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Ransomware's Impact on Health Care and Strategies for Defense

Cybersecurity experts spoke with *Healthcare Dive* about how hospitals can help prevent cyberattacks that may be risking patients and consumers.

The health care industry has seen a dramatic increase in ransomware attacks, posing serious threats to both operations and patient safety, [according to a Healthcare Dive article](#). Ransomware, a type of malware that locks users out of their data until a ransom is paid, can disrupt critical services in hospitals, from shutting down electronic health records to canceling appointments and diverting ambulances. Research indicates that such attacks [may even increase patient mortality rates](#), making health care a prime target for cybercriminals, according to Phyllis Lee, Vice President at the Center for Internet Security. The stakes in health care are high, leading some providers to consider paying ransoms to resume patient care, despite FBI advice against such actions. This year alone, significant attacks have targeted major entities like UnitedHealth's [Change Healthcare](#) and [Ascension](#), disrupting operations for weeks. Over the past five years, the Department of Health and Human Services (HHS) has [recorded a staggering 264% increase](#) in large data breaches involving ransomware reported to the

Office for Civil Rights. Several factors contribute to this vulnerability. The shortage of cybersecurity professionals, coupled with an increasingly connected environment, creates numerous entry points for attackers. John Riggi from the American Hospital Association notes that beyond traditional IT and medical devices, even systems like heating and elevators are now internet-connected, increasing the potential for exploitation. "You can't just unplug it and plug it into the new socket," said T.J. Ramsey, senior director of threat assessment operations at cybersecurity firm Fortified Health Security. "It's a major coordination. It becomes a major project." Hospitals, especially smaller ones operating on thin margins, face tough decisions on resource allocation between immediate patient care needs and longterm cybersecurity investments. The scarcity of cybersecurity professionals exacerbates the problem. Errol Weiss of Health-ISAC points out that there is a global shortage of trained cybersecurity experts, and health care systems must compete with other sectors that can offer higher salaries. The

current education and training pipeline is insufficient to meet the growing demand for cybersecurity talent. Ransomware-as-a-service (RaaS) has further complicated the threat landscape. This model allows developers to lease ransomware tools to other cybercriminals, enabling even those without technical expertise to launch attacks "You don't need to be a cybersecurity expert in order to execute a ransomware attack anymore," she said. "It's lowered the barrier to entry of being a cybercriminal." Moreover, many ransomware groups operate from countries like Russia, which provide safe harbor as long as their attacks target Western entities. Cybercrime groups in North Korea and China also pose significant threats to health care.

How Can We Combat This?

To defend against these attacks, hospitals need to implement robust cyber protections. Multi-factor authentication (MFA) and anti-phishing training are critical first steps, according to the article. MFA adds an extra layer of security by

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requiring a second method to verify user identity, while anti-phishing measures guard against deceptive tactics used to gain access to sensitive information. Understanding and managing their technology environments is another crucial aspect of defense for health systems. Knowing what assets exist, who has access to them, and ensuring software

is up-to-date are key components of a strong cybersecurity strategy. Ramsey emphasizes the importance of prioritizing cybersecurity projects, starting with those who work remotely and gradually extending protections to on-site staff. In the event of a breach, having comprehensive data backups and a clear strategy for their use is essential

for rapid recovery. Hospitals should plan for various scenarios, considering how quickly they can restore data and how much information they might lose. “The best way to be prepared for it is to actively talk about it,” Ramsey said.

Webinar Available: Healthcare Reporting Rule: What You Need to Know

An ACA International sponsored webinar with the Healthcare Financial Management Association is available to ACA members and health care providers to learn more about the impact of the CFPB’s proposed rule on medical debt credit reporting.

A new webinar featuring accounts receivable management industry experts and economic analysis of proposed changes to medical debt credit reporting from the Consumer Financial Protection Bureau is available for health care providers. The webinar, sponsored by ACA International and hosted by the Healthcare Financial Management Association, features Jack Brown, president of Gulf Coast, Leah Dempsey, shareholder at Brownstein Hyatt Farber Schreck LLP, Steve Beard, chief business development officer at State Collection Service Inc., Tim Haag, president and CEO of State Collection Service Inc., and economist Andrew Nigrinis, Ph.D., who formerly worked as a CFPB enforcement economist, and an overview of how the CFPB and its new proposed rule will make it more difficult for health care providers to collect patient balances of all types (e.g., early-out, self-pay and

balance-after-insurance). Access a recording of the webinar [here](#) for these valuable insights as well as tips on how to make your voice heard on the impact of the rule by submitting comments. HFMA members can also access the webinar on demand here: <https://learn.hfma.org/courses/healthcare-credit-reporting-rule-what-you-need-to-know> Submitting comments, even if brief, is an opportunity to tell your story to the CFPB and provide information about the proposed rule’s potential impact on your facility and patients. It is important for the CFPB to receive a variety of feedback from impacted businesses, patients and consumers. For the health care provider community, the CFPB has requested data and information about the impact on hospitals. The CFPB is interested in whether hospitals may choose to write-

off more debt, collect themselves, litigate more, require payment up front for copays and deductibles, or raise prices on other services as a response to the proposal, among other questions about its impact.

The more evidence we present, the better decisions the CFPB can make!

Comments are due Aug. 12.

You may submit comments, identified by Docket No. CFPB-2024-0023 or RIN 3170-AA54, by any of the following methods:

- Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments. A summary of this document will be available at <https://www.regulations.gov/docket/CFPB2024-0023>.

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NEWS & NOTES

American Hospitals Struggle Financially Amid Rising Costs and Underpayments

According to a recent report from the American Hospital Association (AHA), hospitals in the U.S. are facing severe financial challenges exacerbated by inflation and inadequate reimbursement rates from government payers like Medicare and Medicaid. The report highlights that hospital operating margins are only beginning to stabilize after historic lows during the COVID-19 pandemic. Despite some improvement, hospitals are struggling with high labor costs, expensive medical supplies, and underpayments from government programs, totaling nearly \$130 billion in 2022 alone. These financial pressures have led to difficulties in making necessary capital investments, contributing to infrastructure aging and bond rating downgrades. Moreover, administrative burdens and costly practices by commercial payers further strain hospital finances, impacting their ability to provide essential services, especially in rural areas.

The AHA emphasizes the urgent need for policy interventions to support hospitals and health systems, including protecting current reimbursement levels, addressing workforce shortages, and reforming administrative practices that drive up costs. Without these measures, hospitals may continue to face unsustainable financial pressures that jeopardize their ability to meet patient care demands and invest in future health care needs.

[Read more here.](#)

CMS Launches V2.0 Online Validator Tool for Hospital Price Transparency

The Centers for Medicare & Medicaid Services (CMS) has introduced the V2.0 Online Validator Tool to aid hospitals in complying with federal price transparency regulations enacted in 2021. These regulations mandate hospitals to publicly disclose machine-readable files detailing gross charges, negotiated rates with payers, and discounted cash prices.

Despite being in effect for several years, compliance remains low, with only about a third of hospitals fully adhering to requirements. Noncompliance, often due to incomplete files lacking clear pricing details associated with payers and plans, is widespread among the 2,000 hospitals analyzed.

The Validator Tool allows hospitals to test their machine-readable files against new format and data specifications. It provides feedback on errors and warnings indicating noncompliance with deadlines set for 2024 and 2025. However, CMS clarifies that while the tool assists in validation, it does not certify full compliance. Machine-readable files facilitate easy access to hospital pricing information, enabling stakeholders to compare prices and make informed healthcare decisions.

[Read more here.](#)

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- Email: 2024-NPRM-MEDICALDEBT@cfpb.gov. Include Docket No. CFPB-2024-2023 or RIN 3170-AA54 in the subject line of the message.
- Mail/Hand Delivery/Courier: Comment Intake—2024 NPRM FCRA Medical Debt Information, c/o Legal Division Docket Manager, Consumer Financial Protection Bureau, 1700 G Street NW, Washington, DC 20552.

Sharing your comments to the CFPB with your members of Congress, or through work with your government affairs team, is also a way to extend your message and an opportunity to provide lasting feedback on this issue. Providers can use this [template letter](#) (PDF) from ACA to contact congressional representatives. These

[instructions](#) (PDF) outline how to complete the template letter to share it with your members of Congress by finding their contact information. [USA.gov](https://www.usa.gov/about-the-us) (<https://www.usa.gov/about-the-us>) has a tool to allow you to find your federal (and state) representatives using your address.

Comment Suggestions

The CFPB is interested in whether hospitals may choose to write-off more debt, collect themselves, litigate more, require payment up front for copays and deductibles, or raise prices on other services as a response to the proposal, among other questions about its impact. Consider sharing with or asking your provider clients if they would like to submit a comment letter directly to the CFPB, or indirectly through their hospital or physician trade association.

ACA has provided a convenient PDF fillable letter you can share with them.

To see what other providers have said to date in comments, access the [CFPB's docket here](#).

If you're unable to file comments directly with the CFPB, consider having a conversation with your trade association or state hospital association who could file comments anonymously.

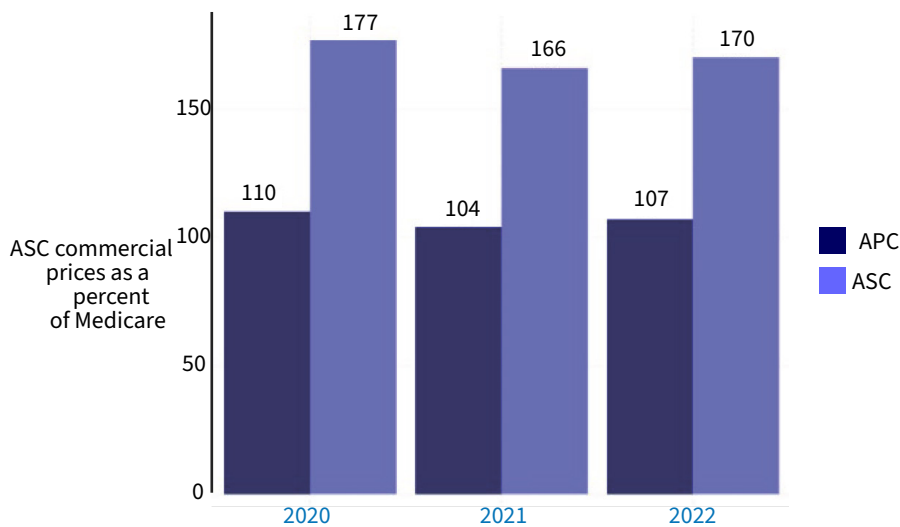
For more information on contacting members of Congress, submitting comments or details on ACA's grassroots advocacy efforts, contact ACA International's Director of Public Affairs Katy Zillmer at zillmer@acainternational.org.

Significant Disparities in Hospital Prices Found Between Private Payers and Medicare

A recent [RAND Corporation study](#) highlights that employers and private payers paid, on average, 254% more than Medicare for the same hospital services in 2022. Funded by the Robert Wood Johnson Foundation, the study analyzed claims data from 2020-2022 from over 4,000 hospitals and surgery centers, excluding Maryland. The findings revealed stark disparities: inpatient services were billed at 255% of Medicare rates, outpatient at 289%, and professional services at 188%. Ambulatory surgical centers charged 170% of Medicare prices, with some states exceeding 300%.

This price disparity significantly contributes to the rising costs of health care for privately insured individuals, who spent \$486 billion on hospital services in 2022. Employer-sponsored insurance premiums have also surged by 50% over the past decade.

Trends in Ambulatory Surgical Center Commercial Prices Relative to Medicare, 2020-2022



Source: *Prices Paid to Hospitals by Private Health Plans, May 2024.* <https://tinyurl.com/4fsyde83>



is a monthly bulletin that contains information important to health care credit and collection personnel. Readers are invited to send comments and contributions to:

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