Change Healthcare Cyber Security Incident: Update from the Department of Vermont Health Access (DVHA)

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Background

- **Change Healthcare (CHC)** is a third-party contractor that operates Vermont Medicaid's pharmacy claims system.

- On **Wednesday, 2/21** CHC experienced a cyber security incident to their system.
  - Once CHC was aware of the issue, they took their systems offline immediately as a security measure.

  - **As of 3/18, Vermont Medicaid's pharmacy claims system is back online.**

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- CHC **has not informed the State that any confidential or personal member information was compromised** but has indicated that the impact is nationwide.

- Many different providers were impacted. This issue extends beyond pharmacies, and beyond Medicaid.

- **The State of Vermont remains secure.** The State is confident that no state systems were compromised in this attack.

- Throughout this incident, DVHA has remained in touch with the Center for Medicare and Medicaid Services (CMS) and engaged in the national response.

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- DVHA remains in COOP (Continuity of Operations) protocol to ensure responsiveness to any developments.

- DVHA focused on Medicaid member access to services and provider stability during the outage.

- DVHA recognizes the burden this outage created on pharmacies and providers and extends sincere appreciation to all who have been impacted.

- While prescription claims processing were down, **members could still access prescriptions.**

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DVHA Response: Pharmacies

- DVHA issued instructions to pharmacies, providers, and members about access (**see links in final slide**).

- DVHA has reminded pharmacies and providers to adhere to Medicaid provider agreements which **prohibit** billing members when Medicaid will pay for services, and reinforced this as needed.

- DVHA established an advance payment mechanism to pharmacies to ensure they were paid for covered services and could remain operational during the outage.
    - **DVHA is issuing payments to pharmacies on a weekly basis** according to their average weekly claims. DVHA is working closely with pharmacies to ensure their needs are met and will continue to do so.

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- The outage impacted the prior authorization process. DVHA issued instructions to pharmacies and providers regarding prescriptions that require prior authorization.

- DVHA is holding regular informational question and answer sessions with pharmacists.

- Copays: Vermont Medicaid removed copay requirements for all members for the duration of the outage (February, 21 – March 18, 2024). Vermont Medicaid will pay the entire claim amount, including any copay amount typically collected from the member. **Pharmacies will not lose reimbursement for the copay amount.**

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- Other Medicaid providers are impacted by the incident because of their internal claims submission systems, but CHC is unable to provide DVHA with a list.
  - There may be some remaining issues with non-pharmacy providers.

- DVHA has created an email address for any impacted for providers to address claims submission and payment issues
  - **AHS.DVHAChangeHealthcareServiceOutage@vermont.gov**

- DVHA is directly outreaching providers with known impacts.

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- Members can call the CHC or OptumRx Help Desks with any issues:
  - **Change Healthcare Pharmacy Help Desk at 1-844-679-5362**
  - **Optum Pharmacy Help Desk at 1-800-880-1188**

  - DVHA continues to issue communications and operate with transparency during and after the outage. We appreciate the patience and flexibility from providers, pharmacies, and members as this issue is addressed. **Thank you for your support.**

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DVHA Communications to date

- Important Change Healthcare Outage 2.23.24
- Change Healthcare Outage FAQ's 2.26.24
- JCode Submission Process during Change Healthcare System Outage 2.27.24
- Claim Processing and Medicaid Member Billing 2.28.24
- Gainwell Prescriber Claims Processing, Eligibility, and Prior Authorization 2.29.24
- Change Healthcare Outage Member Text 3.1.24
- Regulations and Best Practices for Pharmacists Dispensing Controlled Substances During the Network Service Outage 3.1.24
- Vermont Medicaid Voice Response System (VRS) Instructions for Eligibility 3.4.24
- Gainwell Provider Email Advance Instructions 3.4.24
- The Department of Vermont Health Access Update on Change Healthcare Cyber Security Incident 3.8.24

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DVHA Communications to date

- [Gainwell Provider Email Advance Instructions](#) 3.11.24
- [Pharmacy Copayments - Temporary Elimination](#) 3.15.24
- [Update on Change Healthcare Network Outage](#) 3.18.24
- [Gainwell Provider Email Advance Important Information](#) 3.18.24

[Pharmacy | Department of Vermont Health Access](#)

DVHA has issued 52 unique external communications since 2/22.

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DVHA Press Releases

February 23rd: [State Medicaid Pharmacy Claims Contractor Experiences Cyber Security Issue and Service Outages](#)

February 28th: [Change Healthcare Cyber Security Issue Update](#)

March 1st: [Department of Vermont Health Access Thanks Members and Pharmacies for Their Patience During Change Healthcare Cyber Security Issue](#)

March 8th: [The Department of Vermont Health Access Provides Update on Change Healthcare Cyber Security Incident](#)

March 15, 2024: [The Department of Vermont Health Access Encourages Providers to Determine Their Need for Advance Payments](#)

March 18, 2024: [Update from The Department of Vermont Health Access on Change Healthcare's Network Outage](#)

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Questions and Discussion

Thank you!

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Please reach out anytime if you have questions or issues to flag for DVHA on this matter.

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