



DATE: March 6, 2024

TO: All Medicare Advantage Organizations, Part D Sponsors, and Medicare-Medicaid Plans

SUBJECT: Addressing Impacts Related to the Cyberattack on Change Healthcare

In late February, UnitedHealth Group and its division Optum, Inc., reported that their subsidiary, Change Healthcare, had been the victim of a cyberattack. The effects of this attack have been felt across the health care sector – from pharmacies and hospitals to physician offices – and, importantly, it has impacted some people’s ability to get the care or prescriptions they need. The Centers for Medicare & Medicaid Services (CMS), together with its government partners, has been closely monitoring the impacts of this cyberattack to assess the impact on access to care. We expect Medicare Advantage (MA) organizations and Part D sponsors to continue to provide access to covered benefits without disruption by executing their business continuity plans and removing or relaxing utilization management and timely filing requirements as appropriate. CMS is also encouraging MA organizations to offer advance funding to providers most affected by this cyberattack.

Prior Authorization

MA organizations have the flexibility to remove or relax plan prior authorization requirements at any time in order to facilitate access to services with less burden on beneficiaries, plans, and providers. Any such removal or relaxation must be uniformly provided to similarly situated enrollees. We encourage plans to consider utilizing this flexibility. CMS will not find an MA organization out of compliance with the 30-day notice requirement in § 422.111(d) for changes in plan prior authorization that benefit enrollees and are to respond to the impact of this cyberattack.

As is the case for MA organizations, Part D sponsors have the flexibility to remove or relax prior authorization and other utilization management requirements at any time for formulary drugs in order to facilitate access and lessen burden on beneficiaries, plans, and providers. Any such removal or relaxation must be uniformly provided to similarly situated enrollees. We encourage plans to consider utilizing this flexibility. CMS will not find a Part D sponsor out of compliance with the notice requirement in § 423.128(g) for changes in plan prior authorization and other utilization management requirements that benefit enrollees and are to respond to the impact of this cyberattack.

Additionally, we encourage MA organizations to remove or relax claim filing deadlines and requirements to provide additional flexibility to providers as the normal claim submission process may be disrupted by this event.

Payment

We encourage MA organizations to offer advance funding to providers most affected by this cyberattack. The rules governing CMS's payments to MA organizations and Part D sponsors remain unchanged and are not affected by this memorandum.

Please note that nothing in this memorandum speaks to the arrangements between MA organizations or Part D sponsors and their contracted providers or facilities.

Business Continuity Plans

As required under 42 CFR § 422.504(o)(1) and § 423.505(p)(1), MA organizations and Part D sponsors must develop, maintain, and implement business continuity plans to ensure restoration of business operations following disruptions (which include natural or man-made disasters, system failures, emergencies, and other similar circumstances). MA organizations and Part D sponsors should review or update their business continuity plans to ensure that any necessary planning for business operations disruption due to a cybersecurity attack is included.

We appreciate the comments and requests received regarding the impact of this situation on the MA and Part D programs. We are carefully considering this feedback. Additional questions and suggestions may be directed to:

- For MA: <https://dpap.lmi.org/dpapmailbox/mailbox>
- For Part D: PartD_Monitoring@cms.hhs.gov