedHealth funding program, by Lauren Berryman, Modern Healthcare, 3/4/23

TMR Topline – AHA CEO Richard Pollack criticized UnitedHealth Group's temporary loan program for what he described as its limited eligibility criteria and unfair contract terms and conditions. The cybersecurity incident has disrupted prior authorizations, claims submissions, payment and operations for nearly two weeks. Providers have been forced to find workarounds to get patients their necessary care but have also had to take on their own financial risk. The loan program is limited to providers impacted by the payer system outage, not for those that experienced claim submission disruptions.

CMS offers relief to providers affected by Change Healthcare outage, by Lauren Berryman, Modern Healthcare, 3/5/24

TMR Topline – CMS ordered its claims administrators to assist pharmacies, hospitals and others that need to use alternate means to process transactions while Change Healthcare works to get its systems back online following a Feb. 21 cyberattack. HHS did not promise advanced Medicare payments across the board but encouraged providers to request them from CMS' Medicare administrative contractors, which will conduct *"individual consideration"* of such submissions. HHS also advised providers to seek relief from private health insurance companies.

CMS requested that Medicare Advantage and Part D insurers relax or waive utilization management rules such as prior authorization during the outage, and will provide guidance to companies on how to implement those flexibilities. CMS encouraged insurers that cover Medicaid and Children's Health Insurance Program beneficiaries to do the same. The AHA criticized the plan as "*not an adequate whole of government response"* given the magnitude of the disruption.

US launches antitrust investigation into UnitedHealth, WSJ reports, by Sriparna Roy and Patrick Wingrove Reuters, 2/27/24

TMR Topline – The Wall Street Journal reported that the DoJ has launched an antitrust investigation into UnitedHealth Group including certain relationships between the company's insurance unit and its Optum health services arm, which owns physician groups, among other assets. The WSJ also reported that the DoJ is examining the company's Medicare billing practices to see if doctors are aggressively characterizing their patients illnesses to wrongly increase payments from the government. The DoJ had previously sued to stop UnitedHealth Group's acquisition of Change Healthcare in February 2022, but the buyout was completed later that year.

TMR's Take: With 2023 revenues of $371.6 billion and earnings of $32.4 billion, the oligopolistic UnitedHealth Group is the largest healthcare company on the Fortune 500 list, ranked #5. Did the company place profits above providers, payers, pharmacies and patients, leaving its customers exposed to cyberattacks? Did it invest sufficient resources in system redundancy and cybersecurity or did it prioritize hitting profit goals? UnitedHealth reported a medical loss ratio of just 83.2%. Contrast that with the government run Medicare program that spends 98% of premiums on medical care.

In IT, system vulnerability increases significantly with system complexity and the healthcare ecosystem is far too complex. At a minimum, the systems should have had fully redundant capacity with frequent backups. Thankfully, the hackers did not attack hospital systems where two companies dominate the market.