October 24, 2013

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Washington, DC 20201

Dear Madam Secretary:

On October 10, 2013, we wrote you asking for information related to the multitude of problems associated with the Administration’s implementation of ObamaCare, particularly the range of problems related to the development and operation of the federal exchange and HealthCare.gov. 1 On numerous occasions over the last few weeks, Committee staff provided HHS staff with a list of priority areas for the Department’s response and answered numerous questions from HHS staff, so the Department could plan its response accordingly and transmit information to the Committees as quickly as possible. 2 Despite the importance of this issue and the Committees’ willingness to accommodate the Department, yesterday your staff informed Committee staff that you would “not be able to provide the response by the requested date.” 3 While you have refused to provide information to Congress, you have been a frequent guest on numerous news and television comedy programs subsequent to October 1, 2013. 4 It is unacceptable that you are providing information to numerous other outlets, but not to Congress.

According to Committee sources, the federal government spent far more than was needed to establish HealthCare.gov. 5 While similar IT projects in the private sector would likely have cost far less, the implementation of HealthCare.gov and its related components have cost taxpayers between $400 and $600 million. 6 Despite the huge amount of unnecessary spending on HealthCare.gov, the site has been a huge failure. Most visitors to HealthCare.gov are unable to create accounts and shop for coverage, and

1 Letter from Hon. Darrell Issa and Sen. Lamar Alexander to Kathleen Sebelius, Secretary, Department of Health and Human Services (Oct. 10, 2013).
2 Emails between Committee staff to HHS staff (October 18, 2013; October 21, 2013; October 22, 2013).
3 Email from HHS staff to Committee staff (October 23, 2013).
5 Briefing with contractors working with CMS to build the federal exchange and federal data hub services data hub (Oct. 21, 2013).
even if they are successful, their information may be of no use as insurance companies are getting corrupt data from the exchange.\textsuperscript{7} Even many supporters of ObamaCare, such as Ezra Klein, a \textit{Washington Post} reporter and columnist who urged Democrats in Congress in March 2010 to pass ObamaCare and wrote that the bill was a victory for Democrats,\textsuperscript{8} have admitted that “the Affordable Care Act's launch has been a failure. Not 'troubled.' Not 'glitchy.' A failure.”\textsuperscript{9}

As another example of a major problem with implementation thus far, HealthCare.gov currently directs consumers to contact application assistance personnel that have not yet completed the federal certification requirements. When Committee staff visited www.localhelp.healthcare.gov and searched for local assistance in Virginia, one of the 34 states with a federal exchange, the website warned that “Application Assisters listed on this page may still be completing federal and state certification requirements.”\textsuperscript{10} The website also stated that “We continue to add new organizations that can help – please check back regularly.”\textsuperscript{11} Navigators and other assistance personnel are required to successfully complete HHS’s online training program before they are certified to assist consumers.\textsuperscript{12} It is troubling that the website advises consumers to contact some organizations that are uncertified, and raises serious concerns about fraud and misinformation as untrained and unknowledgeable assistance personnel are apparently advising consumers about ObamaCare. The Oversight and Government Reform Committee conducted a thorough review of the Navigators and Assisters programs in its report entitled, “Risks of Fraud and Misinformation with ObamaCare Outreach Campaign: How Navigator and Assister Program Mismanagement Endangers Consumers,” and found serious deficiencies that place consumers at high risk of misinformation and identity theft.\textsuperscript{13}

During the months prior to October 1, 2013, the Administration and many HHS officials assured the American people that the health insurance exchanges would be ready to successfully launch on October 1, 2013. For example, on July 17, 2013, Marilyn Tavenner, Administrator for the Centers for Medicare and Medicaid Services, testified, “I


\textsuperscript{8} Ezra Klein, \textit{Democrats should stop being clever and pass the bill}, \textit{WASHINGTON POST} (Mar. 15, 2010), http://voices.washingtonpost.com/ezra-klein/2010/03/democrats_should_stop_being_cl.html.


\textsuperscript{11} Id.

\textsuperscript{12} 45 CFR §155.215(b)(1).

\textsuperscript{13} \textit{Risks of Fraud and Misinformation with ObamaCare Outreach Campaign: How Navigator and Assister Program Mismanagement Endangers Consumers}, Staff Report, Oversight & Govt. Reform Committee (Sept. 18, 2013).
The Honorable Kathleen Sebelius  
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want to assure you that [on] October 1, 2013, the health insurance marketplace will be open for business. Consumers will be able to log onto HealthCare.gov, fill out an application and find out what coverage and benefits they qualify for."14 At a hearing on May 21, 2013, before the Committee on Oversight and Government Reform, Gary Cohen, Director of the Center for Consumer Information and Insurance Oversight also testified, "I think we are very much on schedule; we are moving forward. We are going to be ready October 1st for open enrollment to begin."15 You provided similar assurances to other Committees of Congress as well.16

It is clear that you and other high-ranking HHS officials either provided false testimony to Congress or did not know how badly the development of the HealthCare.gov was proceeding. Either scenario, if accurate, is inexcusable and demands accountability from your department. Your failure to provide Congress information that would shed additional light on these problems is a troubling indication that you are refusing to hold people accountable for this costly and failed enterprise.

Attached to this letter is a copy of the request made by our Committees on October 10, 2013, which was due today, and to which you have not replied. If you do not comply with the Committees’ requests by 5:00 p.m. on October 28, 2013, the Committee on Oversight and Government Reform will be forced to consider the use of compulsory process.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at “any time” investigate “any matter” as set forth in House Rule X. An attachment to this letter provides additional information about responding to the Committee’s request.

In preparing your answers to these questions, please answer each question individually and include the text of each question in your response. When producing documents to the Committee on Oversight and Government Reform, please deliver production sets to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building. The Committee prefers to receive documents in electronic format.

The Honorable Kathleen Sebelius
October 24, 2013
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If you have any questions about this request, please have your staff contact Stacy Cline of the Senate Health, Education, Labor and Pensions Committee Staff at 202-224-6770 or Brian Blase of the House Committee on Oversight and Government Reform Staff at 202-225-5074. Thank you for your attention to this matter.

Sincerely,

Lamar Alexander
Ranking Member
Health, Education, Labor
and Pensions Committee
U.S. Senate

Darrell Issa
Chairman
Committee on Oversight
and Government Reform
U.S. House of Representatives

Enclosure

cc: The Honorable Tom Harkin, Chairman
Committee on Health, Education, Labor and Pensions
U.S. Senate

The Honorable Elijah Cummings, Ranking Minority Member
Committee on Oversight and Government Reform
U.S. House of Representatives
October 10, 2013

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

We are writing to seek information about the federal health insurance exchanges established by the Department of Health and Human Services (HHS). We are concerned by recent comments to the media that the system suffers from architectural problems that need design changes. We seek information about these problems as well as whether you still expect individuals to suffer a tax penalty if they do not purchase government-approved health insurance.

ObamaCare requires millions of individuals to enroll in government-mandated insurance or else face a tax penalty. The law required an online exchange be available by October 1, 2013, for individuals to compare plans and rates. For the 36 states that are not operating their own exchange websites, HHS established healthcare.gov for individuals to shop for insurance that would meet the law’s mandated insurance coverage requirements. A Government Accountability Office report from June detailed that HHS spent almost $394 million over three years in contracts to establish the exchange and its related functions.¹

Two top HHS officials, Marilyn Tavenner, the Administrator of the Centers for Medicare and Medicaid Services (CMS), and Gary Cohen, the Director for the Center for Consumer Information and Insurance Oversight, provided testimony to the House Committee on Oversight and Government Reform within the past few months suggesting that HHS would be ready for implementation on October 1, 2013. On July 17, 2013, Ms. Tavenner testified that she was “feeling pretty comfortable about the ability [of CMS] to be ready on October 1st.”² She further stated that “I want to assure you that [on] October 1, 2013, the health insurance marketplace will be open for business. Consumers will be able to log onto healthcare.gov, fill out an application and find out what coverage and benefits they qualify for.”³ At a hearing on May 21, 2013, Mr. Cohen testified “I think we are very much on

¹ John E. Dicken, Patient Protection and Affordable Care Act: Status of CMS Efforts to Establish Federally Facilitated Health Insurance Exchanges, GAO Report to Congressional Requesters (June 2013).
³ Id.
schedule; we are moving forward. We are going to be ready October 11 for open enrollment to begin." Mr. Cohen also testified that there would not be "any problems with [the] massive amount of data sharing." HHS launched healthcare.gov on October 1, 2013, as required by law. From day one, however, healthcare.gov has been plagued by what Administration officials initially referred to as technical glitches. After six days the Administration finally admitted the glitches were "design and software problems that have kept customers from applying online for coverage." News reports detailed stories of people waiting as long as 36 hours to enroll for insurance, many waiting for hours only to give up. As many as 99 of every 100 applications are not able to be processed, and experts are concerned that "federal officials could face a situation in January in which relatively large numbers of people believe they have coverage starting that month, but whose enrollment applications have not been processed." "

Among the many problems that have been identified in the media: many tens of thousands of people have started the application process but been unable to create accounts;9 the system that determines whether people are eligible for federal subsidies or Medicaid has made inaccurate determinations;10 the exchange will not be able to communicate with state Medicaid agencies until November;11 drop down tools and identity checking systems have not properly functioned;12 the website bottlenecks at the account creation stage;13 insurers are receiving incomplete or corrupted applications;14 and insufficient capacity has been allocated for the website.15 The website was shut down for periods on October 5th, October 6th, and on October 8th in order for HHS to attempt to make changes.

To help us evaluate the extent of the problems with ObamaCare’s rollout and for us to better determine whether any corrective legislative actions are necessary, please provide the Committees with the following information by October 24, 2013:

1. As of October 9, 2013, at midnight, how many people had successfully enrolled for insurance through the federal exchange? How many people attempted to submit applications?

2. Please describe, in detail, all technical problems (including software and design defects) that are preventing people from successfully creating accounts, applying for insurance, and enrolling in plans. Please describe in detail the administration’s plans to address those problems and what has already been done to fix them. Please include which contractors were

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4 Examining The Concerns About the ObamaCare Outreach Campaign, Hearing Before the H. Comm. on Oversight and Government Reform, Subcomm. on Energy Policy, Health Care, and Entitlements, and Subcomm. on Economic Growth, Job Creation and Regulatory Affairs, 113th Cong. 20-21 (2013)
5 Id.
8 Dan Mangan, 99% of Obamacare Applications Hit a Wall, CNBC (Oct. 4, 2013).
9 Supra note 6.
10 Id.
12 Supra note 6.
involved in the design and operation of those aspects of the exchange and which contractors are involved in correcting the problems.

3. How much has it already cost and will it cost to address the technical problems with the exchange? Does HHS need additional appropriations to solve the technical problems and if not, how will HHS pay for the changes? Please list specific appropriations accounts used.

4. According to several news reports, the system that determines when people are eligible for subsidies to buy insurance or Medicaid appears to be malfunctioning, and thus many people may not be eligible for plans in which they are enrolled. What is your timeline for determining when people may have received inaccurate information about eligibility and for notifying affected individuals? How will individuals be notified?

5. According to a USA Today interview with HHS's Chief Technology Officer Todd Park, the Administration has said it hopes as many as 7 million people will eventually sign up for health insurance through the federal exchange. Yet, the administration only designed healthcare.gov to handle 50,000 to 60,000 simultaneous users.
   a. Why did the Administration build the site to accommodate so few people at a time when it expected many more to apply for insurance?
   b. How much load testing of the exchange was done? What is the maximum number of simultaneous users the exchange was tested to accommodate?

6. According to some reports, the Administration was repeatedly warned that the federal exchange had significant problems. Insurers complained that during tests of the exchange there were difficulties with transmissions to insurers, with insurers not receiving all necessary data about individuals enrolling in plans during tests.
   a. Did HHS go live with healthcare.gov knowing there were problems with transmitting data to insurers?
   b. If those problems were resolved during testing, how were they resolved?

7. For the first five days of open enrollment, the administration insisted enrollment problems were a matter of unexpected volume. In an on the record interview with USA Today published October 6, Todd Park said “These bugs were functions of volume." Take away the volume and it works.” On the same day, the Administration admitted to The Wall Street Journal that capacity was not the only problem, but the exchange suffered from design problems as well.
   a. When did HHS first learn of the design and software problems with the exchange?
   b. Please provide all documents, including emails, referring or relating to the design, software, and capacity problems with the exchange.

8. Will individuals who attempted to enroll in insurance through the federal exchange but who ultimately were unsuccessful due to the system’s failures still face a tax penalty if they do not enroll for 2014? What about individuals who believe they successfully enrolled but later find out they were ineligible?

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16 Supra notes 6 and 11.
9. Please provide all documents referring or relating to the testing of the exchange and the federal
data hub, including but not limited to contractual terms, reports or other data that were
submitted by contractors, internal testing, internal emails, memos, power point presentations,
and any communications from third parties such as insurers or other stakeholders on the
performance of the exchange.

The Committee on Oversight and Government Reform is the principal oversight committee of the
House of Representatives and may at “any time” investigate “any matter” as set forth in House Rule X.
An attachment to this letter provides additional information about responding to the Committee’s
request.

In preparing your answers to these questions, please answer each question individually and include the
text of each question in your response. When producing documents to the Committee on Oversight
and Government Reform, please deliver production sets to the Majority Staff in Room 2157 of the
Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office
Building. The Committee prefers to receive documents in electronic format.

If you have any questions about this request, please have your staff contact Stacy Cline of the Senate
Health, Education, Labor and Pensions Committee Staff at 202-224-6770 or Brian Blase of the House
Committee on Oversight and Government Reform Staff at 202-225-5074. Thank you for your
attention to this matter.

Sincerely,

Sen. Lamar Alexander
Ranking Member
Senate Health, Education, Labor
and Pensions Committee

Rep. Darrell Issa
Chairman
House Committee on Oversight
and Government Reform

Enclosure

cc: The Honorable Tom Harkin, Chairman, Senate Committee on Health, Education, Labor and
Pensions

The Honorable Elijah Cummings, Ranking Minority Member, Committee on Oversight and
Government Reform
Responding to Committee Document Requests

1. In complying with this request, you are required to produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. You should also produce documents that you have a legal right to obtain, that you have a right to copy or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party. Requested records, documents, data or information should not be destroyed, modified, removed, transferred or otherwise made inaccessible to the Committee.

2. In the event that any entity, organization or individual denoted in this request has been, or is also known by any other name than that herein denoted, the request shall be read also to include that alternative identification.

3. The Committee’s preference is to receive documents in electronic form (i.e., CD, memory stick, or thumb drive) in lieu of paper productions.

4. Documents produced in electronic format should also be organized, identified, and indexedlectronically.

5. Electronic document productions should be prepared according to the following standards:

   (a) The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.

   (b) Document numbers in the load file should match document Bates numbers and TIF file names.

   (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.

   (d) All electronic documents produced to the Committee should include the following fields of metadata specific to each document:

      BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH, PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE, SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM,
6. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced, each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.

7. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when the request was served.

8. When you produce documents, you should identify the paragraph in the Committee’s schedule to which the documents respond.

9. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same documents.

10. If any of the requested information is only reasonably available in machine-readable form (such as on a computer server, hard drive, or computer backup tape), you should consult with the Committee staff to determine the appropriate format in which to produce the information.

11. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.

12. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.

13. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control.

14. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you are required to produce all documents which would be responsive as if the date or other descriptive detail were correct.

15. Unless otherwise specified, the time period covered by this request is from January 1, 2009 to the present.

16. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been
located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.

17. All documents shall be Bates-stamped sequentially and produced sequentially.

18. Two sets of documents shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building.

19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

**Schedule Definitions**

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.

2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email (desktop or mobile device), text message, instant message, MMS or SMS message, regular mail, telexes, releases, or otherwise.
3. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.

4. The terms "person" or "persons" mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.

5. The term "identify," when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.

6. The term "referring or relating," with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.

7. The term "employee" means agent, borrowed employee, casual employee, consultant, contractor, de facto employee, independent contractor, joint adventurer, loaned employee, part-time employee, permanent employee, provisional employee, subcontractor, or any other type of service provider.