



Written by [Michael Tennant](#) on July 23, 2013

The Dangerous ObamaCare Data Hub

Under the guise of expanding Americans' access to healthcare, "the federal government is planning to quietly enact what could be the largest consolidation of personal data in the history of the republic," Stephen T. Parente and Paul Howard asserted in a [USA Today](#) column. That consolidation is called the Federal Data Services Hub, and it is being assembled as part of ObamaCare's insurance exchange implementation.



Beginning in 2014, Americans who want to obtain federal subsidies for the purchase of health insurance will have to buy their coverage through state insurance exchanges, most of which will be run by the federal government because the majority of states declined to establish them on their own. As is typical of government programs, the exchanges will be difficult for average Americans to understand, so the Obama administration is planning to hire "tens of thousands" of "navigators" earning "\$20 an hour or more" to help guide them to their taxpayer-funded coverage, according to the [Washington Examiner](#).

To help these navigators determine which applicants are eligible for subsidies, and in what amounts, the administration is creating the Federal Data Services Hub. The administration, as is its wont, tried to keep the details of the hub under wraps but was finally forced to reveal them under pressure from Senate Finance Committee chairman Max Baucus (D-Mont.).

It's not hard to see why the administration wouldn't want the public to find out about the data hub. It links the Department of Health and Human Services (HHS) with seven other federal agencies: the Social Security Administration, the Internal Revenue Service, the Department of Homeland Security, the Veterans Administration, the Office of Personnel Management, the Department of Defense, and even the Peace Corps. It will contain such personal information as Social Security numbers, income, family size, citizenship and immigration status, incarceration status, and health coverage status. And it will be connected to some state agencies.

"This hub," wrote Parente and Howard, "will achieve what has, until now, only appeared in pulp thrillers: a central database linking critical state and federal data on every U.S. citizen for real-time access."

Referring to a February HHS regulatory filing, *Investor's Business Daily* expanded on just how comprehensive and dangerous the hub will be:

That [filing](#) describes a new "system of records" that will store names, birth dates, Social Security numbers, taxpayer status, gender, ethnicity, email addresses, telephone numbers on the millions of people expected to apply for coverage at the ObamaCare exchanges, as well as "tax return information from the IRS, income information from the Social Security Administration, and financial information from other third-party sources."

They will also store data from businesses buying coverage through an exchange, including a "list of qualified employees and their tax ID numbers," and keep it all on file for 10 years.



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In addition, the filing says the federal government can disclose this information “without the consent of the individual” to a wide range of people, including “agency contractors, consultants, or grantees” who “need to have access to the records” to help run ObamaCare, as well as law enforcement officials to “investigate potential fraud.”

That means an enormous amount of personal data will be passing back and forth across the country (see [this diagram](#) by the Citizens’ Council for Health Freedom) and made available to a wide variety of people, some of whom just might use it to their own advantage, whether to steal someone’s identity or to blackmail him for personal or political gain. It also greatly increases the opportunities for unauthorized persons to gain access to the data.

The administration contends that it is doing its utmost to ensure the security of the data.

“I want to assure you and all Americans, that when they fill out their [health insurance] marketplace applications, they can trust the information they’re providing is protected,” Centers for Medicare and Medicaid Services administrator [Marilyn Tavenner](#) told a congressional hearing earlier this month.

Congressional Republicans aren’t buying it — Pennsylvania Rep. [Patrick Meehan](#) called the hub a “honey pot ... for hackers” — and the public would do well to follow their lead.

“These days no government agency can realistically claim that private information will be kept private, especially when it is being made so accessible,” observed *Rare* deputy editor [James S. Robbins](#). “Putting everyone’s personal information in once [sic] place only simplifies the challenge for those looking to hack into the system.”

It is difficult to take the administration’s claims seriously when one considers that the navigators, who will have the most frequent access to the hub, are hardly likely to be among the most trustworthy individuals. “The rules allow navigators to come from the ranks of unions, health providers and community action groups such as ACORN and Planned Parenthood,” reported the *Examiner*. In addition, noted *National Review*’s [John Fund](#):

So far everything we’ve learned indicates the navigators will be flying blind, or could well be “unsafe at any speed.” In June, the Government Accountability Office reported that HHS is considering allowing navigators to assist with outreach and enrollment tasks even before completing their formal training. The reason? Like so much of Obamacare, the navigators program is behind schedule and drowning in its own complexity.

This spring, House Oversight and Government Reform Committee lawyers were also told by HHS that, despite the fact that navigators will have access to sensitive data such as Social Security numbers and tax returns, there will be no criminal background checks required for them. Indeed, they won’t even have to have high-school diplomas. Both U.S. Census Bureau and IRS employees must meet those minimum standards, if only because no one wants someone who has been convicted of identity theft getting near Americans’ personal records. But HHS is unconcerned. It points out that navigators will have to take a 20-30 hour online course about how the 1,200-page law works, which, given its demonstrated complexity, is like giving someone a first-aid course and then making him a med-school professor.

Then there’s the fact that everything is being rushed to meet the October 1 deadline for open enrollment in the exchanges, making it that much less likely that security will be optimal. One congressman told the *Examiner* that “there has not been a testing between all the different agencies. We’re now down to right at two months and we don’t have a full working test of this and you’re talking



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about opening up a portal from an individual state that will run to multiple different federal agencies and it is a real target for attack.”

The good news in all this is that “the Obama administration wants something the federal government has never done” and may not be able to do, observed [John Goodman](#) of the National Center for Policy Analysis. “For perspective, consider that the Veterans Administration converted to electronic medical records in 1998 and the VA and the Defense Department tried without success to share records until February, when then-Secretary of Defense Leon Panetta announced that the plan would be abandoned.”

With any luck, Uncle Sam will fail once more to become Big Brother Sam.



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