

March 4, 2024

Mr. Dirk McMahon
President and Chief Operating Officer
UnitedHealth Group
P.O. Box 1459
Minneapolis, MN 55440-1459

Dear Dirk:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, I write to address UnitedHealth Group's recently announced, "Temporary Funding Assistance Program."

First, let me reiterate that the AHA continues to extend its full support to you and your team as you manage the aftermath of the unprecedented cyberattack on one of UnitedHealth Group's subsidiaries, Change Healthcare. We also appreciate that UnitedHealth Group has come to recognize "the urgency of resuming payment operations and continuing the flow of payments through the health care ecosystem." Restoring this flow of payments is critical to support patient care as we continue to see impacts related to prior authorizations for care, pharmacy operations, and claims transmittals and payment. Regrettably, the Temporary Funding Assistance Program that your company announced on Friday is not even a band-aid on the payment problems you identify.

As you know, hospitals across America typically get reimbursed daily by health insurers that rely on Change Healthcare to both receive and pay claims. Every day that core Change Healthcare functionality remains down is a day that providers are not receiving the funding they need to pay doctors and nurses, purchase medical supplies, and keep complex facilities open to provide 24/7 patient care. In addition, although your website states that "the most impacted partners are those who have disconnected from our systems and/or have not chosen to execute workarounds," the reality is that workarounds are not universally available and, when they are, can be expensive, time consuming and inefficient to implement. For example, manually typing claims into unique payer portals or sending by fax machine requires additional hours and labor costs, and switching revenue cycle vendors requires hospitals and health systems to pay new vendor fees and can take months to implement properly.

While I will not describe all our concerns with the Temporary Funding Assistance Program in this letter, two are worth highlighting. First, the program is available to an exceedingly small number of hospitals and health systems. It falls far short of plugging the gaping holes in funding



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caused by the Change Healthcare outage. Specifically, this program seeks to address only one of the two major problems facing health care claims processing: payers' inability to pay via Change Healthcare. It wholly ignores the second and equally problematic issue facing providers: the inability to accurately and in a timely way send claims to payers. In other words, this "assistance program" provides very limited relief for providers who cannot bill payers due to the ongoing disruption of Change Healthcare's pervasive clearinghouse and claims submission systems.

Second, the terms and conditions of the agreement are shockingly onerous. Among other things, your form agreement: (1) requires repayment of loans within 5 days of receiving notice; (2) allows your bank, Optum Financial Services, to recoup funds "immediately and without prior notification"; (3) permits Optum to change the agreement simply by providing notice; (4) requires providers to give UnitedHealth Group and its subsidiaries access to past, current and future claims payment data; and (5) contains broad waivers of liability and strict limitations on damages.

Taken together, the limited eligibility and these one-sided contractual terms severely undermine the intent of this program. Indeed, we have heard from some hospitals and health systems that these simply are not terms they can accept, especially when their financial future becomes more unpredictable the longer Change Healthcare is unavailable. UnitedHealth Group, which is a Fortune 5 company that brought in more than \$370 billion in revenue and \$22 billion in profit in 2023, can — and should — be doing more to address the far-reaching consequences that result from Change Healthcare's inability to provide these essential hospital revenue cycle functions nearly two weeks after the attack.

As we await more information from UnitedHealth Group about how long these effects will last — still no timeline has been announced — the financial consequences for hospitals and health systems will only increase, further affecting patient care. We need real solutions — not programs that sound good when they are announced but are fundamentally inadequate when you read the fine print.

The AHA stands ready to work with you to craft a financial assistance program from Optum Financial Services that will more effectively and fairly provide "immediate access to funding" for all providers who are impacted by what can only be described as the worst cyberattack on our health care system in history. Please contact me if you have questions, or feel free to have a member of your team contact AHA Executive Vice President Stacey Hughes at shughes@aha.org.

Sincerely,

/s/

Richard J. Pollack
President and Chief Executive Officer

CC: Sir Andrew Witty, CEO of UnitedHealth Group