

# Three Minute Read™

## Insights from the Healing American Healthcare Coalition™

May 2024-1



**From the Editor:** This issue's news includes cyber-security updates, an antibiotic for UTIs, the CPAP settlement, and nursing home staffing challenges. Click on the headline to read the full article. If you enjoy **TMR's** coverage of emerging issues, please upgrade to a paid subscription [here](#).



['A crisis of your creating': UnitedHealth CEO grilled by Congress on cyberattack](#), by Madeline Ashley and

Andrew Cass, Becker's Hospital review, 5/2/24  
**TMR Topline** – UnitedHealth Group (UHG) CEO Andrew Witty [expressed](#) that he was "deeply deeply sorry" about the impact of the Change Healthcare cyberattack on patients and providers in his appearances before the Senate Finance Committee and a House subcommittee. He confirmed that UHG believes that the hackers had penetrated the Change portal, which was not protected by multifactor authentication, and exfiltrated data for about nine days before UHG was aware of their presence. When ransomware was deployed on February 21, Witty said, *"To contain infection, we immediately severed connectivity and secured the perimeter of the attack to prevent malware from spreading. It worked. There is no evidence of spread beyond Change Healthcare."* Witty noted that as of May 1, all of UHG's external facing systems have multifactor authentication enabled Oregon Sen. Ron Wyden pointed out that on Mr. Witty's watch a cybersecurity failure still occurred. *"I don't believe there are any excuses for that. It shouldn't have taken the worst cyberattack ever in the healthcare sector for an agreement to do this bare minimum."*

Witty also confirmed that the hackers were paid a ransom of \$22 million in bitcoin. Witty confirmed that UHG will issue breach notifications on behalf of providers affected by the cyberattack. Louisiana Sen. Bill Cassidy, a physician, suggested that the company was too big to fail, and if it did, the implications could be huge. Witty declined to comment on questions from Sen. Elizabeth Warren regarding a Justice Department [investigation](#) into the company's billing practices.

At the House subcommittee hearing in the afternoon, Virginia Rep. Morgan Griffith pressed Witty on how many Americans were affected by the breach, finally asking "At least give me some kind of range." Witty responded, *"I think maybe a third or somewhere around there."*



[Kaiser reports data breach affecting 13.4M people](#), by Nona Tepper, Modern Healthcare, 4/25/24  
**TMR Topline** – Kaiser

Permanente notified HHS that a data breach at Kaiser Foundation Health Plan affected the information of more than 13 million individuals. Technology previously installed on its websites and mobile apps may have transmitted personal information to Google, Microsoft Bing and X. Kaiser said that unauthorized third parties did not have access to individual usernames, passwords, Social Security numbers or financial information. It will notify current and former members and patients about the breach and is not aware of the misuse of any individual's information. It is the second largest breach reported to HHS, behind Anthem's 2015 breach that affected 78.8 million individuals.

**TMR's Take:** Sorry, Kaiser, you're not in second place anymore. While they haven't yet reported the breach to HHS, it's likely that the UHG breach will, in total, exceed **all** of the prior healthcare breaches combined. Witty's mea culpas for UHG's nonfeasance in the Change Healthcare cyberattack rang hollow with Congress – and with affected providers. A frustrated Senator Tom Tillis (R-NC) even presented Witty with a copy of *"Hacking for*

*Dummies.*" In a related development, Congress has [asked](#) the SEC to investigate UHG for insider trading.



[AHA concerned over penalties for cyber-security standards](#), by Jeff Lagasse, Healthcare Finance News, 4/18/24

**TMR Topline** – In a [statement](#) to the Committee on Energy and Commerce Subcommittee on Health, the [AHA](#) said it was concerned over potential penalties for hospitals and other healthcare facilities that fall short of the Biden administration's cybersecurity standards. It noted that more than 95% of the most significant health sector data breaches were related to "business associates" and other nonhospital healthcare entities. The AHA supports voluntary consensus-based cybersecurity practices because the performance goals are targeted at defending against common cyberattack tactics, such as the exploitation of known technical vulnerabilities, phishing emails and stolen credentials. The AHA wrote, "The now well-documented source of cybersecurity risk in the health care sector, including the [Change Healthcare cyberattack](#), is from vulnerabilities in third-party technology, not hospitals' primary systems."

**TMR's Take:** Point well made and hopefully well taken.

**UTILITY**  
therapeutics

[F.D.A. Approves Antibiotic for Increasingly Hard-to-Treat Urinary Tract Infections](#), by Andrew Jacobs, New York Times, 4/24/24

**TMR Topline** – The FDA approved the sale of pivmecillinam for treatment of UTIs in women. It has been used in Europe for more than 40 years and will be marketed in the US as Pivya. It's welcome news given the growing challenge of antimicrobial resistance. UTIs affect 30 million Americans annually and are responsible for the single-greatest use of antibiotics outside of a hospital setting. More than half of US women will contract a UTI during their lifetime compared with 14% of men.



[Philips agrees to pay \\$1.1 billion settlement after wide-ranging CPAP machine recall](#), Mary Walrath-Holdridge,

USA Today, 4/29/24

**TMR Topline** – Medical device company Phillips has

[recalled more than 15 million](#) continuous positive airway pressure (CPAP) breathing devices since 2021 and will pay \$1.1 billion to cover hundreds of personal injury lawsuits. The machines are used to treat sleep apnea and other nighttime breathing difficulties at home and in healthcare settings. Last September, [Philips agreed to a \\$445 million](#) tentative economic loss settlement to compensate users who had to replace their devices. Cash from the settlement will be sent to those who used the now-recalled CPAP devices.



[Nursing homes may use international nurses to meet staff minimums](#), by Mari Devereaux, Modern Healthcare, 4/26/24

**TMR Topline** – The CMS [nursing home staffing mandate](#) requires long-term care facilities to provide residents with 3.48 hours of nursing care daily. It will require 3,200 facilities to hire nearly 13,000 additional registered nurses to comply. Given the sector's [chronic understaffing issues](#), nursing homes and trade groups have argued that full compliance with the mandate is nearly impossible. For years, nursing homes have used internationally trained nurses to fill gaps caused by US workforce shortages.

The CMS staffing mandate likely will increase the demand for foreign nurses. By 2031, the US is expected to face a shortage of 195,400 nurses, according to the Bureau of Labor Statistics. Recruiting nurses from overseas could ease this shortage. However, there are regulatory barriers that limit this approach, especially [employment-based immigration quotas](#) designed to protect the American workforce.

In 2021, the pool of international nurses eligible for a work visa or an employer-based green card was roughly 8,600. Nurses petitioning for a visa typically face a standard processing time of 9-12 months. However, a federal pause on processing applications for employment-based skilled worker visas means these nurses are facing doubled wait times. In 2021, only 7% of direct care workers in nursing homes were not US citizens. Rather than relying solely on more workers from abroad, the industry needs to make major changes to ensure that clinicians want to work at long-term care facilities, including increased compensation, [adequate training](#) that prepares clinicians for nursing home patient acuity levels, and opportunities for advancement that allow direct care workers to build their skills and grow in their careers

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describes such a plan for the US. It's available in both soft-cover and eBook versions. Click [Here](#) to buy it.