

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

Cyberattacks, Viruses, and Gun Violence top the Headlines!

July 2024-1



From the Editor: This issue's coverage includes cyberattacks, viruses, gun violence and PBMs. Click on the headline to read the full article. If you like **TMR's** coverage, please upgrade to a paid subscription [here](#).



[HHS, FBI issue phishing, ransomware attack advisory for providers](#), by Brock E.W. Turner. Modern

Healthcare. 6/27/24

TMR Topline – The FBI and HHS have issued an advisory that paying hackers could “*embolden adversaries*” to target other organizations, encourage other criminal actors to engage in ransomware attacks and fund illicit activities. According to the advisory, “*healthcare organizations are attractive targets for threat actors due to their size, technological dependence, access to personal health information, and unique impacts from patient care disruptions.*” In 2023, an estimated 40% of the US population had information stolen or exposed during healthcare data breaches.



[After Crippling Ransomware Attack, VA Is Still Dealing with Fallout](#), Trying to Pay Providers, by Patricia Kime, Military News, 6/25/24

TMR Topline – The VA uses Change Healthcare to manage prescription processing and community provider payments. It is still dealing with fallout from the Feb. 21 ransomware attack that caused a backlog of more than 1 million pharmacy prescriptions and claims, along with 6 million invoices handled by network managers Optum Public Sector Solutions, which is part of UnitedHealth Group, and TriWest Healthcare Alliance. A VA spokesperson noted that some providers

who contract directly with the VA may not see regularity in their payments until February, and that although the breach exposed VA patient data to the hackers, “*We do not know the extent of the data that has been extracted. We have not been informed by Change Healthcare.*”



[Lurie Children's Hospital cyberattack affects nearly 800K](#), by Katherine Davis, Crain's Chicago Business, 6/28/24

TMR Topline – [Cybercriminals](#) launched an attack on Chicago's [Lurie Children's Hospital](#) on Jan. 26 that took down its phone lines, patient records and other services. Lurie did not pay a ransom to end the attack, but worked with law enforcement, including the FBI, to retrieve data. Even so, cybersecurity news outlet The Record [reported](#) ransomware group Rhysida sold data stolen from Lurie for \$3.4 million. 791,784 people were affected.

TMR's Take: At 1/6th of the US economy, the data rich healthcare sector is an attractive target for ransomware attacks. Cybersecurity must be priority #1 for providers – and for their business partners.



[A summer wave of Covid-19 has arrived in the US](#), by Deidre McPhillips, CNN, 6/28/24

TMR Topline – CDC [data](#) indicate that Covid-19 infections are probably growing in at least 38

states. Wastewater surveillance suggests that viral activity is still relatively low, but hospitalizations and deaths are also ticking up. The JN.1 virus variant that drove last winter's surge has been overtaken by newer [FLiRT variants](#). Two of them (KP.3 and KP.2) now account for more than half of the new Covid infections. Updated vaccines are expected to be available mid-August and the CDC recommends that everyone ages 6 months and older receive an updated Covid-19 vaccine for the 2024-25 season. The CDC also recommends that everyone 75 and older is urged to get an RSV vaccine, as

well as those ages 60 to 74 who are at higher risk of severe illness.



[AstraZeneca's COVID prevention drug application gets EU fast-track assessment](#), by Yadarisa Shabong, Reuters, 7/1/24

TMR Topline – The European Union's drug regulator has accepted Astra Zeneca's application for its investigational Covid-19 prevention drug, sipivibart, for an accelerated assessment. The submission was based on [positive data](#) from a late-stage trial that showed the drug reduced the risk of infection in patients with weaker immunity.



[HHS awards Moderna \\$176 million to develop mRNA H5 avian flu vaccine](#), by Lisa Schnirring, CIDRAP, 7/2/24

TMR Topline – HHS has awarded Moderna \$176 million to develop a prepandemic vaccine against H5 avian influenza. The H5 vaccine is in clinical development and phase 3 trials could begin in 2025. Meanwhile, federal officials are in ongoing discussions about how to best protect farm workers and others exposed to cattle. At this point, the number of confirmed human infections linked to the virus in dairy cows stands at three.

TMR's Take: SARS-CoV-2 continues to do what all viruses do: mutate. Luckily, the latest variants don't appear to be more virulent than JN.1.



[US Surgeon General Declares Gun Violence 'a Public Health Crisis'](#), by

Rachana Pradhan and

Fred Clasen-Kelly, KFF Health News, 6/25/24

TMR Topline – US Surgeon General Dr. Vivek Murthy has declared firearm violence a public health crisis. On average, every day a burst of gunfire hits at least four people somewhere in the country. In 2022, more than 48,000 people [were killed by guns](#) in the US with suicides accounting for more than half of those deaths. [According to estimates](#) from Johns Hopkins University research, 200-plus Americans seek emergency care for firearm injuries each day. “Every day that passes we lose more kids to gun violence,” Murthy said. Guns are the leading cause of death for children and teens, with higher death

rates [among Black and Hispanic youths](#). Dr. Murthy has called on policymakers to consider gun safety measures including bans on assault weapons and high-capacity ammunition magazines as well as universal background checks for all firearm purchases.



[The Opaque Industry Secretly Inflating Prices for Prescription Drugs](#), by Rebecca Robins and

Reed Abelson, New York Times, 6/21/24

TMR Topline – Although pharmaceutical companies and insurers get blamed for high drug costs, an oligopoly of mysterious middlemen - Pharmacy Benefit Managers (PBMs) – play a crucial role in keeping drug prices high. PBMs have been around since [the late 1950s](#) handling orders mailed in by pharmacies and patients seeking reimbursement for the costs of prescription drugs. Today, three PBMs, Caremark, Express Scripts and Optum Rx, process about [80% percent](#) of US prescriptions, up from 50% in 2012. Owned by huge healthcare conglomerates - CVS Health, Cigna and UnitedHealth Group – each of the three PBMs would rank among the top 40 US companies by revenue as standalone companies.

Ostensibly, PBMs negotiate with drug companies to reduce prices on brand-name medications, and receive rebates and other payments that then are shared with employers. The PBMs retain as much as 10% of the savings, adding up to billions of dollars annually. The PBMs' demands for larger discounts leads drug companies to increase list prices to maintain profit margins. As a result, a drug's final price after discounts plateaus, increasing patients' out-of-pocket costs. PBMs sometimes push patients toward drugs with higher out-of-pocket costs, shunning cheaper alternatives. Often, employers and government programs are charged many times the drug's wholesale price and the PBM keeps most of the difference. Employers have outsourced so much of the responsibility for handling employees' drug costs that they often don't understand or exert control over how this complicated system works. As a result, Americans have the highest drug prices in the world.

TMR's Take: Why not follow the approach by the rest of the developed world: streamline and simplify the process by eliminating the middleman? Emulate the cost-effective French or German systems where less than 5% of health-care spending is on administration.