



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

January 9, 2014  
(House)

## STATEMENT OF ADMINISTRATION POLICY

### H.R. 3811 – Health Exchange Security and Transparency Act of 2014

(Rep. Pitts, R-PA., and 74 cosponsors)

The Administration believes Americans' personally-identifiable information should be protected wherever it resides, and that all Americans deserve to know if that information has been improperly exposed. Accordingly, the Federal Government adheres to extensive requirements for safeguarding against and responding to the breach of personally-identifiable information. Additionally, the Administration called upon the Congress in May 2011 to pass national data breach legislation reflecting a real solution to this complex issue.

The Federal Government has already put in place an effective and efficient system for securing personally-identifiable information in the Health Insurance Marketplaces and providing consumers notification if their personally-identifiable information has been compromised. When consumers fill out their online Marketplace applications, they can trust that the information that they are providing is protected by stringent security standards.

The components of the HealthCare.gov website that are now operational comply with Federal security standards. Security testing is conducted on an ongoing basis using industry best practices designed to appropriately safeguard consumers' personal information.

The Administration opposes House passage of H.R. 3811 because it would create unrealistic and costly paperwork requirements that do not improve the safety or security of personally-identifiable information in the Health Insurance Marketplaces. For example, the indiscriminate reporting requirement in H.R. 3811 may seriously impede the law enforcement investigation of a breach. Unlike existing requirements, H.R. 3811 requires expensive and unnecessary notification for the compromise of publicly-available information, even if there is no reasonable risk that information could be used to cause harm.

The Affordable Care Act gives people greater control over their own health care and has already improved many aspects of the Nation's health care system. Beginning this year, millions of low- and middle-income Americans will be eligible to receive tax credits to help them purchase insurance and cost-sharing reductions to help with out-of-pocket expenses for coverage. Tens of millions of Americans who have previously been denied coverage due to pre-existing medical conditions will now be covered. The nearly one in two Americans under the age of 65 with pre-existing medical conditions will have the peace of mind that comes from knowing that they cannot be dropped from their health plan or denied coverage because of those conditions. The Affordable Care Act is also bringing down the cost of health care for millions of families and businesses and will also reduce the Federal budget deficit.

H.R. 3811 would impose an administratively burdensome reporting requirement that is less effective than existing industry standards and those already in place for Federal Agencies that possess such information. As such, the Administration opposes its passage.

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