



Congress of the United States
House of Representatives
Washington, DC 20515-0529

July 20, 2015

Mr. Peter V. Lee,
Executive Director
Covered California
560 J Street, Suite 290
Sacramento, CA 95814

Dear Director Lee:

We commend you for your work helping enroll nearly half a million Californians during the 2015 open enrollment period. Included among the newly insured are the hundreds of families who cannot be dropped from insurance when they get sick, and they can go to bed each night without the fear of a cold or injury wiping out their family finances.

Covered California has done an excellent job at ensuring that hard working Californians and their families have access to affordable health insurance. There is much to learn about the newly insured. We applaud you on working to save consumers tens of millions of dollars in premiums in 2015 through data analysis. This is an excellent example of how the use of data can benefit families that do everything in their ability to help keep their lights on, put food on the table, and still protect themselves from going bankrupt in the chance of a health emergency.

While analyzing this information is valuable for the well-meaning efforts of Covered California, we have concerns with a recent report in the L.A. Times that you plan to begin a major data-mining project on sensitive patient information. This project has the potential to provide greater insight into the newly insured and potentially into the many uninsured in our districts. We understand how critical it is to uphold the highest quality of care possible for patients; however, we are concerned about the cybersecurity and privacy risks involved in collecting such a large volume of sensitive data.

Cyber-attacks impact thousands of U.S. businesses and consumers each year. More than 200,000 cyber incidents involving federal agencies, companies that run critical infrastructure like nuclear power plants, dams and transit systems and contract partners occurred in 2013. Unfortunately, hackers are no longer interested solely in consumers' financial information anymore. According to a study conducted by the Ponemon Institute, more than 1.84 million people were affected by medical identity theft in 2012.

We respectfully request that you outline the measures you will be taking in order to ensure that patient information is protected. In particular, we are concerned about the following:

1. The option for consumers to opt out of medical data collection.
2. How Covered California will inform consumers about the way in which their data is being used.
3. What measures are being taken by Covered California and its subcontractors to ensure that all are use the best cybersecurity protections.
4. The notification policies that will govern the organization in the event of a data breach, so consumers are aware of any vulnerabilities to their personal information.
5. How Covered California will incorporate data encryption into its programs to protect sensitive information while assessing data.

It is our responsibility in Congress to protect our constituents, and in the Internet age that means their online lives as well. Covered California is an important apparatus that serves over 1.4 million Californians. Its continued success will depend on thoughtful measures taken to address the cybersecurity threats and privacy concerns.

We look forward to working with you and request a meeting to further discuss your data analysis plans and measures taken to address the concerns we have raised. We commend your efforts to gather deeper insight into who is benefitting from the implementation of the ACA. We are ready to support these efforts and hope that it can become an effective example for other states to do the same. We are here to encourage similar efforts and support them in their efforts to helping Californian workers and families gain access to affordable, quality healthcare.

Sincerely,



TONY CÁRDENAS
Member of Congress



MARK DESAULNIER
Member of Congress



ANNA G. ESHOO
Member of Congress



JUDY CHU
Member of Congress