

DARRELL E. ISSA, CALIFORNIA
CHAIRMAN

ONE HUNDRED THIRTEENTH CONGRESS

ELIJAH E. CUMMINGS, MARYLAND
RANKING MINORITY MEMBER

JOHN L. MICA, FLORIDA
MICHAEL R. TURNER, OHIO
JOHN J. DUNCAN, JR., TENNESSEE
PATRICK T. McHENRY, NORTH CAROLINA
JIM JORDAN, OHIO
JASON CHAFFETZ, UTAH
TIM WALBERG, MICHIGAN
JAMES LANKFORD, OKLAHOMA
JUSTIN AMASH, MICHIGAN
PAUL A. GOSAR, ARIZONA
PATRICK MEEHAN, PENNSYLVANIA
SCOTT DesJARLAIS, TENNESSEE
TREY GOWDY, SOUTH CAROLINA
BLAKE FARENTHOLD, TEXAS
DOC HASTINGS, WASHINGTON
CYNTHIA M. LUMMIS, WYOMING
ROB WOODALL, GEORGIA
THOMAS MASSIE, KENTUCKY
DOUG COLLINS, GEORGIA
MARK MEADOWS, NORTH CAROLINA
KERRY L. BENTIVOLIO, MICHIGAN
RON DeSANTIS, FLORIDA

Congress of the United States

House of Representatives

CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
JOHN F. TIERNEY, MASSACHUSETTS
WM. LACY CLAY, MISSOURI
STEPHEN F. LYNCH, MASSACHUSETTS
JIM COOPER, TENNESSEE
GERALD E. CONNOLLY, VIRGINIA
JACKIE SPEIER, CALIFORNIA
MATTHEW A. CARTWRIGHT, PENNSYLVANIA
L. TAMMY DUCKWORTH, ILLINOIS
ROBIN L. KELLY, ILLINOIS
DANNY K. DAVIS, ILLINOIS
PETER WELCH, VERMONT
TONY CARDENAS, CALIFORNIA
STEVEN A. HORSFORD, NEVADA
MICHELLE LUJAN GRISHAM, NEW MEXICO
VACANCY

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051

<http://oversight.house.gov>

LAWRENCE J. BRADY
STAFF DIRECTOR

March 25, 2014

The Honorable Deval Patrick
Governor of Massachusetts
Massachusetts State House
Room 105
Boston, MA 02133

Dear Governor Patrick:

Over the past four years, the Committee on Oversight and Government Reform has been conducting oversight of the Obama Administration's implementation of ObamaCare. We are writing to you because the Committee has learned that the Obama Administration took actions in the summer and fall of 2013 that appear to have placed the private information of Massachusetts residents at risk with the launch of ObamaCare's health insurance exchanges. We write to provide you with information pertinent to the citizens of your state as well as to request your assistance with the Committee's ongoing oversight.

It is clear that the Massachusetts exchange has failed to live up to expectations. Despite receiving over \$180 million dollars in federal grants to set up its ObamaCare exchange, the exchange has managed to enroll fewer than 13,000 people.¹ Put differently, for every person enrolled by the exchange, federal taxpayers gave the State approximately \$14,000 to set up the exchange.²

Since enrollment opened on October 1, 2013, the Massachusetts exchange has consistently failed to deliver a usable product for its citizens. Flaws with the site have forced the exchange to implement manual workarounds, such as encouraging individuals to use paper applications. As of February 15, 2013, approximately 50,000 applications had yet to be processed.³ Since Massachusetts failed to complete the exchange function for determining

¹ Kaiser Exchange Grants, HHS enrollment estimates as of Mar. 1 2014. See Dep't of Health and Human Services, Health Insurance Marketplace: March Enrollment Report, *available at* http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Mar2014/ib_2014mar_enrollment.pdf.

² Enrollment numbers as of Mar. 1, 2014. See *id.*

³ Michael Levenson, *50,000 filings for health coverage in limbo: state may need months to process paper applications*, BOSTON GLOBE, Feb. 14, 2014, <https://www.bostonglobe.com/metro/2014/02/14/health-connector-has-backlog-paper-insurance-applications/n8IEAFGvEnIQvd4NzsYIJ/story.html>.

ObamaCare subsidy eligibility, Massachusetts has resorted to temporarily placing applicants on Medicaid.⁴

Five months after the start of open enrollment, it appears that Massachusetts's exchange website is still dysfunctional. Like several other states, Massachusetts is considering whether to scrap its current exchange system and start over.⁵ While the functional problems with the exchange are well known, little is publicly known about the major security vulnerabilities that were present with the exchange on October 1, 2013, and which potentially remain today.

Independent Security Assessment of Massachusetts's Exchange Raised Security Concerns

Since October 1, 2013, Americans in states with exchanges established by the federal government have been entering their personally identifiable information (PII), such as birth dates, Social Security numbers, and income as well as PII of family members into HealthCare.gov. Individuals in states that established state health insurance exchanges, including Massachusetts, have likewise been entering this information into similar websites. Federal agencies, including the Internal Revenue Service and the Social Security Administration, have responsibility for verifying much of the information provided by individuals applying for coverage through the ObamaCare exchanges. The information provided by these agencies passes through the federal data services hub to the exchanges, where the information is then stored.⁶

On September 16, 2013, Massachusetts issued the Security Assessment Report for the Massachusetts exchange.⁷ It is unclear from the report who conducted the security assessment,⁸ which was required by the Centers for Medicare and Medicaid Services Minimum Acceptable Risk Standards for Exchanges (MARS-E).⁹ The assessment reviewed web applications, infrastructure, the disaster recovery plan and implemented controls.¹⁰

The assessment raises serious questions about the security of the Massachusetts exchange when it launched on October 1, 2013. The assessment noted several high risks that Massachusetts did not have a plan to correct as of mid-September 2013. According to the report,

⁴ Julie M. Donnelly, *State still mulling 4 options to fix Obamacare website*, BOSTON BUSINESS JOURNAL, Mar. 7, 2014, <http://www.bizjournals.com/boston/blog/health-care/2014/03/state-still-mulling-4-options-to-fix.html>.

⁵ *Id.*

⁶ Department of Health and Human Services, Office of Inspector General, *Observations Noted During the OIG Review of CMS's Implementation of the Health Insurance Exchange—Data Services Hub* (Aug. 2013), <https://oig.hhs.gov/oas/reports/region1/181330070.pdf>.

⁷ Massachusetts Health Insurance Exchange Integrated Eligibility System Security Assessment Report (Sept. 18, 2013).

⁸ *Id.*

⁹ Centers for Medicare and Medicaid Services, *Catalog of Minimum Acceptable Risk Controls for Exchanges – Exchange Reference Architecture Supplement 42-44* (Aug. 1, 2010), *available at*: <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Catalog-of-MinAcceptable-Risk-Controls-for-Exchanges-ERA-Supp-v-1-0-08012012-a.pdf>.

¹⁰ Massachusetts Health Insurance Exchange Integrated Eligibility System Security Assessment Report (Sept. 18, 2013).

Massachusetts failed to give employees the required security awareness training, including training on handling federal tax information, and did not require background or credit checks of employees before allowing them to have access to the IT system used to operate the exchange. Furthermore, the report noted that the exchange did not plan regular vulnerability scanning or penetration testing “upon go-live date.”¹¹ It is unclear when, if at all, the numerous deficiencies in the security of Massachusetts’s exchange were corrected.

Obama Administration Allowed Massachusetts to Connect to Federal Data Hub Despite High Risks

The Committee has recently obtained the security risk assessment of the Chief Information Security Officer (CISO) at the Centers for Medicare and Medicaid Services (CMS) for allowing states to connect to the data services hub. State exchanges and Medicaid systems needed authority to connect (ATC) agreements from CMS in order to connect to the federal data services hub.

After its review, the CISO only recommended four state systems be allowed to connect to the hub. According to the reviews, the CISO deemed 35 state systems as a high risk and an additional ten state systems as a moderate risk of connecting to the data hub.¹² The National Institute of Standards and Technology (NIST) defines a moderate risk as a risk where “the loss of confidentiality, integrity, or availability could be expected to have a serious adverse effect on organizational operations, organizational assets, or individuals”¹³ and a high risk as a risk where “the loss of confidentiality, integrity, or availability could be expected to have a severe or catastrophic adverse effect on organizational operations, organizational assets, or individuals.”¹⁴

Despite the CISO’s negative assessments that generally revealed incomplete documentation and inadequate security testing, CMS allowed most of these states to connect to the federal data hub on October 1, 2013. A few days prior to October 1, 2013, Ryan Brewer, CMS’s CISO from 2009 through 2011 and currently an advisor to CMS on information security matters, offered the following assessment to current CMS CISO Teresa Fryer: “Allowing these states to connect to the Hub and FFM [Federally Facilitated Marketplace] without the

¹¹ *Id.* at 27.

¹² CMS CISO Reviewer Overall Comments & Recommendations (on file with Committee staff).

¹³ See U.S. Dep’t of Commerce, Federal Information Process Standards Publication, Standards for Security Categorization of Federal Information and Information Systems, FIPS PUB 199, at 2 (Feb. 2004) (hereinafter “FIPS PUB 199”). According to NIST, a serious adverse effect means that, for example, the loss of confidentiality, integrity or availability might: (i) cause a significant degradation in mission capability to an extent and duration that the organization is able to perform its primary functions, but the effectiveness of the functions is significantly reduced; (ii) result in significant damage to organizational assets; (iii) result in significant financial loss; or (iv) result in significant harm to individuals that does not involve loss or life or serious life threatening injuries.

¹⁴ *Id.* at 3. According to NIST, a severe or catastrophic adverse effect means that, for example, the loss of confidentiality, integrity, or availability might: (i) cause a severe degradation in or loss of mission capability to an extent and duration that the organization is not able to perform one or more of its primary functions; (ii) result in major damage to organizational assets; (iii) result in major financial loss; or (iv) result in severe or catastrophic harm to individuals involving loss of life or serious life threatening injuries.

appropriate review of their documentation introduces an unknown amount of risk to the Hub and FFM. **This in turn puts the PII of potentially millions of users at risk of identity theft and fraud to the CMS marketplace healthcare subsidy program.**¹⁵ [emphasis added]

It does not appear, however, such concerns were welcomed by senior CMS management in the days leading up to the October 1, 2013, launch date. In response to a September 29, 2013, E-mail from Mike Mellor, CMS Deputy CISO, about an ATC “signing party,”¹⁶ Ms. Fryer wrote, “normally I just review and sign what Ryan [Brewer] gives me anyway because **the front office is signing them whether or not they are a high risk.**”¹⁷ [emphasis added] At the time, CMS’s front office consisted of CMS’s Chief Information Officer Tony Trenkle, CMS’s Deputy Chief Information Officer Henry Chao, and CMS’s Chief Technology Officer George Linares.¹⁸ Ms. Fryer testified that by authorizing states to connect to the data hub CMS accepted “a risk, again, of the unknowns, because things haven’t been tested.”¹⁹

On September 24, 2013, CMS’s CISO completed its assessment of Massachusetts’s ATC package.²⁰ According to a review of security documentation submitted by Massachusetts, the CISO concluded that there was a moderate risk if CMS allowed Massachusetts’s exchange to connect to the data hub.²¹ Despite the risk, CMS allowed Massachusetts’s exchange to connect to the data hub on October 1, 2013.

Due to the decision of the Obama Administration to launch the exchanges on October 1, 2013, before states could properly test their systems and government security experts could properly review security documentation and address known problems, the personal information of millions of Americans who have sought to obtain coverage through the exchanges was put at risk. As the Committee continues its oversight of ObamaCare, we request that you provide the following information to the Committee by April 8, 2014.

- 1) All documents and communications between any employees, contractors, or agents of the Commonwealth of Massachusetts and any employees, contractors, or agents of the U.S. Department of Health and Human Services, including but not limited to any employees, contractors, or agents of the Centers for Medicare and Medicaid Services, referring or

¹⁵ E-mail from C. Ryan Brewer, Principal, GrayScout, LLC, to Teresa M. Fryer, CISO, CMS (Sept. 18, 2013, 2:17 PM) (on file with Committee staff).

¹⁶ E-Mail from Michael Mellor, Deputy CISO, CMS, to Teresa M. Fryer, CISO, CMS (Sept. 29, 2013, 7:02 AM) (on file with Committee staff).

¹⁷ E-mail from Teresa M. Fryer, CISO, CMS, to C. Ryan Brewer, Principal, GrayScout, LLC, and Michael Mellor, Deputy CISO, CMS (Sept. 29, 2013, 8:15:55 AM) (on file with Committee staff).

¹⁸ Transcribed Interview with Thomas Schankweiler, Information Security Officer, Centers for Medicare and Medicaid Services, in Wash. D.C. (Dec. 17, 2013).

¹⁹ Transcribed Interview with Teresa Fryer, Chief Information Security Officer, Centers for Medicare and Medicaid Services, in Wash. D.C. (Dec. 17, 2013).

²⁰ CISO Reviewer Overall Comments and Recommendations of the Massachusetts Health Insurance Exchange/Integrated Eligibility System (Sept. 24, 2013).

²¹ *Id.*

The Honorable Deval Patrick
March 25, 2014
Page 5

relating to the Massachusetts exchange or the federal data services hub between May 1, 2013, and the present.

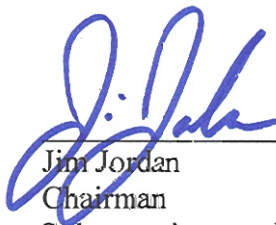
- 2) All documents and communications between any employees, contractors, or agents of the Commonwealth of Massachusetts and any employees, contractors, or agents of the White House, including but not limited to the Executive Office of the President, referring or relating to the Massachusetts exchange or the federal data services hub between May 1, 2013, and the present.
- 3) All assessments or audits of the Massachusetts exchange's development, readiness, or security between July 1, 2012, and the present.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. If you have any questions about this request, please contact Brian Blase or Meinan Goto of the Committee staff at (202) 225-5074. Thank you for your attention to this important matter.

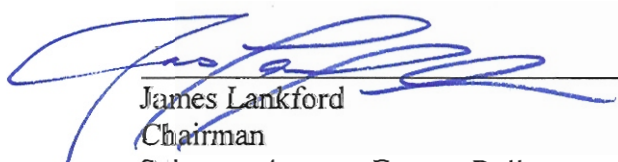
Sincerely,



Darrell Issa
Chairman



Jim Jordan
Chairman
Subcommittee on Economic Growth,
Job Creation, and Regulatory Affairs



James Lankford
Chairman
Subcommittee on Energy Policy,
Health Care and Entitlements

Enclosure

cc: The Honorable Elijah E. Cummings, Ranking Minority Member

The Honorable Matthew A. Cartwright, Ranking Minority Member
Subcommittee on Economic Growth, Job Creation and Regulatory Affairs

The Honorable Jackie Speier, Ranking Minority Member
Subcommittee on Energy Policy, Health Care and Entitlements