The Good, The Bad, and The Ugly of Cybersecurity

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YOUR PARTNER FOR HEALTHY CHANG

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1

Change Healthcare

HHS intervenes in Change Healthcare hack

HHS intervenes in Change Healthcare hack (beckershospitalreview.com)

HHS said March 5 it would help accelerate payments to hospitals affected by the Change Healthcare cyberattack and institute other workarounds for providers.

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Pharmacies nationwide report outages in wake of cyberattack

Change Healthcare said it became aware of the 'outside threat' on Wednesday morning, disconnecting their systems for security purposes

THA, AHA Push for More Help on Cyberattack, Seek Hospital Data

THA and the American Hospital Association are continuing work to help membership sort out the implications of the Optum/Change Healthcare cyberattack this week as the federal government announced flexibilities for hospitals to account for the breach – steps that AHA deemed to be an inadequate response.

The Feb. 21 ransomware attack on Change Healthcare – part of Optum and owned by UnitedHealth Group – is believed to have been perpetrated by the cybercrime group known as BlackCat or ALPHV, according to reports. Change handles a reported 15 billion health care transactions per year and touches one of every three patient records.

Suspected nation-state associated cyber security threat actor

BlackCat Reportedly Behind Change Healthcare Incident

The BlackCat group has reportedly claimed responsibility for the ongoing cyber-attack against Change Healthcare, stating on its dark web site that it exfiltrated 6TB of data from the firm. However, the claim was subsequently removed without explanation.

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February 23, 2024

Attn: General Counsel
11000 Optum Circle
Eden Prairie, MN 55344

Re: Change Healthcare Network Cybersecurity Incident

Dear General Counsel,

On February 22, 2024, University Health was made aware Change Healthcare network suffered a cybersecurity attack. University Health's immediate concern is whether this incident also posed a serious threat to our system and we will proceed accordingly.

While we complete our internal risk assessment we request that OptumInsight, Inc. and/or Change Healthcare provide the following:

(1) Weekly status updates;
(2) Written notification when the environment is clean;
(3) A formal written privacy incident notice; and,
(4) Agreement to notify me on all future notices via e-mail.

This information will assist us in performing our required due diligence. I look forward to hearing from you.

Sincerely,

Bill Phillips
Executive V.P., Chief Information Officer

Action:

- Severed all connections and blocked domains
- Communicated impact to our organization
- Sent letter to Change Healthcare
- Monitor daily

The U.S. Department of Health and Human Services' Office for Civil Rights (OCR) just announced an investigation into the recent cyberattack that affected Change Healthcare.

Cyber threats of this magnitude are on the rise, with over 134 million individuals impacted by breaches in 2023, a 141% increase from 2022.

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2

BlackCat

BlackCat Adapts Techniques Following Law Enforcement Operation

The advisory said that BlackCat actors are employing improvised communication methods by creating victim-specific emails to notify of the initial compromise.

For example, affiliates offer to provide unsolicited cyber remediation advice as an incentive for making a payment, such as "vulnerability reports" and "security recommendations" to prevent future attacks.

- The US government has warned the healthcare sector that it is now the biggest target of the BlackCat ransomware group.
- The joint advisory from the FBI, the Cybersecurity and Infrastructure Security Agency (CISA) and the Department of Health and Human Services (HHS), noted of the nearly 70 leaked victims of BlackCat since mid-December 2023, healthcare has been the most commonly victimized industry.
- This follows a post by a BlackCat administrator encouraging affiliates to target hospitals in early December in response to law enforcement action taking down the Russian-speaking group's leak site.
- The group appeared to "unseize" its leak site shortly after the announcement.
- BlackCat, also known as ALPHV, is reportedly behind the ongoing cyber incident affecting health tech firm Change Healthcare, which was first reported on February 21.

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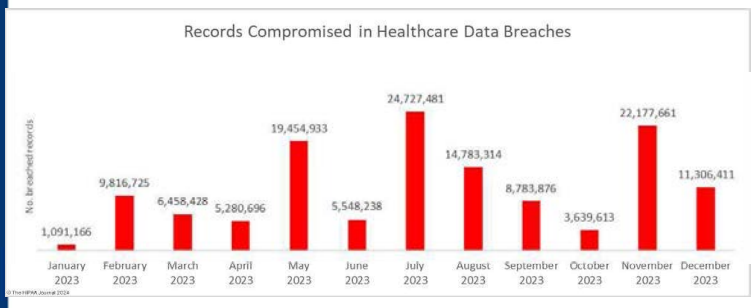
3

2023 Healthcare Data Breaches

- More than 2,600 organizations worldwide had data stolen in the attacks, with the healthcare industry among the worst affected
- 95% of all identity theft incidents reportedly come from compromised healthcare records
- Phishing attacks were used as the first stage of an attack. 45% of all successful data breaches in healthcare were due to phishing



Top 10 Organizations Affected

Name of Covered Entity	State	Covered Entity Type	Individuals Affected	Cause of Data Breach
HealthEC LLC	NJ	Business Associate	4,452,782	Hacking incident (Data theft confirmed)
ESO Solutions, Inc.	TX	Business Associate	2,700,000	Ransomware attack
Transformative Healthcare (Fallon Ambulance Services)	MA	Healthcare Provider	911,757	Hacking incident (Data theft confirmed)
Electrostim Medical Services, Inc. dba EMSI	FL	Healthcare Provider	542,990	Hacking incident
Cardiovascular Consultants Ltd.	AZ	Healthcare Provider	484,000	Ransomware attack (Data theft confirmed)
Retina Group of Washington, PLLC	MD	Healthcare Provider	455,935	Ransomware attack
CompleteCare Health Network	NJ	Healthcare Provider	313,973	Ransomware attack (Data theft confirmed)
Health Alliance Hospital Mary's Avenue Campus	NY	Healthcare Provider	264,197	Hacking incident (Data theft confirmed)
Independent Living Systems, LLC	FL	Business Associate	123,651	Hacking incident (MOVEit)
Pan-American Life Insurance Group, Inc.	LA	Health Plan	105,387	Hacking incident (MOVEit)
Meridian Behavioral Healthcare, Inc.	FL	Healthcare Provider	98,808	Hacking incident

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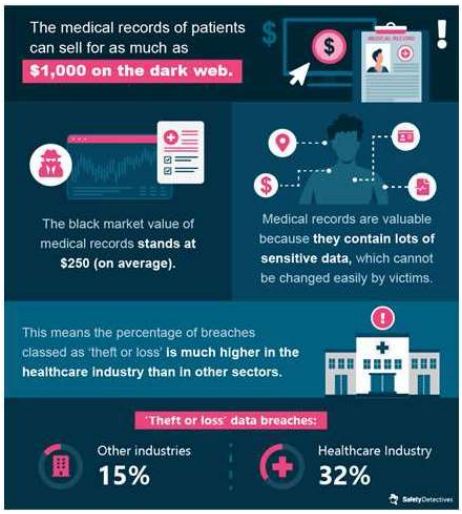
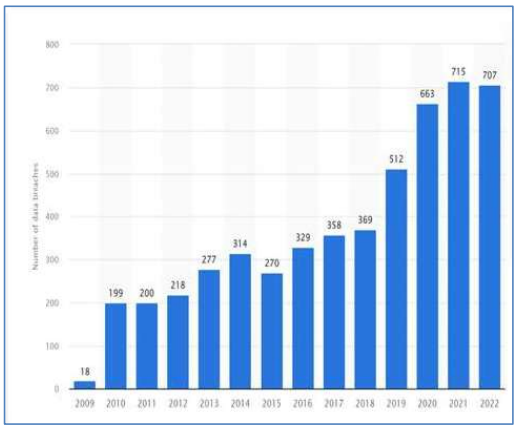
4

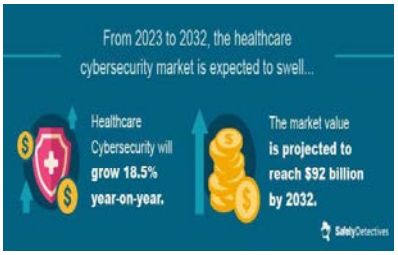
Why Target Healthcare

- Contains a greater and broader amount of personal information, more than employers or banks
- Serves as a larger pool of potential victims
- Financial data has a finite lifespan, healthcare information lives forever
- PHI can be monetized and exploited
- PHI is 10-70x more valuable than credit card information





Healthcare Data Breaches



$10,600
Downtime cost per minute for Healthcare organizations clinical systems

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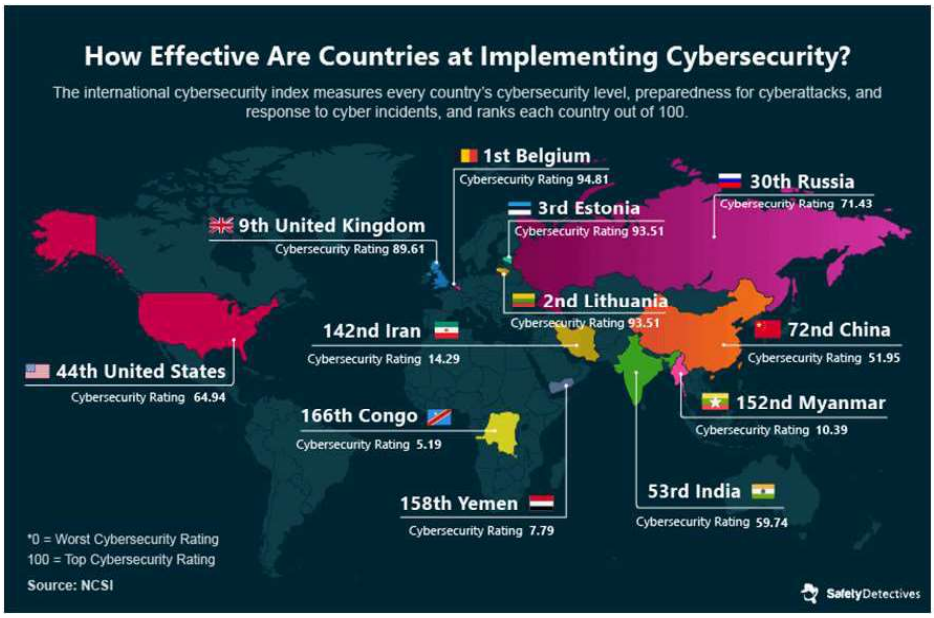
5

Cybersecurity Rating by Nation

So, which countries are best placed to deal with cybersecurity incidents in healthcare?

The national cybersecurity index measures a nation's cybersecurity level, preparedness for cyberattacks, and response to cyber incidents.



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6

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