

Change Healthcare Cyberattack

On February 21, 2024 Change Healthcare was subject to a cyberattack, impacting pharmacies & patients nationwide

Pharmacy Switches, Change Healthcare, & Patient Access

1 A pharmacy switch is a type of software backbone for Rx processing 

Switches support Rx adjudication, enabling pharmacies to transmit claims to insurance companies and process pharmaceutical coupons for patients in real-time

2 The largest switches are RelayHealth and Change Healthcare 

As of 2021, some online sources attribute **25% of all Rx switch traffic in pharmacies** to Change Healthcare¹

3 The latest cyber attack is catastrophic for patients 

This blackout period is impacting:
1. **Distribution:** Patients' ability to access medicines AND
2. **Access:** Patients' ability to afford medicines²

Potential Solutions are dependent on the product and extent of the impact



Challenges: Short term solutions may not be as generous for the patient, may be more costly to manufacturers, and may present risk. Considerations for implementing a short-term solution include: existing programs, current distribution model, cost, ability to create awareness, and risk

Retail Medicines

Impacted Pharmacies (that use Change as their switch) cannot process claims through insurance, impacting distribution and affordability

Set up agreement with pharmacy partner that ships directly to patients

Support patients to find alternative pharmacy through HUB

Specialty Medicines

Non-impacted Pharmacies (that do not use Change as their switch) can process insurance; however, they cannot apply patient savings programs affiliated with Change, resulting in additional cost for patients

Develop a new copay program with an alternative adjudication partner
Given urgency, program design will likely need to be basic and may not fully support all patients (e.g., target copay & maximum offset)

Activate other switch-based point of service program (e.g., eVouchers)

Work directly with specialty pharmacies to ensure patients maintain affordable access

Provide free good to impacted patients until networks disruption is resolved

Implications

1 Product switching may have lasting effects 

During this period of disruption, HCPs may switch patients to new medicines and not switch them back. Accordingly, manufacturers whose coupon programs do not use Change Healthcare may have a competitive advantage

2 There is need for quick solutions to provide support during this blackout period

There is currently no time-frame for when Change Healthcare will return to full operational capacity. During this period, manufacturers must implement solutions to offset therapy disruption and patient cost

3 Healthcare systems are more fragile than ever before 

In 2023, there were 46 hospitals that were affected by ransomware, up from 25 in 2022, with more than 30 already in 2024³ **Longer-term contingency plans should be developed to mitigate future risk**

¹ Change Healthcare Outage Prompts Switch in Pharmacy Claims Processing (2024). Managed Healthcare Executive.

² Patient assistance programs that flow through Change Healthcare are completely inoperable

³ Adler, S. At Least 141 Were Hospitals Directly Affected by Ransomware Attacks in 2023, The HIPAA Journal.