

Change Healthcare cyberattack impact

Key takeaways from informal AMA survey

Over 1,400 individuals responded to an informal AMA survey of the Federation of Medicine (state medical associations and national medical specialty societies) on the impact of the [Change Healthcare cyberattack on physician practices](#). The survey was open to respondents from March 26 – April 3, 2024. Respondents could skip questions; not all questions have 1,400 respondents.

Practice demographics: Most responses came from practices with fewer than 10 physicians.

1297	Practices with 99 or fewer physicians
74	Practices with 100 to 999 physicians
30	Practices with 1,000+ physicians
Additional details:	
432	Single-provider practices
1,097	Practices with ≤ 10 physicians

Over 77% of respondents have experienced service disruptions since Feb. 21 and are still feeling the effects of the cyberattack (N=1,393).

Respondents reported that several functionalities have been suspended, resulting in a substantial use of workarounds (N=940).

- Restricted functionality has resulted in:
 - **36% have experienced suspension in claim payments**
 - 32% have not been able to submit claims
 - 39% have not been able to obtain electronic remittance advice
 - 22% have not been able to verify eligibility for benefits
- Considerable use of both manual and electronic workarounds:
 - 31% have employed both workarounds to be paid for claims
 - 31% have had to use both workarounds to submit claims
 - 25% have had to use both workarounds to obtain electronic remittance advice
 - 25% have had to use both workarounds to verify eligibility for benefits
- In addition, the survey revealed that many practices reported **disruptions in electronic lab ordering**.

“Not being able to send paper claims to the insurance companies that require electronic billing for this time in need”

Service disruptions from the cyberattack have led to severe consequences for physician practices (N=923).

- 80% have lost revenue from unpaid claims
- 85% have had to commit additional staff time/resources to complete revenue cycle tasks
- 78% have lost revenue from claims that they have been unable to submit
- 51% have lost revenue from the inability to charge patient co-pays or remaining obligations

“...may bankrupt our practice of 50 years in this rural community...”

“This cyberattack is leading me to bankruptcy and I am just about out of cash”

“I am now going to get acquired by a hospital system because I just can’t bear the financial responsibility”

Physician practices are resilient, but disruptions from the cyberattack have forced practices to adapt (N=786).

- 55% of respondents **had to use personal funds to cover practice expenses**
- 44% were unable to purchase supplies
- 31% were unable to make payroll
- However, even facing all these payment and claim disruptions, **only 15% of practices have reduced office hours**

“Payroll taxes and gross receipts are not able to be paid, resulting in penalties. Other overhead costs are not able to be paid, also resulting in late fees.”

“Our bank account is not going to cover payroll soon. We have cut back on supply ordering.”

“...We are barely able to pay employees and can't pay our vendors”

Physician practices are being forced to enter new, and potentially costly, arrangements with alternative clearinghouses (N=772).

- 48% of respondents have engaged alternative clearinghouses to conduct electronic transactions

“We couldn't afford the cost of doing this. Other clearinghouses are taking advantage of this and small practices like mine who are already suffering without funds coming in can't afford to pay three times as much to take the time to switch clearinghouses.”

“Approximately \$10,000 just for the set-up of a 'back-up' clearinghouse. Additionally, one of our payers has changed clearinghouses, and they have told us that we are going to have an additional 2% charge on all claims, which will cost the organization approximately \$1,000,000”

Some practices are taking advantage of advance payments, temporary funding assistance, and loans, but issues persist (N=443).

- 55% of respondents said they **used personal finances**
- 12% of respondents have received assistance from CMS/Medicare
- 0.7% have received assistance from State Medicaid Plans
- Nearly 25% have received assistance from UnitedHealth Group/Optum
- 4.5% have received assistance from other health plans

“SOOOO much overtime dealing with this. Cost me additional \$50,000 in payroll.”

“...estimated \$100,000 in unexpected costs.”

“All of our expenses are being paid from my personal account”

“This crippled our brand new practice. I am keeping the lights on using personal funds.”

“I have not taken a salary for a month and am borrowing from personal funds to keep practice going”

Many respondents are concerned about the negative impact this attack has had on patient care.

“Severely affected our ability to manage pain care with our cancer patients”

“...patients had procedures delayed due to lack of access”

“...anyone needing prior authorization has been unable to get their medicines. I have on patient that was unable to get her biological for two months as she was unable to afford the cash cost and her disease flared significantly.”

“...inability to verify and accept patient insurance prior to visits, which then don't happen.”

“...patients are suffering from delays in medical care and increased medical bills because alternative options could not be given with an appropriate estimate because of this attack.”

“Cannot access lab order or get results”

The informal survey demonstrates that significant problems continue, especially for small practices. The survey was conducted after UnitedHealth Group (UHG) said that claims would be flowing by the weekend of March 23rd. Despite UHG's assurances, serious disruptions continue. The survey is also a reminder of the fragility of physician practices. [Visit the AMA website for more information.](#)