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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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October 19, 2012

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

Dear Secretary Sebelius:

As the Ranking Member of the Senate Committee on Finance (Committee), it is my responsibility to conduct oversight of the Department of Health Human Services (HHS), including the Centers for Medicare & Medicaid Services (collectively referred to as HHS) and the implementation of the various aspects of the exchange provisions contained in the Patient Protection and Affordable Care Act (PPACA). In this role, I am writing to obtain more information about HHS' contracting decisions with respect to various contractors charged with helping facilitate the exchanges in the interest of better understanding how HHS is administering this significant expansion of health care on behalf of the American taxpayers.

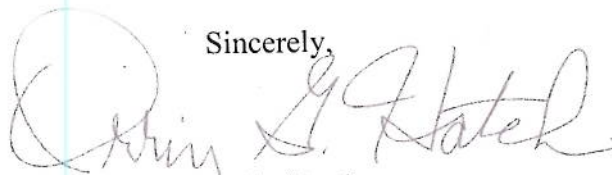
Specifically, I am seeking more information about the contracts associated with the entities selected to build the federally facilitated exchange (FFE) and the federal data services hub that will support the FFE. As you know, I have previously raised concerns about the limited information on the FFE that has been provided publicly as transparency about the FFE and its operations is critical to ensuring states and the American public understands how it will operate. It is also my understanding that some of the contractors/subcontractors involved with the FFE may have been acquired by different entities (some as recently as the end of last month) since the award of their contracts so I am interested in learning more about those acquisitions and how HHS reviewed those transactions to ensure appropriate conflicts of interest or other contractual challenges were mitigated. To help me further understand these issues, please provide my office with the following information:

1. A list of all contractors and subcontractors selected to build or provide support services to the FFE.
2. For each contractor and/or subcontractor, please provide:
 - a. A copy of all documents related to procurement of the contracts including the request for proposals and/or information as well as the notice of contract award;
 - b. The type of competition under which the contract was awarded;

- c. A list of individuals from HHS involved at any point in making the award decision or consulting for such decision for each contract (including individuals who may no longer be employed by HHS), including the contracting official responsible for signing off on the award;
 - d. All documents involving any protests or challenges associated with any protests of the award decisions including a description of when and how those protests were resolved;
 - e. A brief description of the contract and the work performed;
 - f. The cost of the contract;
 - g. The source of the contract's funding;
 - h. The date of the contract award; and
 - i. The agency and office/center within HHS that awarded the contract.
3. All documents, including memoranda and e-mails, containing information about the impact of any protests of the FFE contractors or subcontractors and how that would impede HHS' efforts to have the FFE ready in a timely manner for states to begin using in 2014.
 4. All documents, including memoranda and e-mails, regarding any change in ownership of any of the contractors or subcontractors involved in doing work related to the FFE.
 5. Any internal or external communications (including memoranda and emails), analysis and/or reports detailing the impact of any changes of ownership by any of the contractors or subcontractors involved in doing work on or related to the FFE. Please include a list of all individuals within HHS involved in any discussions or deliberations involving changes of ownership by any of these contractors and a detailed description of the process used by HHS to ensure that those changes did not materially impact the initial contract award.

Thank you for your prompt attention to this important matter. I would appreciate your response by no later than October 26, 2012. Should you have any questions regarding this letter, please contact Kimberly Brandt of the Committee Minority Staff at (202) 224-4515.

Sincerely,



Orrin Hatch
Ranking Member

Cc: Marilyn Tavenner
Acting Administrator
Centers for Medicare & Medicaid Services