Policy Level

Agency:
107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:
PL-WB-HBE IT Security and Disaster Recovery

Agency RecSum:

The Health Benefit Exchange (Exchange) requests funding to procure expertise and technology to ensure the ongoing success of its Security Program into the future to safeguard services, protect customers, and ensure continuity of operations in the event of a major system event and outage. The Exchange as a public-serving organization, must maintain a robust IT security and disaster recovery program. To do this, the Exchange needs to remain diligent and regularly assess, adjust, and invest in protection, detection, response, and recovery capabilities to proactively monitor systems, thwart potential threats, and respond to and quickly recover from attacks should they occur.

Fiscal detail:

Operating Expenditures	FY 2024	FY 2025	FY 2026	FY 2027
17T-1 HBEA	$199,000	$473,000	$150,000	$150,000
001-C GF-Federal	$371,000	$883,000	$281,000	$281,000
Total Expenditures	**$570,000**	**$1,356,000**	**$431,000**	**$431,000**
Biennial Totals	**$1,926,000**		**$862,000**	
Staffing	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
FTEs	0.5	1.0	1.0	1.0
Average Annual		**0.8**		**1.0**
Object of Expenditure	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
Obj. C	$570,000	$1,356,000	$431,000	$431,000
Revenue	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
001-C GF-Federal	$371,000	$883,000	$281,000	$281,000
Total Revenue	**$371,000**	**$883,000**	**$281,000**	**$281,000**
Biennial Totals	**$1,254,000**		**$562,000**	

Package Description

What is the problem, opportunity, or priority you are addressing with the request?

In today's rapidly evolving cybersecurity landscape, the world faces a constant and increasing surge in threats. The landscape of secure computing is ever-changing, with cybercriminals devising new and more sophisticated means to breach systems and steal sensitive data.

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org
1 | P a g e

The current state of cyber threats is marked by their increasing sophistication, frequency, and severity. Cybercriminals continually evolve their tactics, utilizing advanced techniques such as ransomware, phishing, and zero-day exploits to target organizations of all sizes. A successful cyber-attack can lead to data breaches, financial losses, and disruption of critical services, causing long-lasting damage to an organization's credibility and trust among its stakeholders.

Organizations, like the Exchange, need to remain diligent and continuously and regularly assess, adjust, and invest in protection, detection, response, and recovery measures because cyber threats pose significant risks to operations, reputation, and financial well-being.

At the heart of the Exchange's mission is the protection of critical systems and the confidential and highly sensitive personally identifiable information and federal tax information of Washingtonians who rely on our health insurance services. Maintaining a strong and proactive security posture, including a comprehensive disaster recovery solution, is not only the right thing to do for our customers and stakeholders but is required of the Exchange to remain in compliance with federal partners such as Centers for Medicare & Medicaid and the Internal Revenue Service.

The Exchange continues to mature its IT security and disaster recovery program. While responsible practices and capabilities have been implemented with the current staffing and funding, there is a need for additional and ongoing investments in protection, logging, monitoring, response, and recovery capabilities.

What is your proposal?

The Exchange requests funding to update and expand protection, logging, monitoring, response, and recovery capabilities. Additionally, funds will be used to engage industry experts to assess and develop a roadmap and plan for maintaining a robust IT security and disaster recovery program. This roadmap and plan will serve as a guide for future investments and funding requests.

How is your proposal impacting equity in the state?

Which target populations or communities benefit from this proposal?

Enhanced IT security and disaster recovery plays a crucial role in maintaining equity and fairness in the digital realm. By ensuring equal access to secure technologies, protecting data privacy, and addressing cybersecurity disparities, WABHE strives to build a more inclusive and secure digital experience for Washingtonians.

- Secure and Reliable Digital Access – In today's digital world, access to technology and online resources plays a crucial role in various aspects of life, including education, job opportunities, government services, and healthcare. If certain groups or communities face barriers to accessing secure technologies, it can exacerbate existing social and economic inequalities, creating a digital divide.

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org   2 | P a g e

- Data Privacy – Protecting individuals' data privacy is essential for maintaining fairness and equity. Breaches of personal information can disproportionately affect vulnerable populations, leading to identity theft, financial losses, and other harms. Ensuring robust IT security measures can help safeguard sensitive data and uphold the privacy rights of all users.

- Availability – This investment promotes statewide equity by minimizing disaster-induced inconveniences for all Washingtonians, regardless of demographic or geographic identifiers. No one is left out of this solution.

Disproportionate Impact Considerations

The goal of the Exchange is for all Washingtonians to have full and equal access to health coverage. Funding this request will enable the Exchange to continue to support all residents of Washington with modern and responsive tools to help them obtain and maintain coverage.

Community outreach and engagement:

The Exchange engages in meaningful dialog with multiple committees and workgroups, comprised of individuals from diverse backgrounds, devoted to making Washington Healthplanfinder an efficient website that serves the people of Washington State.

Health insurance coverage is complex, and many Washington residents prefer to seek help reviewing their coverage options and enrolling through Washington Healthplanfinder. The Exchange's Lead.

What are you purchasing and how does it solve the problem?

The Exchange will purchase software, subscriptions, and hire and contract expertise to conduct the assessments, develop a roadmap and plan, and implement and sustain the proposed solution.

What alternatives did you explore and why was this option chosen?

The Exchange explored the possibility of leveraging current staff to conduct the assessments and develop the roadmap and plan for its IT security and disaster recovery program. This option was deemed unfeasible due to staff member's limited capacity as the team is fully engaged on other priority projects and in the day-to-day work of the Exchange, including maintenance and operations of systems. Additionally, the Exchange recognizes the need for experienced consultants to provide expertise and best practices in IT security, continuity planning, and cloud-based disaster recovery.

The Exchange also considered staying the course and leveraging its current tools and capabilities for IT security and disaster recovery practices. This option was not selected as the Exchange recognizes that the current state of cyber threats is marked by their increasing sophistication, frequency, and severity. This ever-evolving threat landscape demands regular updates and additional investments in new and improved practices and capabilities.

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org   3 | P a g e

Assumptions and Calculations

Expansion or alteration of a current program or service

These investments will enhance the Exchange's IT security and disaster recovery capabilities and ensure we have a roadmap and plan to guide future investments.

Detailed assumptions and calculations

The Exchange Requests $1,926,000 in the 2023-25 Biennium with ongoing funding of $431,000 per year beginning in FY2026 to enhance the Exchange's logging, monitoring, detection, response, and recovery capabilities. Additionally, funds will be used to engage third-party security experts in the assessment of Exchange's IT security program and disaster recovery capabilities and develop a roadmap and plan that will guide future investments.

Objects of Expenditure:	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
A - Salaries And Wages	$ 68,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000
B - Employee Benefits	$ 21,000	$ 42,000	$ 42,000	$ 42,000	$ 42,000	$ 42,000
C - Personal Service Contracts	$ 462,000	$ 1,151,000	$ 226,000	$ 226,000	$ 226,000	$ 226,000
E - Goods And Services	$ 18,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000
G - Travel	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Total	**$ 570,000**	**$ 1,356,000**	**$ 431,000**	**$ 431,000**	**$ 431,000**	**$ 431,000**

The estimate provided reflects the costs associated with updating and expanding protection of critical systems including logging, monitoring, response, and recovery capabilities.

- No increase in Carrier Assessment is anticipated to fund this effort.
- No new General Fund-State dollars are requested.
- This expedited modernization is eligible for a combination of 75% federal match rate.

These costs have been broken out by four primary categories:

- Staff Resources
- Project Management and Oversight
- Security and Disaster Recovery Consulting
- Cloud Compute and Storage

Staff Resources

Objects of Expenditure:	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
A - Salaries And Wages	$ 68,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000
B - Employee Benefits	$ 21,000	$ 42,000	$ 42,000	$ 42,000	$ 42,000	$ 42,000
C - Personal Service Contracts	$ -	$ -	$ -	$ -	$ -	$ -
E - Goods And Services	$ 18,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000	$ 27,000
G - Travel	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Total	**$ 108,000**	**$ 205,000**	**$ 205,000**	**$ 205,000**	**$ 205,000**	**$ 205,000**

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org
4 | P a g e

Project Management and Oversight

Objects of Expenditure:	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
A - Salaries And Wages	$ -	$ -	$ -	$ -	$ -	$ -
B - Employee Benefits	$ -	$ -	$ -	$ -	$ -	$ -
C - Personal Service Contracts	$ 134,000	$ 506,000	$ -	$ -	$ -	$ -
E - Goods And Services	$ -	$ -	$ -	$ -	$ -	$ -
G - Travel	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 134,000**	**$ 506,000**	**$ -**	**$ -**	**$ -**	**$ -**

Security and Disaster Recovery Consulting

Objects of Expenditure:	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
A - Salaries And Wages	$ -	$ -	$ -	$ -	$ -	$ -
B - Employee Benefits	$ -	$ -	$ -	$ -	$ -	$ -
C - Personal Service Contracts	$ 174,000	$ 394,000	$ -	$ -	$ -	$ -
E - Goods And Services	$ -	$ -	$ -	$ -	$ -	$ -
G - Travel	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 174,000**	**$ 394,000**	**$ -**	**$ -**	**$ -**	**$ -**

Cloud Compute and Storage

Objects of Expenditure:	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
A - Salaries And Wages	$ -	$ -	$ -	$ -	$ -	$ -
B - Employee Benefits	$ -	$ -	$ -	$ -	$ -	$ -
C - Personal Service Contracts	$ 154,000	$ 251,000	$ 226,000	$ 226,000	$ 226,000	$ 226,000
E - Goods And Services	$ -	$ -	$ -	$ -	$ -	$ -
G - Travel	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 154,000**	**$ 251,000**	**$ 226,000**	**$ 226,000**	**$ 226,000**	**$ 226,000**

Workforce assumptions

The Exchange requests funding for one ongoing staff resource.

1 FTE- Cloud Engineer

Based on the Exchange's proposed approach, one additional IT staff member will be needed to participate in the IT disaster recovery assessment, assist in implementing incremental improvements, and provide support on an on-going basis (maintenance and operations). The additional IT staff member will be a senior-level cloud engineer with a disaster recovery and security focus. The senior cloud engineer will collaborate with vendors to implement the disaster recovery setup, maintain disaster recovery resources, and support other security initiatives.

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org   5 | P a g e

Job title	Salary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Senior Cloud Engineer	135,151	0.5	1.0	1.0	1.0	1.0	1.0
Total	135,151	0.5	1.0	1.0	1.0	1.0	1.0

Strategic and Performance Outcomes

Strategic framework

Governor's Priorities

Keeping systems and data secure and establishing a robust and comprehensive business continuity and IT disaster recovery solution, supports the Governor's Results Washington goal 5: "Efficient, Effective and Accountable Government" by allowing the Exchange to provide efficient, effective, and trusted customer services.

Enterprise IT Strategic Goals

WaTech is leading an effort to revise the IT Enterprise Strategic Plan and has recently adopted four enterprise strategic goals, including:
1. Create a government experience that leaves no community behind.
2. Better data, better decisions, better government, better Washington.
3. Innovative technology solutions create a better Washington.
4. Transform how we work. Be the best workforce ever.

Mature and evolving IT security, business continuity, and disaster recovery practices and capabilities are foundational and fundamental requirements that underpin and support these four goals.

Exchange Priorities

IT security, business continuity, and disaster recovery are top priorities for the Exchange.

Secure technology services are integral to achieving the Exchange's strategic plan objectives to:
- Increase access to affordable health plans
- Organize a transparent and accountable insurance market to facilitate consumer choice
- Provide an efficient, accurate, and customer-friendly eligibility determination process
- Enhance health plan competition on value: price, access, quality, service, and innovation

Performance outcomes

Specific outcomes targeted for this decision package:
- Updated Business Continuity Plan
- IT security program assessment with a plan and roadmap to guide future decisions and investments
- IT disaster recovery assessment with a plan and roadmap to guide future decisions and investments
- Updated and expanded protection, logging, monitoring, response, and recovery capabilities.

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org   6 | P a g e

Other supporting materials

Copies of the APD have been previously provided to HCA, OFM, the House and Senate.

Other Collateral Connections

Intergovernmental

Other jurisdictions and state agencies that rely on the Exchange systems and services will support and benefit from this IT security and disaster recovery as systems will remain secure and available or will be quickly restored in the event of a major disruption or cyber incident.

Legal or administrative mandates

These investments will enable the Exchange to remain in compliance with federal partners such as Centers for Medicare & Medicaid and the Internal Revenue Service.

Changes from current law

None.

State workforce impacts

None.

State facilities impacts

None.

Puget Sound recovery

None.

Other supporting materials

Copies of the APD have been provided to HCA, OFM, the House and Senate.

Information technology (IT)

ABS will pose the question below for *each* DP. If the answer is yes, you will be prompted to attach an IT addendum. (See Chapter 10 of the budget instructions for additional requirements.)

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org   7 | P a g e

Information Technology

Does this DP include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts or IT staff?

◯ No

◉ Yes

Please download the IT-addendum and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.

For additional information contact:
Nicholas Aaseby, Associate Director of Strategic Budget Planning
360-688-1574 nicholas.aaseby@wahbexchange.org   8 | P a g e