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BULLETIN NO. 24-04

TO: ALL HEALTH SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS, HEALTH INSURANCE COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS, ORGANIZED DELIVERY SYSTEMS, PHARMACY BENEFITS MANAGERS AND OTHER INTERESTED PARTIES

FROM: JUSTIN ZIMMERMAN, ACTING COMMISSIONER

RE: CYBER INCIDENT – CHANGE HEALTHCARE

On February 21, 2024, Change Healthcare experienced a nationwide network interruption related to a cybersecurity issue (“cyber incident”). Change Healthcare is a subsidiary of United Healthcare Services, Inc. and is used by a significant number of providers (including hospitals, physician practices, health care facilities, and pharmacies) in New Jersey and across the country. As a result of the cyber incident, many providers are unable to receive timely reimbursements, request preauthorization, engage in concurrent or retrospective reviews, and verify an insured’s eligibility for coverage.

Therefore, the purpose of this bulletin is to advise carriers and pharmacy benefits managers (“PBMs”) to work with providers to develop solutions to address these issues. In some cases, the issues may be resolved through work arounds, including the use of paper claims or use of a vendor other than Change Healthcare to perform these functions. However, other cases may necessitate flexibility with contractual timeframes or the implementation of solutions to maintain cash-flow for providers.

This Bulletin is to advise carriers, and any entity performing utilization review under contract with such carriers, that it is their responsibility to ensure that there are no delays in health care services and that prescription drugs remain accessible to insureds notwithstanding the recent cyber incident affecting Change Healthcare. This should include, as necessary and appropriate, flexibilities such as suspending or waiving certain preauthorization, concurrent, and retrospective review requirements, appeal timeframes, and claim submission timeframes.

The Department is aware of reports that the cyber incident may impact a provider’s ability to confirm an insured’s eligibility for coverage, including whether an issuer or PBM will cover a specific prescription drug. In such cases, carriers and PBMs should work with providers to ensure

that there are no delays in health care services and that prescription drugs remain accessible to insureds.

The cyber incident may impact cash flows for certain providers. Carriers should consider working with providers to adjust financial payments to impacted providers during this time including, as appropriate, making advance payment or periodic interim payments during the cyber incident.

Finally, the exchange of information between carriers and providers is an important aspect of responding to this cyber incident. Therefore, the Department expects that all carriers will make available a designated point of contact for providers to ask questions and obtain information regarding the response to this cyber incident.

The Department is continuing to monitor this cyber incident and its impact on New Jersey providers and consumers' access to care. Please direct any questions to lifehealth@dohi.nj.gov.

March 27, 2024

Date



Justin Zimmerman
Acting Commissioner

Cyber Incident Change Healthcare/Bulletins