

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**PUBLIC SUMMARY REPORT:
WASHINGTON STATE IMPLEMENTED
SECURITY CONTROLS OVER THE WEB
SITE AND DATABASE FOR ITS HEALTH
INSURANCE EXCHANGE BUT COULD
IMPROVE PROTECTION OF PERSONALLY
IDENTIFIABLE INFORMATION**

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The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Washington State implemented security controls over the Web site and database for its health insurance exchange. However, improvements are needed to fully comply with Federal requirements and to increase protection of personally identifiable information.

This public summary report provides an overview of the results of our audit of the information security controls at Washington State's health insurance exchange, Washington Health Benefit Exchange (Washington marketplace). It does not include specific details of the vulnerabilities that we identified because of the sensitive nature of the information. We have provided more detailed information and recommendations to the Washington marketplace so that it can address the issues we identified. The findings listed in this public summary report reflect a point in time regarding system security and may have changed since we reviewed these systems.

WHY WE DID THIS REVIEW

The Patient Protection and Affordable Care Act (ACA)¹ established health insurance exchanges (commonly referred to as "marketplaces") to allow individuals and small businesses to shop for health insurance in all 50 States and the District of Columbia. Because the marketplaces handle consumers' personally identifiable information (PII), security of the marketplaces' data and systems is paramount. Web sites and database systems that are not properly secured create vulnerabilities that could be exploited by unauthorized persons to compromise the confidentiality of PII. One of the top challenges in the U.S. Department of Health and Human Services, Office of Inspector General's list of management challenges facing the Department is ensuring security of the marketplaces. The review summarized here is one of a series of reviews of State-based marketplaces' security controls.

Under provisions of the ACA, Washington State chose to implement a State-based marketplace. The Federal Government awarded Washington State \$23 million to support the marketplace's development. The Washington marketplace's Web site offers State residents side-by-side comparisons of qualified health plans; tax credits or financial help to pay for health insurance premiums and copayments; and customer support online, by phone, or in-person through a local organization or an insurance broker. The Washington marketplace uses a database to store PII. As of June 30, 2015, the Washington marketplace had received more than 1.1 million unique applications from individuals and more than 750 unique applications from employers.

Our objective was to determine whether the Washington marketplace had implemented security controls to protect PII on its Web site and database in accordance with Federal requirements.

HOW WE CONDUCTED THIS REVIEW

We reviewed the Washington marketplace's information security controls, including its policies and procedures, in place at the time our fieldwork began in May 2015. Our review of applicable Federal requirements included reviewing certain Centers for Medicare & Medicaid Services (CMS) requirements in the *Minimum Acceptable Risk Standards for Exchanges* Document

¹ P.L. No. 111-148 (Mar. 23, 2010), as amended by the Health Care and Education Reconciliation Act of 2010, P.L. No. 111-152 (Mar. 30, 2010).

Suite.² These requirements and standards include those related to security plans and risk assessments, vulnerability scanning and penetration testing, patch management and flaw remediation, Plan of Action and Milestones (POA&M),³ and incident response. We did not review the Washington marketplace's overall internal controls.

We conducted the performance audit described here in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives. We communicated to the Washington marketplace our preliminary findings in advance of issuing our draft report.

WHAT WE FOUND

The Washington marketplace had implemented many security controls, including policies and procedures, to protect PII on its Web site and database. However, it did not always comply with Federal requirements. Specifically, the Washington marketplace had not adequately secured its Web site and database and had not performed a vulnerability scan in accordance with Federal requirements. In addition, the Washington marketplace's POA&M did not meet some of CMS's minimum requirements for protection of marketplace systems.

Although we did not find evidence that the vulnerabilities had been exploited, exploitation could have resulted in unauthorized access to and disclosure of PII, as well as disruption of critical marketplace operations. As a result, the vulnerabilities were collectively and, in some cases, individually significant and could have potentially compromised the confidentiality, integrity, and availability of the marketplace. In addition, without proper safeguards, systems were not protected from individuals and groups with malicious intent to obtain access in order to commit fraud, waste, or abuse or launch attacks against other computer systems and networks.

WHAT WE RECOMMENDED

We recommended that the Washington marketplace implement our detailed recommendations to address the findings that we identified related to the Web site and database, the vulnerability scan, and the POA&M.

WASHINGTON MARKETPLACE COMMENTS

In written comments on our draft report, the Washington marketplace concurred with all of our recommendations and described actions that it has taken or plans to take to implement our recommendations.

² The Document Suite (Aug. 1, 2012) includes *Minimum Acceptable Risk Standards for Exchanges—Exchange Reference Architecture Supplement*, *Catalog of Minimum Acceptable Risk Controls for Exchanges—Exchange Reference Architecture Supplement*, and *ACA System Security Plan Procedures*.

³ Organizations, including the Washington marketplace, use the POA&M to report to CMS their planned remedial actions to correct vulnerabilities identified during security assessments.