



Policy Alert:

Cybersecurity Threats in Healthcare on the Rise

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LUGPA Policy Alert: Cybersecurity Threats in Healthcare on the Rise

Healthcare providers remain prime targets for cybercriminals, with global cyberattacks on healthcare organizations steadily increasing. In [2023 alone, a staggering 133 million individuals fell victim to healthcare data breaches](#), more than double the previous year's count. The average breach impacts over 200,000 people, highlighting the severity of the situation.

Disturbingly, the number of breached healthcare records skyrocketed by 156% in 2023, totaling 133,068,542 records compromised. [Ransomware attacks on hospital systems rose significantly, with 46 systems falling prey in 2023, up from 25 in 2022 and 27 in 2021.](#)

[In late February, a cyberattack on Change Healthcare, a technology company acquired by UnitedHealth Group's Optum division in 2022](#), brought its systems to a standstill for over a week, severely impacting healthcare providers and disrupting vital operations. The incident, first reported on February 21, was later identified as a "cybersecurity issue" stemming from an external threat UHC eventually paid the ransom demanded by the hackers to the tune of \$22 million.

This breach underscores the critical need to bolster cybersecurity resilience in the healthcare sector. Cyberattacks on insurers create widespread disruptions impacting healthcare. When insurers shut down systems en masse, payments to providers for care are delayed, leading to delays in additional care delivery. Beneficiaries may struggle to access prescription medications and copay assistance. These attacks highlight the interconnectedness of healthcare and the need to address cyber threats for uninterrupted access to essential care.

[Financially, healthcare data breaches come at a hefty cost, averaging \\$10.93 million per incident, surpassing all other industries.](#)

[Over the past five years, the HHS Office for Civil Rights noted a staggering 256% increase in large data breaches due to hacking and a 264% surge in ransomware attacks.](#) To combat these threats, healthcare stakeholders must prioritize cybersecurity, as outlined in HHS's cybersecurity strategy. Striking a balance between patient privacy and data sharing is crucial. Policymakers can promote secure data exchange while safeguarding patient privacy through legal compliance, robust data security measures, interoperability, and patient education.

Practices should diligently review their Business Associate Agreements (BAAs) to ascertain the designated party responsible for notifying patients regarding their Protected Health Information (PHI), along with establishing additional processes and safeguards for PHI protection. It is strongly advised to collaborate with your General Counsel to ensure the accuracy and currency of BAAs. Failure to maintain up-to-date agreements exposes practices to heightened risks, underscoring the critical need for timely updates and compliance."

For additional resources on enhancing cybersecurity in healthcare, visit LUGPA's dedicated page: [Improving Cybersecurity for Healthcare Providers](#).

You can read HHS's [Statement Regarding the Cyberattack on Change Healthcare](#) [here](#). HHS's guidance on cybersecurity can be found [here](#).

An additional letter from the Medical Group Management Association (MGMA) on the attacks on how to mitigate their impact can be found [here](#).

Advocating for Physician Relief and Payment Reform in Congress

LUGPA's advocacy, in concert with other physician organizations, convinced Congress to eliminate about half of the 3.34% cut to the 2024 PFS conversion factor in [the recently introduced Consolidated Appropriations Act](#). Specifically, the bill eliminates 1.68% of the 3.34% cut effective March 8, which is more than the bipartisan committee negotiations considered just a few months ago.

LUGPA's health policy and political advocacy team directly engaged and educated lawmakers and their staff through fly-ins and letter campaigns urging support for MPFS reform. While it is disappointing that the full cut was not eliminated, Congress has now been sensitized to the reality that fundamental reform of physician payments and the associated MACRA quality reporting system must be overhauled. This will be a major focus of our policy development and advocacy for the rest of 2024 and beyond.

LUGPA remains steadfast in its dedication to advocating for the interests of its members and guaranteeing access to quality care for all patients. We will continue to work with a broad coalition of physician and patient groups to work with lawmakers on longer-term physician payment reform.

Collaborating to Protect Medicaid Drug Payments in New York

In February, LUGPA began collaborating with allies in New York to counter a troubling budget proposal in the state legislature. This proposal poses an imminent threat by potentially slashing Medicaid drug payments to levels at or below cost, endangering patient access to vital medications.

Evaluating Site-Neutral Payment Proposals

In December, the House of Representatives passed the Lower Costs, More Transparency bill on a large bipartisan vote. That bill included a provision on site neutrality, which reduced payments for Part B drug administration in off-campus HOPDs to the physician office rate. It also included another provision to require off-campus a claims tracker from off-campus HOPDs, to better implement the Bipartisan Budget Act of 2015 requirement that payment for future acquisitions of physician practices that operate off the campus of the mothership hospital must bill at the physician office rate. LUGPA supports both provisions but faces stiff opposition in the Senate.

Earlier last year, LUGPA submitted testimony objecting to a bill before the Energy & Commerce Committee that could have reduced payments in our ambulatory surgery centers to the physician's office rate if just a plurality of volume was provided in the physician's office. Fortunately, that bill did not advance out of committee.

LUGPA has been championing site neutrality for several years, and we are encouraged that lawmakers have recently been engaging in this issue. We remain committed to advocating for policies that ensure independent physicians can compete effectively with hospital systems, ultimately improving access to high-quality urology care for all Medicare patients nationwide. By promoting payment parity and competition, we aim to create a more equitable and efficient healthcare system that benefits patients and providers alike.

LUGPA Submits ASC Reimbursement Code Submissions to CMS

In February, LUGPA submitted new code submissions for the ASC Covered Procedures List (ASC-CPL) [Pre-Proposed Rule Recommendation Request](#) in line with our commitment to advocating for equitable reimbursement practices. This proactive initiative empowers stakeholders to propose surgical codes for inclusion in ASC reimbursement, fostering fair compensation for essential procedures and promoting access to quality care.

LUGPA's submissions included codes for Prostatectomy, Pyeloplasty, Ureteral reimplant/repair, Nephrectomy, and Percutaneous nephrolithotomy, in addition to several other procedures that are currently not covered when provided in an ASC.

Senators Renew Efforts on 340B Reform

Early in February 2024, a bipartisan group of senators unveiled a discussion draft on 340B reform, signaling a renewed focus on enhancing program integrity and fairness. [This draft, the SUSTAIN 340B Act](#), addresses critical areas such as contract pharmacies and patient definitions, aligning with LUGPA's longstanding advocacy priorities.

Building upon our previous comments in July 2023, which underscored the imperative for amendments to the 340B statute, LUGPA remains steadfast in advocating for reforms that address eligibility criteria, survey of acquisition costs, and patient definitions, ensuring the program effectively serves its intended purpose. We will be submitting comments this month to this work group.

Formation of Medicare Payment Reform Working Group

In February, [a new bipartisan Medicare payment reform working group comprising several U.S. Senators was launched](#). This group is committed to addressing long-standing challenges within the physician fee schedule (PFS) and the Medicare Access and CHIP Reauthorization Act (MACRA).

This initiative aligns with LUGPA's advocacy goals of fostering reimbursement stability and incentivizing quality care delivery. We stand ready to support efforts to realign payment incentives with patient outcomes to ensure a sustainable healthcare landscape.

CMS Issues Additional Guidance on Medicare Prescription Payment Plan and Monthly Payments

In February, the Centers for Medicare & Medicaid Services (CMS) issued new guidance on the Medicare Prescription Payment Plan, a new program aimed at alleviating financial burdens for Medicare beneficiaries. The Medicare Prescription Payment Plan, established by the Inflation Reduction Act and goes into effect in 2025, allows people with Medicare prescription drug coverage to spread out prescription drug costs over the year rather than requiring them to pay in one lump sum.

A fact sheet on the draft part two guidance can be found [here](#). The complete guidance is available [here](#).

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