AMERICAN ACADEMY
OF OPHTHALMOLOGY

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Mr. Dirk McMahon
President and Chief Operating Officer
UnitedHealth Group
P.O. Box 1459
Minneapolis, MN 55440-1459

Dear Mr. McMahon:

The American Academy of Ophthalmology (the Academy) is reaching out to you to express our **serious and significant concerns** about the continued disruption to ophthalmology practices serving their patients because of the cybersecurity attack on Change Healthcare. Due to the size of Change Healthcare and scope of services it provides to physician groups and healthcare facilities, the consequences of this malicious cyberattack affect the entire healthcare ecosystem, including our members. The Academy is the largest association of eye physicians and surgeons in the United States. A nationwide community of nearly 20,000 medical doctors, we protect sight and empower lives by setting the standards for ophthalmic education, supporting research, and advocating for our patients and the public. We innovate to advance our profession and to ensure the delivery of the highest-quality eye care.

The Academy continues to receive alarming feedback from our physician members about the negative ways their practices have been impacted since the disruption to Change Healthcare services began _over two weeks ago_. Affected ophthalmology practices have experienced nearly a complete halt to electronic transactions and revenue cycle processes since the outage began, including:

- Substantial billing and cash flow disruptions, such as a lack of electronic claims processing. Some groups have been unable to submit claims or receive payments for the duration of the outage.
- Limited or no electronic remittance advice from health plans. Groups are having to manually pull and post from payor portals, taking staff away from patient care to instead focus on administrative work.
- Prior authorization submissions have been rejected or have not been transmittable at all. This further exacerbates what is routinely ranked as the number one regulatory burden by medical groups and jeopardizes patient care.
- The inability to perform eligibility checks for patients.

Disruptions to cash flows at the start of the year are practice-threatening for ophthalmologists, who are more likely to work in small, independent practices. Small groups typically operate with narrow margins, and frequently close the year with little to

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no cash on hand to start the next year. Cash flows also typically dip in Q1 as deductibles reset and patients are slow to pay medical bills. This time of year is already very lean by nature, so a delay in claims submission and payments creates outsized impacts on practices' ability to cover payrolls. Physicians may be forced to make self-induced pay cuts or to work without pay to keep the lights on, pay their staff, and continue treating patients. **It is not sustainable.**

The Academy is **extremely disappointed** with the actions UnitedHealth Group (UHG) has taken thus far in response to this crisis. While we appreciate that UHG finally issued a statement outlining the timeline for restoring operations and actions it plans in the interim, we believe that more must be done. UHG continues to recommend that impacted practices temporarily switch to another clearinghouse for electronic transactions or submit manually via each separate payor online portals. However, these workarounds fail to recognize the resource cost to physician practices. Setting up electronic transactions with a new vendor requires physicians or their staff to complete paperwork, change their electronic health records/billing system set-up, send test files, and wait for the clearinghouse to confirm the connection before claims can be submitted. In the end, it usually takes one to two months before a practice can send and receive electronic transactions from a new clearinghouse.

To address these workflow issues, practices have to allocate staff away from patient care toward navigating the billing workaround, further reducing cash flows. Practices that are already in a lean cash position with an unexpected halt to their cashflows are in no position to hire additional staff to handle this change in workflows.

A better solution is to provide adequate advance funding to practices so they can keep treating patients while Change Healthcare works on to restore claims submission. While UHG has launched a temporary financial assistance program via Optum Financial Services (Optum Pay), this program is **completely insufficient**. The Academy has already heard a long list of issues with the program from our members. First, the program has many stipulations that limit the effectiveness of the aid. Assistance is only available for those with payment distribution issues, not claims submission issues. In our experience, claims submission is the number one problem for most practices. Groups must also sign up for Optum Pay, which has a premium service option that charges 0.5% per consolidated payment ($5 for every $1,000 in payments) if selected.

Additionally, the amount of funding available is calculated based upon the last 12 months of payments processed by Change Healthcare. If a practice submits claims only through Change Healthcare, but has payments processed by the payor (such as the case with Medicare fee-for-service (FFS) claims), that practice may not be eligible for *any* financial assistance through Optum Pay's current program.

We have received numerous reports that the total financial assistance being granted through these programs is far less than the total dollars needed to provide meaningful relief to physician practices. Two such concerning examples include:

- A small ophthalmology practice in New Jersey applied for financial assistance through Optum, which allocated them just $2,600 per week. For a practice with 6 providers plus staff, this amount does not even cover the additional administrative staff expense incurred due to the outage. The practice has been forced to start manually entering claims for private insurance companies. This data entry is painfully time-consuming and takes

staff away from other responsibilities. Most concerning, the practice currently has no way to submit Medicare FFS claims because their billing system has no way of direct submission and paper claims processing delays payment.

- Another practice in Rhode Island was granted $20 per week to cover a payroll of 30 staff members. *That is not a typo: $20 A WEEK!* This lack of financial support is sure to have a direct effect on patient care as this physician practice is facing significant financial turmoil.

We understand that emergency financial assistance is being expanded to some practices on March 11; however, that program comes with the stipulation that practices must be unable to utilize Optum's Intelligent EDI solution or other workarounds. As explained previously, switching EDI vendors is not a quick process. While practices wait to set-up claims submission with a new vendor, they continue to experience cash flow issues. Conditioning financial assistance based upon usage of these workarounds denies support for practices in desperate need and denies UHG's accountability for the present situation. UHG should be providing adequate financial support for ALL practices impacted by the Change Healthcare claims submission outage.

UHG MUST do more to support physician practices during this difficult time. **We strongly urge UHG to take the following steps IMMEDIATELY:**

1. *Adhere to the new timeline for getting claims submission back online:* UHG must adhere to the timeline of mid-March that it has established for restoring all operations, including claims submission. The Academy feels strongly that UHG has underestimated the impact of the cyberattack on independent physician practices and should prioritize the claims submission fix. The workarounds previously suggested by UHG are not feasible for small practices due to the time and resources required. If the timeline for reconnecting the claims submission platform is pushed back, UHG must come up with better workaround policies.
2. *Increase Financial Assistance for Physician Practices:* There must be sufficient assistance provided for practices experiencing claims submission issues; <u>$20 per week, which one practice is receiving, is NOT SUFFICIENT</u>. Without further financial support, many practices will close.
3. *Eliminate Fees and Restrictive Terms and Conditions*: Financial assistance should be provided to physician practices <u>without restrictive terms and conditions</u>.
4. *Expand the Temporary Relief Actions to Include a Moratorium on Step Therapy*: UHG recently announced that for Medicare Advantage plans, UHG is suspending prior authorizations for most outpatient services until March 31, except for durable medical equipment, cosmetic procedures, and Part B step therapies. The use of step therapy for drugs covered through Medicare Part B has created unnecessary burdens and consequences when it comes to the health of the patients our members serve. During this crisis, as staff within physician practices are overburdened with trying to meet the needs of patients, the need to continue Part B step therapy protocols and approvals will result in even greater treatment delays that adversely impact patient care.

Practices must be able keep doors open to maintain patients' access to high-quality eye care. **The Academy again strongly urges UHG to take the steps we have outlined in our letter.** We are willing and eager to work with UHG to make sure ophthalmology practices can continue operating effectively despite these attempts to attack our nation's healthcare system. If you have questions

or would like to schedule a meeting, please contact Brandy Keys, MPH, Director of Health Policy at bkeys@aao.org or via phone at 202-587-5815.

Sincerely,

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John T. McAllister, MD
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