



Welcome to *Washington Update*, the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

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## **Cybersecurity, Provider Relief, And UHG's Size Dominate Hearing On Change Healthcare Cyberattack**

Cybersecurity in health care can hang by a thread, lawmakers heard again at a Senate Finance Committee [hearing](#) this week exploring the Change Healthcare cyberattack. Andrew Witty, CEO of UnitedHealth Group (UHG), Change Healthcare's parent, and the sole witness, testified that a single one of the company's computer servers — unprotected by [multi-factor authentication](#) — served as a virtual unlocked door for the cybercriminals who attacked the organization's systems last February.

That such a basic form of protection was absent from the nation's largest health care information clearinghouse left some lawmakers incredulous. "Cybersecurity 101 could have stopped this attack," said committee chair Ron Wyden (D-OR), who told Witty that "your company, on your watch, let the country down." "There was some basic stuff that was missed," agreed Sen. Tom Tillis (R-NC), who held up a copy of a book entitled *Hacking for Dummies* to underscore the point.

**New minimum standards?** Noting that cyberattacks are attempted against UHG roughly every 70 seconds, senators appeared to agree on the need for tougher minimum cybersecurity standards for health care. One issue is clarifying government oversight amid the current maze of responsibility. Sen. Mark Warner (D-VA) noted that, at present, cybersecurity in health care is overseen by four different federal

departments and roughly 12 different agencies. “This lack of clarity is one of the challenges,” he said.

In other testimony, lawmakers elicited these additional points from Witty – and tested out what could become new lines of inquiry about UHG:

- Change Healthcare’s functions are back to normal, and UHG expects the backlog of claims will be cleared within six weeks. Providers who have obtained more than \$6.5 billion in no-interest loans from UHG to tide them over won’t have to repay the money until 45 days after they have determined that their cash flow is also back to normal.
- UHG is still working with government regulators to determine whose protected health information and personally identifiable information has been made public and notify them as per federal law. “This data can reveal abortions, mental health conditions, sexually transmitted infections, and more,” said Wyden, who noted his particular concern that information about U.S. military service members was probably hacked. Witty apologized multiple times and pointed out that all individuals concerned that their information may have been hacked can apply to UHG for two free years of credit and identity theft protection.
- Change Healthcare will no longer have exclusivity provisions in its contracts that would prevent users from switching to another clearinghouse. To create redundancy in the future, Witty said the organization will “continue to encourage clients to have backup systems in place” in the event of future disruptions.
- After several lawmakers questioned whether UHG, the fifth largest company in the U.S. by revenue, was “too big to fail,” Witty vowed that UHG would not take advantage of the current crisis to grow bigger – specifically, by purchasing physician practices in financial duress because of the payment disruption, and to whom the company may have extended loans. (APG has long had as members multiple large physician practices owned by UHG’s Optum division).



## House Republicans Maintain Feud With CMS Innovation Center

The Government Accountability Office should look further into the federal budgetary effects of the operations of the Center for Medicare and Medicaid Innovation (CMMI), two leading House Republicans [said](#) last week. Texas representatives Jodey Arrington, who chairs the House Budget Committee, and Michael Burgess, pointed to a recent analysis by the Congressional Budget Office (CBO) of the effects of CMMI’s demonstration projects over 2021-2030 and implied that it was flawed. CBO had projected that CMMI’s operations would marginally increase net

federal spending over the decade by a paltry \$1.3 billion – just .01 percent of Medicare spending – whereas the nonpartisan agency advising Congress earlier found that CMMI's operations had added \$5.4 billion in greater spending over 2011-2020.

Many House Republicans have long been skeptical of CMMI, and Rep. Burgess, who is retiring this year, has expressed frustration that CMMI has not proposed to test any alternative payment models advanced through the so-called [Physician-Focused Payment Model Technical Advisory Committee](#). That entity was created in the 2015 MACRA law, which Burgess championed.



## APG Announcements And Offerings

- APG will host an **Emerging Trends in Health Care Webinar** on May 16, 12:00 pm – 12:45 pm ET, with guest Rebekah Gee, MD, CEO of Nest Health. Register [here](#).
- Registration is open for the **APG's Spring Conference** in San Diego from May 29-31. Register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

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Valinda Rutledge, EVP, Advocacy and Education ..... [vrutledge@apg.org](mailto:vrutledge@apg.org)  
Jennifer Podulka, Vice President, Federal Policy ..... [jpodulka@apg.org](mailto:jpodulka@apg.org)  
Garrett Eberhardt, Executive Director, Medicaid Policy ..... [geberhardt@apg.org](mailto:geberhardt@apg.org)  
Greg Phillips, Director of Communications ..... [gphillips@apg.org](mailto:gphillips@apg.org)