HEARING ON THE USE OF TECHNOLOGY TO BETTER TARGET BENEFITS AND ELIMINATE WASTE, FRAUD, AND ABUSE

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES

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HEARING ON THE USE OF TECHNOLOGY TO BETTER TARGET BENEFITS AND ELIMINATE WASTE, FRAUD, AND ABUSE

THURSDAY, APRIL 19, 2012

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON HUMAN RESOURCES,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:03 a.m. in Room 1100, Longworth House Office Building, the Honorable Geoff Davis [Chairman of the Subcommittee] presiding.

[The advisory announcing the hearing follows:]

HEARING ADVISORY

Davis Announces Hearing on the Use of Technology to Better Target Benefits and Eliminate Waste, Fraud, and Abuse

Thursday, April 19, 2012

Congressman Geoff Davis (R–KY), Chairman of the Subcommittee on Human Resources of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing on the use of technology to better target benefits and eliminate waste, fraud, and abuse. **The hearing will take place on Thursday, April 19, 2012, in 1100 Longworth House Office Building, beginning at 10:00 A.M.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. Witnesses will include representatives from the U.S. Department of Health and Human Services (HHS) and the U.S. Department of Homeland Security (DHS), as well as other public and private sector experts on the current status of and the potential for technology to improve the administration of public benefits. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

BACKGROUND:

During the 112th Congress, the President has signed into law bipartisan, no-cost legislation drafted by the Human Resources Subcommittee to standardize data used in child welfare, Temporary Assistance to Needy Families (TANF), and unemployment insurance programs. Efforts to standardize program data are designed to improve the efficiency of these programs, allow them to better communicate with one another, and improve program integrity by ensuring that program benefits are paid only to eligible individuals. The use of consistent identification codes and formatting methods will allow for more timely flow of data that could then be easily searched and analyzed to better target benefits and identify waste, fraud, and abuse. These provisions were enacted in the 2011 *Child and Family Services Improvement and Innovation Act* (P.L. 112–34) and the *Middle Class Tax Relief and Job Creation Act of 2012* (P.L. 112–96).

The Subcommittee's efforts to standardize data are reflected on a broader scale by the bipartisan H.R. 3339, The Standard Data and Technology Advancement Act, or the "Standard DATA Act," introduced by Chairman Davis and Ranking Member Doggett (D–TX). This legislation requires the relevant agency secretary or program administrator to establish consistent requirements for the electronic content and format of data used in the administration of several additional human services programs established in the Social Security Act, including Child Support Enforcement and Supplemental Security Income.

One example for improving the exchange of data among programs recommended by the enacted and proposed legislation is the National Information Exchange Model (NIEM). NIEM provides a data model, governance, and methodologies to engage stakeholders in adopting a standards-based approach to exchanging information. Initially used to coordinate the exchange of law enforcement information, HHS is a recent adopter and advocate for transitioning human services programs to NIEM.

In announcing the hearing, Chairman Davis stated, **"The progress made in the last year is only the first step in a much longer process of bringing human service programs into the 21st century. The standardization activities reviewed in this hearing will promote transparency, flexibility, and accountability by ensuring data can be shared across the various information technology platforms used by federal and state agencies. Improving the use of this program data will benefit program recipients and taxpayers alike by ensuring efficient and effective stewardship of scarce taxpayer funds."**

FOCUS OF THE HEARING:

The hearing will focus on current and future data standardization efforts designed to increase the use of technology to improve the administration of public benefit programs.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, *http://waysandmeans.house.gov*, select "Hearings." Select the hearing for which you would like to submit, and click on the link entitled, "Click here to provide a submission for the record." Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, May 3, 2012**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225–1721 or (202) 225–3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and MUST NOT exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202–225–1721 or 202–226–3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at *http://www.waysandmeans.house.gov/*.

Chairman DAVIS. Welcome to the most recent installment in the Subcommittee's ongoing efforts to promote the standardization of program data within the cross public benefit programs.

One of the key purposes for today's hearing will be to review the progress that has already been made with relevant agencies and outside experts, as well as consider next steps.

It was just 13 months ago that this Subcommittee held its first hearing on the use of data matching to improve customer service, program integrity, and taxpayer savings.

One of the initial factors driving this effort was the rising level of Federal improper payments which peaked at $125 billion in fiscal year 2010.

It was about much more than that. It really became about making Government work smarter, faster, and more efficiently for both beneficiaries and taxpayers.

We should expect more from Government. We should expect it not to operate from an era before the personal computer existed, but one from the 21st Century using integrated technologies and information systems, not unlike the private sector uses today in competitive industry, and also most consumers do within their homes today in terms of how they manage their finances and their purchases.

Companies like Google and Facebook have grown based on their ability to help customers search, access, share and interpret data.

It is long past time for Government to use those same sorts of tools to improve the services we offer to help the less fortunate and the taxpayer dollars spent on them.

In September, the President signed our bipartisan and bicameral Child and Family Services Improvement and Innovation Act, which codified into law for the first time in history our data standards language for all child welfare programs.

This was followed by another example of bipartisanship when the same language was included in the Middle Class Tax Relief and Job Creation Act of 2012, and applied to the Unemployment Insurance and Temporary Assistance to Needy Families programs.

We hope to expand this effort through H.R. 4282, which was recently introduced by Representative Berg and Ranking Member Doggett and co-sponsored by the entire Subcommittee.

This bill would apply the same data standardization language to the Child Support Enforcement Program under our jurisdiction.

With enactment in three programs already, Congress has sent a clear bipartisan message that it wants to improve the operation of public benefit programs through data standardization.

H.R. 3339, the Standard DATA Act, would apply this provision more broadly to all programs within the Subcommittee's jurisdiction.

We believe this bill is firm but flexible so that those with the most knowledge of how these programs operate can come together to craft a better path forward.

We also need to hold the Executive Branch accountable for its role in modernizing the operation of Government programs. That is why we have asked several key agencies, the Department of Health and Human Services and the Department of Homeland Security, to testify at this hearing about their progress and plans for the future.

We plan to continue expanding this effort across other programs that serve similar populations so we can achieve a truly beneficiary-centered approach to how these programs are run.

We also need a more complete view of how many people receive benefits under multiple programs, which will help to better target benefits to people in need, as well as improve understanding of program effectiveness, especially given our budget challenges ahead. We simply have no choice but to take these steps to make sure programs operate more efficiently and to provide benefits to those most in need and only to those in need.

We look forward to all testimony from both of our panels. We also look forward to continuing to work in a bipartisan manner to improve how public benefit programs serve the children and families who depend on them, while assuring taxpayer dollars are used efficiently and effectively.

Now I would like to turn the microphone over to my friend and partner in this effort over the last year and a half, the Ranking Member, Lloyd Doggett from Texas.

Mr. DOGGETT. Thank you, Mr. Chairman. Thank you for the great personal interest that you have shown in this whole data matching effort and for the partnership we have enjoyed in working as you mentioned on child welfare legislation on data matching for Temporary Assistance for Needy Families and for Unemployment Insurance Programs.

It is important to improve the administration of public programs through technology. It benefits taxpayers and it benefits those who rely on those programs.

Abuse of Government programs, whether by multinational pharmaceutical companies or a person collecting unemployment insurance is never acceptable. It denies the benefits that are needed to others, and it unjustly treats the taxpayer.

I hope we can continue to make progress on standardizing data that would include incorporating existing non-proprietary standards such as XBRL, that has the support of the Texas Society of Certified Public Accountants.

I think the better use of data matching and data sharing across agencies improves our efforts to reduce fraud and abuse. We want to get these benefits to those who need them and who are eligible for them.

My interest in this is not only about program integrity but seeing that programs satisfy their legislative purpose.

This is particularly true when there are so many families in my home State of Texas and across the country that struggle to maintain their footing.

In Bexar County, for example, one in four children are poor.

We must find a way to ensure that our most vulnerable citizens are provided with the assistance that they need to weather economic storms, and improving the ability to do this through better data is one important aspect of outreach.

Those efforts are now underway in Philadelphia, through a collaboration between the State of Pennsylvania and the Benefits Data Trust, a non-profit organization from whom we will hear this morning.

The Benefits Data Trust has been able to use state data to determine if an individual who is receiving assistance from a certain program is likely eligible for assistance in another. It is true that there are too many duplicative programs, but the total benefits provided by all of them, if delivered efficiently in the most effective way, probably do not begin to meet the needs that are out there.

Identifying and connecting low income individuals to the services for which they are eligible allows the organization to work in a cost effective manner while also dramatically improving the outcomes of those individuals who are to receive benefits and our economy in the process.

I think this is particularly relevant to the current attention on the delivery of food assistance through SNAP.

A report released recently by the Department of Agriculture found that SNAP benefits helped to reduce national poverty in a significant way.

These benefits play an important role in providing critical assistance that I saw recently at the food bank on the west side of San Antonio.

Mr. Chairman, I look forward to hearing from today's witnesses and continuing our work together to improve the outreach, the efficiency, and the effectiveness of these vital public initiatives through the use of technology.

Thank you so much.

Chairman DAVIS. I thank the gentleman. I want to remind our witnesses to limit their oral statements to five minutes, please. However, without objection, all of the written testimony will be made part of the permanent record.

Our first panel this morning, we will be hearing from Ms. Donna Roy, Executive Director, National Information Exchange Model or NIEM, U.S. Department of Homeland Security.

The Honorable George Sheldon, Acting Assistant Secretary, Administration for Children and Families, U.S. Department of Health and Human Services.

We happened to stand together behind President Obama as he signed into law that very first piece of data standardization language on September 30 of last year.

We are excited to have you here.

Before we move on to our testimony, without objection, I would like to change pace for one moment and recognize Dr. Price, Chairman of the Republican Policy Committee, who is a member of the Subcommittee, and able to be here with us today, who would like to introduce a witness from his home state who will speak on our second panel today.

Mr. PRICE. Thank you, Mr. Chairman. I apologize for going out of order and I appreciate the indulgence of the Chair.

I wanted to take this opportunity, not knowing the schedule that is going to break as the morning proceeds, to introduce Darryl McDonald, who is going to be on our second panel.

Darryl is the Executive Vice President of Teradata Corporation, a wonderful corporate citizen and job creator in Georgia and in my District.

Teradata is responsible for providing strategic direction for their products, solutions and services, and is among the world's largest companies focused solely on analytics and data warehousing.

Teradata is a growing business with over 8,000 employees worldwide.

Mr. McDonald has deep roots in Georgia, attended the University of Georgia, and can give a good "go Dogs" with the best of them. He currently lives in the 6th Congressional District, and his testimony on the second panel today will highlight how both business and Government can benefit from technology and ultimately save the taxpayers money.

I am pleased and honored to introduce and welcome Darryl McDonald to our committee. Thank you, Mr. Chairman.

Chairman DAVIS. Thank you. With that, Ms. Roy, please proceed with your testimony.

STATEMENT OF DONNA ROY, EXECUTIVE DIRECTOR, NATIONAL INFORMATION EXCHANGE MODEL (NIEM), U.S. DEPARTMENT OF HOMELAND SECURITY

Ms. ROY. Chairman Davis, Ranking Member Doggett and Members of the Subcommittee, thank you and good morning.

My name is Donna Roy. I am the Executive Director of the Information Sharing Environment Office in the Department of Homeland Security's Office of the Chief Information Officer.

I also serve as the Executive Director of the National Information Exchange Program or NIEM. I have had the privilege of holding this position for the past three and a half years.

I appreciate the opportunity to discuss with you today how NIEM helps Government agencies enhance mission performance, gain efficiencies, and reduce costs associated with exchanging information across IT systems.

NIEM is a federally supported Government-wide initiative that helps communities of people with common interests connect and exchange information in order to successfully and efficiently accomplish their missions.

NIEM is not a system or a database, nor does it transmit, store or engage in operational data storing. Rather, NIEM provides the tools, the training, and importantly, the community driven support to assist users in adopting a standards based approach.

It is fitting that we are having this discussion today on the seventh birthday of NIEM. The program began on April 19 in 2005 when the CIOs of DOJ and DHS signed an agreement to establish the interagency program.

This action brought to fruition the work started by half a dozen or so practitioners at the state and local level of government who had worked to build a national model for sharing law enforcement and homeland security information.

Today, all 50 states and 18 Federal agencies are committed to using NIEM in some capacity and at varying levels of maturity.

NIEM is now recognized and used by international partners, such as Canada, Mexico, and member countries of the European Union.

Despite NIEM's growth over the past seven years, the program has maintained at its core a strong commitment to community involvement.

In my opinion, this is one of the main reasons why NIEM stands apart as an example of a Government collaboration at its best.

Whether NIEM is involved in a situation to protect citizens, respond to disasters, promote public health, or provide needed support services to children and their families, the lack of standardization in information exchange across this broad landscape of systems, agencies, and jurisdictions creates challenges in providing effective and efficient citizen services, often leading to fraud, waste and abuse.

The challenge is clear. How do we connect the wide array of systems across the whole of Government while supporting an appropriate privacy and security framework flexible enough to accommodate the diverse laws, regulations and policies across the United States.

The majority of the work within NIEM is accomplished within a strong and active community of volunteers at the state and local level.

The NIEM community stewards a common vocabulary and a mature framework to facilitate information exchange. NIEM breaks down agency stovepipes and creates opportunities for agencies to share information quickly and effectively without rebuilding systems.

As an example of success, NIEM has helped the State of Colorado connect child support systems with judicial processing systems, improving the speed of administrative case processing and execution of child support orders.

The project reduced manual data entry, eliminated most of the paper forms, and improved data reliability. In effect, NIEM helped Colorado provide faster, cheaper, and better services to its citizens.

In the difficult fiscal times facing the Government today, it is core systemic improvements that will save scarce financial resources, improving the effectiveness in Government and ultimately making our country safer.

NIEM is one of these rare systemic improvement opportunities.

As a former Marine who possesses a sincere passion for good government, I am continually impressed and energized by the level of support across the NIEM community.

On a more personal note, as the daughter of a woman who aged out of the system, and as a former foster mom, I am particularly touched by the positive changes NIEM is making in the lives of the most vulnerable in our society, which are the children and the families that support them.

Again, I appreciate the opportunity to testify before you today, and I look forward to answering any questions you may have.

[The prepared statement of Ms. Roy follows:]

TESTIMONY OF

Donna M. Roy
Executive Director, National Information Exchange Model
Executive Director, Information Sharing Environment,
Office of the Chief Information Officer
U.S. Department of Homeland Security

Before the
House Committee on Ways and Means
Human Resources Subcommittee

April 19, 2012

Chairman Davis, Ranking Member Doggett, and Members of the subcommittee, thank you and good morning. My name is Donna Roy, and I am the Executive Director of the Information Sharing Environment within the Department of Homeland Security (DHS) Office of the Chief Information Officer. I also serve as the Executive Director for the National Information Exchange Model (NIEM) program, a position I have had the privilege of holding for the past three and a half years. This testimony will provide an overview of NIEM, explain the NIEM structure and governance, and discuss select examples of how federal, state, local, tribal, and territorial governments use NIEM to share critical information. Most importantly, I will discuss how government can utilize NIEM to enhance mission performance and gain efficiencies.

What is NIEM?

First, allow me to explain what NIEM is and why it is so important. NIEM is a federally-supported, government-wide initiative that helps communities of people with common mission interests connect and exchange information in order to successfully and efficiently accomplish their missions. NIEM is not a system or database; nor does it transmit, store, or otherwise engage in operational data sharing. Rather, NIEM provides the tools, training, and community-driven support needed to assist users in adopting a standards-based approach to exchanging information.

NIEM makes it possible for organizations at several different levels and jurisdictions to share critical data, empowering individuals to make informed decisions that improve efficiency and help advance missions goals. In my opinion, NIEM is an example of government collaboration at its best.

NIEM was originally created as a best practice at the state, local, tribal, and territorial levels of government with funding received primarily from the U.S. Department of Justice's (DOJ's) Bureau of Justice Assistance (BJA). NIEM was founded to address the need for quicker access to accurate, complete, and actionable information to enable better decision making. In the business of government, informed decisions can translate into saving time, taxpayer money and, most importantly, lives.

Whether the situation involves protecting citizens, responding to disasters, promoting public health, identifying welfare assistance eligibility, or providing needed support services to children and their families, effective decision-making requires information that often must be exchanged across a broad landscape of systems, agencies, and jurisdictions. Citizens, government partners, and practitioners need access to the right information, in the right format, at the right time to do their jobs effectively. The challenge is clear: how do we connect, with an appropriate policy framework and security model in place, the wide array of systems operating across the whole of government?

NIEM is designed to enable government to address this problem. By providing a common vocabulary and mature framework to facilitate information exchange, NIEM enables diverse communities to "speak the same language" as they share, exchange, accept, and translate information efficiently.

Instead of seeking nationwide integration of all local, state, territorial, tribal, and federal information systems, NIEM focuses on the development of shared services using cross-boundary information exchange across multiple levels of government. In this way, NIEM breaks down agency stovepipes and creates the opportunity for agencies to share information quickly and effectively without rebuilding systems. All 50 states and 18 federal agencies (as of March 2012) are committed to use NIEM in some capacity and at differing levels of maturity.

Because of its unique approach, NIEM does not require building a new system or purchasing new technology. NIEM is technology agnostic and addresses the format of data as it is shared between systems. This allows communities of interest to collectively leverage NIEM irrespective of the particular technologies used within any individual organization. This approach enables federal agencies to keep systems compartmentalized and ensure appropriate safeguards while at the same time wrapping them with a set of standardized exchanges, an appropriate policy framework, and an appropriate security model. The end result is that stakeholders at all levels are able to put information out and receive information into their existing systems, enabling the flow of information across levels and jurisdictions.

NIEM Governance

Next, I would like to explain the structure and governance of the NIEM program. The NIEM program is supported by a joint program office that is administratively housed within DHS's Office of the Chief Information Officer (CIO). The program office receives strategic direction from an Executive Steering Council (ESC) made up of the CIOs from DHS, DOJ, and Health and Human Services (HHS), as well as voting members and ex-officio members consisting of representatives of the Program Manager-Information Sharing Environment, the Office of Management and Budget eGovernment program, the Global Justice Information Sharing Initiative, and the National Association of State Chief Information Officers.

The NIEM Program Management Office (PMO) is the operational arm for NIEM. The NIEM PMO executes the vision of NIEM established by the ESC while managing NIEM's day-to-day operations. The PMO coordinates with communities of interest, principal stakeholders, and other information sharing and exchange initiatives to promote collaboration and interest in NIEM priorities.

To carry out its mission, the NIEM PMO receives support from a framework of three national committees, comprised of stakeholders from various levels, that provide community consensus recommendations to ensure the program responds to the requirements of a broad stakeholder base consisting of federal, state, local, tribal, territorial, international and private sector partners. The three committees are the NIEM Communications and Outreach Committee, the NIEM Technical Architecture Committee, and the NIEM Business Architecture Committee. Each committee is supported by one full time staff member in the PMO, and each committee provides essential guidance to NIEM practitioners.

First, the NIEM Communications and Outreach Committee is responsible for recommending approaches to increase the effectiveness of outreach to the stakeholder community, ensuring the NIEM training curriculum is effective and appropriate, and engaging stakeholders at various forums as appropriate. The NIEM Communications and Outreach Committee is currently chaired by the Director of the Alabama Criminal Justice Information Center.

Next, the NIEM Technical Architecture Committee (NTAC) is responsible for defining the technical architecture that governs NIEM. The committee is led by two co-chairs from the DOJ CIO, and SEARCH, The National Consortium for Justice Information and Statistics. NTAC members are key stakeholders and representatives of engaged Communities of Interest (COIs). The member may represent operational practitioners and subject matter experts, key stakeholder agencies, domains, COIs, and systems developers across all levels and branches of government, as well as solution providers.

The primary mission of NTAC is to define the technical and structural architecture associated with NIEM development and implementation. NTAC develops, implements, and maintains the technical specifications for the NIEM community. In addition, NTAC is responsible for ensuring robust and effective development of the NIEM core structure and complementary processes to support and enable users to efficiently develop, use, and reuse NIEM-conformant model package description components.

Finally, the NIEM Business Architecture Committee guides the development, harmonization, evolution, and implementation of the NIEM core data components and operating processes from a business architecture perspective. It seeks to meet the operational needs of stakeholders and really drive NIEM value. Today, the NIEM Business Architecture Committee is co-chaired by representatives from the State of Missouri and NLETS, the International Justice and Public Safety Network, headquartered in the State of Arizona. The committee itself is composed of representatives from each of the 14-plus mission areas or "domains." It is through these domain representatives that data content is contributed, harmonized and evolved to meet common needs across all mission areas. Domain representatives are charged with ensuring the NIEM model is developed in a manner that supports information exchange within the community and encouraging reuse across communities.

Each of NIEM's domains is supported by a Community of Interest that is representative of federal, state, local, tribal, territory, or private sector stakeholders. The NIEM Business Architecture Committee is also working to assess appropriate international representation into several of the domains in support of the Beyond the Border initiatives between the United States and Canada. Currently, NIEM serves the following domains:

- Biometrics;
- Children, Youth, and Family Services;
- Chemical/Biological/Radiological/Nuclear;
- Cyber Security;
- Emergency Management;
- Health;

- Human Services;
- Immigration;
- Infrastructure Protection;
- Intelligence;
- International Trade;
- Justice;
- Maritime; and
- Screening.

NIEM's business-oriented governance and implementation methodology both increases transparency and efficiency. In addition, since NIEM developers nationwide follow the same methodology, they can borrow from and reuse each other's work. This helps to reinforce the national collaborations that strengthen NIEM's governance structure. Because the Extensible Markup Language data model is composed of data components that cross sectors, functions, and geographic boundaries, it enables users in one jurisdiction, organization, or agency to reuse and build upon solutions developed in a different one. This reusability of the data components reduces the design and development time needed to build new solutions.

NIEM in Action

The NIEM value proposition is being demonstrated every day across the country to address compelling social issues such as health, human, and social services; improve public safety; and strengthen homeland security. I would like to share a success story in New York City (NYC).

With an estimated population of 8.1 million, NYC is one of the most densely populated cities in the United States. ACCESS NYC, a free website and online tool developed by the NYC HHS "HHS-Connect project," allows users to apply for more than 35 city, state, and federal human service benefit programs, search for office locations, and create pre-populated application forms.

An overarching theme of the NYC HHS-Connect project was to enable information sharing among disparate NYC agencies. A challenge seen in many different HHS-Connect projects was ensuring that previous and potential point-to-point data transfers were implemented such that additional agencies could participate with minimal rework through use of existing data assets. NIEM made this possible by allowing the same information exchange to be used for the transfer between HHS and the U.S. Department of Education (ED), as well as between HHS and the NYC Department of Social Services, Human Resources Administration (HRA).

This functionality is dependent on a data exchange between ACCESS NYC and a several external systems, specifically a third-party vendor the NYC Department of Education uses to process its School Meals paper applications. To satisfy the need for standards, consistency, and incremental growth, the city adopted NIEM as a foundation of the NYC Health and Human Services solution.

In order to make use of the strong foundation already provided by NIEM, several health and human service data components were created to extend NIEM to support their data exchange requirements. Today, the ACCESS NYC service is available online.

The most significant benefit of using NIEM for this project was the creation of "common" NIEM extensions that were used across all NYC HHS-Connect projects. For example, the data component extensions created for the School Meals information exchange are also being used for the NYC HHS-Connect Worker Portal exchanges. In addition, a second request for School Meals data from the HRA was implemented using the School Meals exchange previously noted. Another related result of this information sharing initiative was the creation of an internal SharePoint site for discussing any NIEM experiences within NYC government. This enables NYC government agencies to collaborate and share information about the use of NIEM and host lessons learned about NIEM applications from which other government agencies can benefit.

On the federal level, the HHS's Administration for Children and Families (ACF) recently signed an agreement with the NIEM program to steward the development and maintenance of a Human Services domain to support the sharing and exchange of NIEM conformant information across the Human Services community. Key stakeholders in this community include human service providers, both government and non-profits, at the state and local level, federal human service agencies both in and outside of the ACF, human service associations, universities, and court systems and judges. Some of the initial areas the Human Services domain is looking to develop exchange information for include the following:

- **Child Welfare to Homeless Services Exchange:** A family involved with the child welfare system in a given jurisdiction enters the homeless service system. Upon entry, workers in both systems would be alerted and could maintain family services and insure the safety and well-being of the involved children.

- **Income Verification Exchange and Assistance Eligibility Exchange:** A single mother loses her job which, she believes, makes her eligible for some local, state, and/or federal benefits. She doesn't know which. Rather than visiting each office individually in-person (food and nutrition services, housing assistance, cash assistance, heating/energy assistance, child care, etc.), she can now go to one central location and, through an income verification and other exchanges, receive real-time information about and apply for the benefits to which she and her family are eligible.

This work will build on and complement the existing Children, Youth, and Family Services domain sponsored by the Department of Justice, which also seeks specifically to support the needs of those most vulnerable in our society – children and the families that support them. With the support of DOJ BJA and DOJ Office of Juvenile Justice and Delinquency Prevention (OJJDP), the domain brings together the youth and family services, juvenile justice, and the courts communities to comprehensively address the needed services of children and their families, particularly those involved in the justice system. An example issue that will be addressed is:

- **Criminal and Child Abuse to Child Care and Foster Parent Licensure Agencies Exchange:** Obtaining background checks for prospective foster parents is time consuming and, in many states, only yields criminal background or abuse and neglect data on that one state. There are similar issues with the hiring of staff to provide childcare services in childcare centers or in private homes. An exchange that expedited the sharing of information between the providers and a national criminal and child abuse and neglect database would allow appropriate foster parents and childcare providers to be licensed and would reduce the number of inappropriate licenses issued, better protecting children from potentially harmful situations.

The NIEM Human Services domain, together with the Children, Youth, and Family Services domain, will improve both the use of limited resources and the services provided to children and families. It will support the human service community and the larger NIEM community by making data exchanges discoverable, understandable, accessible, and reusable across multiple partners. We anticipate that NIEM will continue to contribute to interoperability in these domains.

NIEM is also being employed to combat the growing threat of prescription drug abuse. Most states now operate – or are preparing to operate – prescription monitoring programs that track prescription drug dispensing data across pharmacies, hospitals, and other dispensaries. However, the challenge lies in sharing this data across state lines with other state monitoring programs, leaving the door open to cross-border doctor shopping and illicit drug use.

With the support of the BJA, and working with federal agencies such as HHS, Drug Enforcement Administration, and Office of National Drug Control Policy; the states; and private industry groups such as IJIS, an effort was begun to define a nationwide approach to sharing prescription drug data across state lines using a standardized, NIEM-based approach. This approach was tested by state leaders in Kentucky (Kentucky All Schedule Electronic Reporting System, or KASPER) and Ohio (Ohio Automated Rx Reporting System, or OARRS), two states that share a border and have been hit especially hard by the problems associated with drug abuse. Interstate data sharing solutions being implemented today fully leverage NIEM as the standard for data exchange. Using a common data format will assist states in avoiding costly rework or having to develop interfaces with multiple systems in order to share with other states. It is worth noting that this approach will not require any state to significantly modify its internal systems, processes, or procedures to participate in the information exchange.

This effort represents a significant success for NIEM for a number of reasons, but perhaps most importantly; it connects practitioners across the health, regulatory, and law enforcement communities to address common challenges. NIEM enabled a standardized data model for sharing prescription dispensing data, but it also allowed for the implementation of specialized access control rules that account for each state's unique legislative and policy environment. Therefore, no protected health information is ever shared with anyone that does not have both the legal right and the business need to view that information. Ensuring the privacy of citizens who are involved in the healthcare system was the top priority of the project, and it was made possible through the use of information sharing tools like NIEM. NIEM was also designed specifically to enable the type of cross-agency and cross-jurisdictional sharing that occurs frequently in the prescription monitoring environment; therefore, the success of this effort is seen by us all as a success for the NIEM program.

It is important to note that the NIEM process does not inhibit or restrict compliance with appropriate Privacy, Civil Rights/Civil Liberties and Security policies, Laws and/or regulations. The NIEM process allows the flexibility for organizations to comply with their applicable laws, regulations and policies for the protection of data. The NIEM PMO has elevated the best practice used by many organizations in implementing NIEM which encourages a dialogue with privacy and civil liberties oversight officials to define and identity specific data elements that should be afforded increased protection in the implementation process.

Conclusion

In the difficult fiscal times facing government today, it is core systemic improvements that will save scarce financial resources, improve the effectiveness of government and, ultimately, make our country safer. NIEM is one of these rare systemic improvement opportunities.

Today, April 19, 2012, NIEM is seven years old. On April 19, 2005, the CIOs of DOJ and DHS signed a Memorandum of Understanding to establish the interagency program, bringing to fruition the work done at the state and local level of government to build a national model for sharing information. Through years of maturing and improving, NIEM is now recognized and used by international partners such as Canada, Mexico, and member countries of the European Union. While it is true that NIEM was developed in the United States for use by those in the United States, it is highly adaptable and scalable to programs of all size and scope. NIEM can and does enable a wide variety of partners to share information, irrespective of borders.

I have a sincere passion for good government, and I am energized by how NIEM helps break down the institutional barriers standing in the way of it. On a more personal note, as a previous foster mom, I am particularly touched by the positive changes NIEM is making in the lives of the most vulnerable in our society – children and the families that support them. The information exchanges fostered by NIEM practitioners help streamline the administration of government services, increase transparency, and reduce waste and inefficiency with a proven, cost-effective solution. I look forward to discussing further how the NIEM program can continue to drive real improvements in effectiveness and efficiency in government operations and services.

Chairman DAVIS. Thank you, Ms. Roy. We wish a happy birthday to NIEM as well.

The Chair now recognizes Secretary Sheldon for his testimony.

STATEMENT OF GEORGE SHELDON, ACTING ASSISTANT SECRETARY, ADMINISTRATION FOR CHILDREN AND FAMILIES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. SHELDON. Chairman Davis, Ranking Member Doggett, Members of the Subcommittee, thank you for the opportunity to testify about the development of standardized data exchanges and the use of technology to better target benefits and eliminate waste, fraud and abuse.

This is my second opportunity to testify in front of this Committee. I testified two years ago as Secretary of the Department of Children and Families in Florida on this Committee's efforts to provide expansion of the IV–E waiver concept.

I thank you for the legislation that passed this year.

I would like to acknowledge the leadership of Chairman Davis in this area. Like you, I believe that these efforts will lead to better targeting of benefits to eligible households, and at the same time, will reduce fraud, waste and abuse.

Much work is occurring in this regard already. Clearly, much more needs to be done, and the hearing today furthers this critical conversation.

I have a deep personal commitment to the effort you are promoting because I experienced firsthand as a state administrator what a difference improved data sharing can make for those on the front line delivering services.

We all recognize the problem that we are trying to tackle. Valuable information which could support more accurate eligibility and benefit determinations, and more thoughtful case planning is siloed among multiple systems across related but not fully integrated programs.

Even in cases in which organizations are allowed to share information, uncertainties about legal requirements, cultural differences, and misperceptions about privacy requirements too often stymie efforts to exchange information, even when the benefits are obvious.

We face this situation in the State of Florida, for instance.

The first point I would like to emphasize is the solution is not purely a technical one. The initial hurdle is to promote a new way of thinking, a cultural exchange that promotes the sharing of information.

In Florida, we worked across eight state agencies to develop what we called a "Children and Youth Cabinet Information Sharing System."

Rather than develop the initiative from start, we piggy backed on the success of another initiative that the court system had in place for several years.

The court system was a multi-agency data sharing system. In this manner, we not only benefitted from their technology platforms, but we were also able to incorporate the lessons that they had learned.

I emphasize our use of the piggy back in Florida because we are taking that same approach at ACF.

I will talk more about NIEM later, but as you know, we know a good idea when we see it. It does not make sense to pay to replicate systems we already own or have invested in heavily.

I believe that the Committee's initial emphasis on data exchange is wise. While I am not discounting the need for investment to support systems at the Federal, state and local levels, there are significant returns that we can realize by improving data sharing within the systems that we currently have.

Implementing our system in Florida was a big step forward. It saved time, saved labor, reduced errors, and provided real time access to information. It allowed participating agencies to maintain the control and security that they wanted over their own data.

This is another point I want to emphasize because it demonstrates that significant gains can be made without compromising privacy, which I know is a critical concern of everyone in this room.

Most importantly, it supports better decision making because it provides much needed real time up to date data and data exchange capability on a vulnerable child or vulnerable family.

My experience in Florida also confirms that improved data sharing can lead to lower improper payments.

In Florida, we determined eligibility for TANF, SNAP, Medicaid and Refugee payments through an integrated automated process.

While five years ago we had one of the worst food stamp error rates in the country, in the last three years of my tenure there, we achieved the lowest error rate in the SNAP program for three consecutive years, an unprecedented achievement. By 2010, the error rate was under one percent.

The point I am making is that an appropriate use of technology in terms of sharing our data elements can really lead to an overall improvement of the system.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Sheldon follows:]

Statement of

George H. Sheldon

Acting Assistant Secretary

Administration for Children and Families

U.S. Department of Health and Human Services

before the

Subcommittee on Human Resources

Committee on Ways and Means

U.S. House of Representatives

on

April 19, 2012

Chairman Davis, Ranking Member Doggett and members of the Subcommittee, thank you for the opportunity to testify before you this morning about the development of standardized data exchanges for Administration for Children and Families (ACF) programs and the use of technology to better target benefits and eliminate waste, fraud, and abuse.

First, I would like to acknowledge the leadership demonstrated by Chairman Davis in this area already, by including provisions requiring the Secretary to develop data exchange standards and requiring them to be incorporated into data reporting in all germane legislation under the Subcommittee's jurisdiction passed since last fall. Like you, I believe that these efforts will lead to better targeting of benefits to eligible households and will reduce fraud, waste and abuse. Reducing improper payments is a high priority for this Administration and one that Secretary Sebelius has led personally. I also believe that the efforts you are spearheading will reduce duplicative government efforts at the Federal, State and local levels and promote better services for clients.

Much work is occurring in this regard already, and the hearing today furthers this critical conversation. Together, this standardization work will advance the process of allowing data exchange both within and across related programs to operate more efficiently. Hence, it will truly benefit some of the most vulnerable children in our society by promoting transparency, flexibility, and the ability for data gathered on our programs serving this population to be shared across the various information technology platforms established by Federal and State agencies and support improved data matching within States in this regard.

During my testimony, I will address ACF's efforts underway in support of implementing Chairman Davis's data standards language enacted so far and outline other activities that the Department of Health and Human Services (HHS) is undertaking, such as our interoperability toolkit, to improve our data sharing and insure it is being done in a manner that best serves the interests of both States and tax payers during this time of significant resource constraints. ACF is working with the Office of Management and Budget to implement the data exchange standardization legislation that this Committee produced in a bi-partisan fashion that affects the Temporary Assistance for Needy Families (TANF) and child welfare programs. I am proud of the fact that we were able to work with your staff to develop legislation to produce workable solutions that we believe can be implemented quickly and efficiently.

But there is more to be done and we are encouraged by your efforts to promote broader data sharing across all ACF programs within this Committee's jurisdiction. We are actively engaged in activities to promote these efforts within the authorities that we currently have and are fully supportive of your efforts to expand the scope of the authority to other HHS-administered programs.

I would also call attention to the fact that the recently enacted legislation does not expand data collections or require States to report new information. What we have been tasked with is doing a better job of administering our programs within the existing requirements to collect and report data.

I have a deep personal commitment to the efforts you are promoting because I have experienced firsthand as a State administrator what a difference improved data sharing can make for those in the front line of delivering services to at-risk children and families.

We all recognize the problem that we are trying to tackle. Valuable information which could support more accurate eligibility and benefit determinations and more thoughtful case planning is siloed among multiple systems across related, but not fully integrated programs. Even in cases in which organizations are allowed to share information, uncertainties about legal requirements, cultural differences and misperceptions about privacy requirements too often stymie efforts to exchange information even when the benefits are obvious. We faced this situation in the State of Florida – and the first point that I would emphasize is that the solution is not purely a technical one – that the initial hurdle is to promote a new way of thinking – a culture change that promotes the sharing of information.

I feel that I am preaching to the choir here. We all have our silos, whether they be based on how programs are authorized, bureaucracies are organized or committee jurisdictions are established. It's only when we can get over that initial cultural hurdle that we can harness the power of technology to support the work that we are trying to do. I appreciate your efforts to date to overcome these silos and support improved coordination.

Florida Children and Youth Cabinet Information Sharing System

As you may know, prior to joining the HHS, I worked on these issues in Florida, where we worked across eight State agencies to develop what we called a Children and Youth Cabinet

Information Sharing System (CYCISS). And rather than develop an initiative from scratch, we piggybacked on the success of an existing initiative – Florida's Office of State Courts Administrator (OSCA), Judicial Inquiry System (JIS). The court system was a multiagency data sharing system that had been operating for several years. In this manner we not only benefited from their technology platforms, but we also were able to incorporate the lessons they had learned.

I emphasize our use of the piggy back in Florida because we are taking the same approach at ACF. At the same time that we are making the case that we cannot afford the waste of having parallel organizations perform the same or conflicting functions, it does not make sense to pay to replicate systems we already own or have invested in heavily. I believe that the Committee's initial emphasis on data exchange is wise. While I am not discounting the need for investment to support systems at the Federal, State and local levels, there are significant returns that we can realize by improved data sharing within the systems we currently have.

Implementing CYCISS was a big step forward. It saves time and labor, reduces errors and provides real-time access to information. And it allows the participating agencies to maintain control and security over their data. This is another point that I want to emphasize because it demonstrates that significant gains can be made without compromising privacy, which I know is a critical concern to everyone in this room. And most importantly, it supports better decision-making because it provides much needed real-time, up-to-date data and data exchange capability on a vulnerable child or family.

My experience in Florida also confirms that improved data sharing can lead to lower improper payments. In Florida, we determined eligibility for TANF, Supplemental Nutrition Assistance Program (SNAP), Medicaid and Refugee payments through an integrated, automated process. Florida's system provides continuous access through a web application and relies extensively on electronic interfaces with a wide variety of data systems to verify eligibility information. In 2007, the initiative was recognized by the Kennedy School of Government at Harvard as a winner of the Ash Institute award for innovation in government. In my last three years in Florida, we achieved the lowest error rate in the SNAP program for three successive years – an unprecedented achievement. By 2010, the error rate was under 1 percent. Because the same eligibility process is used for TANF, Medicaid and Refugee payments, these error reduction processes are likely to improve the integrity of these programs also.

ACF Efforts Underway To Support Implementation of the Data Standards Legislation

As the lead for the human services programs within HHS, ACF has a number of initiatives underway that will lead to greater program integration across the spectrum of human services. The challenge before us is to find new ways to serve our clients – ways that reduce both the burdens of program administration at all levels of government, and the frustrations that bureaucracy can often entail for the client. I know it sounds shopworn and cliché, but I believe we really can find ways to do the business of delivering human services to America's families and children, better, faster, and more efficiently. I am pleased to say that the goals of the Committee dovetail with efforts we have made a priority for ACF.

Systems interoperability addresses some of the problem by placing clients at the center of the services we provide, reducing technical and bureaucratic barriers between programs that make it hard for people to get the services they need. Fortunately, ACF has much of what it takes to make our systems more interoperable. We have state-of-the-art technology and experts who know how to unleash its potential, and we have an Administration that is committed to the effort. We are also building upon the strong working relationships we have with other agencies that also provide services to the populations we serve.

ACF has established an **Interoperability Project Management Office**. It is tasked to manage the day-to-day communications with our numerous stakeholders at the Federal, State and local levels, not to mention with the private sector and advocates; as well as handle all project coordination, including improving our interagency collaboration and cooperation.

ACF plans to establish an **Interoperability Steering Committee.** The committee will consist of stakeholders from within and outside of ACF to provide consultation, counsel, critical review and analysis, and provide support for current and future interoperability efforts. Membership would include a combination of Federal, State, and local representatives.

We are also developing a **National Information Exchange Model (NIEM)** that serves as a clearinghouse for commonly used human services terminology and establishes a process to identify and share essential information. The NIEM framework will also provide tools as well as training and technical assistance, and will guide our efforts at implementing information exchange services across the landscape of human services.

We are pleased to note that the **Human Services Domain** was recently officially recognized and officially established under NIEM. In the next few months, ACF will be posting planning documents on the NIEM website for review and comment. ACF will also establish and operate a **NIEM sub-group** to provide coordination with the Centers for Medicare & Medicaid Services (**CMS**), including its Center for Consumer Information and Insurance Oversight **(CCIIO)**, as ACF is committed to supporting these agencies as they implement their own **Health Services Domain** under NIEM.

We are funding the initial creation of a **National Human Services Interoperability Architecture (NHSIA)** that will serve as the technical framework of interoperability. The architecture is derived from a number of existing, successful enterprise architecture models, including the Federal Enterprise Architecture or FEA. It is envisioned as a framework that can support common eligibility and information sharing across programs, agencies, and departments; improve the efficiency and effectiveness of service delivery across our programs; support great program integrity through enhanced identification and prevention of waste and fraud; and in doing so, deliver better outcomes for children and families.

ACF periodically releases a compendium of interoperability documents **(Interoperability Toolkit)** designed to help State human services agencies connect with their health counterparts and coordinate efforts to develop modernized and interoperable systems. A revised version is being written now that will include a series of implementation scenarios; narratives that will describe for States the opportunities, steps, timeframes, and coordination needed to improve system interoperability and integration across health and human services programs and assist

States in leveraging the system improvements to implement the Affordable Care Act, without stalling or jeopardizing these system development efforts. This new toolkit should be published before summer.

Many of the efforts I've already mentioned, from establishing a Project Management Office to coordinate the participation of numerous ACF programs, to identifying potential members of an Interoperability Steering Committee, entail stakeholders that can contribute to OMB's working group on data exchange standards; which will convene and continue these efforts over the coming year.

These efforts already underway will help us as we work with the Office of Management and Budget (OMB) to implement the recently enacted data exchange standardization provisions. We plan to use OMB's working group and the rulemaking process to conduct far-reaching and inclusive consultation with affected stakeholders. The TANF extension requires that we issue a notice of proposed rulemaking within 12 months of enactment and we are working to meet that deadline. And while the requirements are only applicable to TANF and Child Welfare Services under title IV-B of the Social Security Act, we will conduct our consultations with an eye to how we can implement in a way that would best encourage data exchange with programs that are not now subject to the provisions. That will facilitate an easier transition if the Committee is successful in enacting legislation that would apply to a full array of programs administered by ACF. You can count on my support for those efforts.

Thank you again for inviting me to testify, and at this time I would be happy to address any questions from the Chairman or the Committee.

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Chairman DAVIS. Thank you very much, Mr. Secretary. I would like to move on to questions now.

What we are talking about today is not about new data but about using existing data more efficiently and effectively.

Secretary Sheldon, nearly every one of your programs provides a congressional or annual report, most of which come to this Committee.

I have two here, which I will not enter into the record out of mercy for the transcriptionist, but we have some examples I would like to show you.

We have pages up on the screen right now, quite detailed information, such as how many beneficiaries there are and how dollars are being spent.

However, beyond those broad facts, the data is not usable in helping to improve how the programs perform. Variance metrics, understanding the quality of work, the ability to drill down inside of those.

For example, what I would like to share with you and members on the Subcommittee from these pages is a recent Child Welfare Annual Report on States' Planned and Actual Expenditures, which was requested by Congress.

I see that many of the same forms are used throughout, but one thing is how overall the data lacks consistency.

The pages also appear to be PDF copies of the original forms submitted in paper form by states, making many of them illegible, frankly.

What does your agency do with this information, and do you think this sort of report is useful for your staff, congressional staff, or outside experts?

I want to qualify my remark. I am not doing this to put you on the spot so much, but as we have discussed, we have this common problem we are trying to work around, and I would like to hear your thoughts on steps to fix this.

Mr. SHELDON. I appreciate this. The report is based on congressional direction of how we should be sharing this information. I do think this data is important not only to us but I think it is important to the field.

Clearly, as you have identified, these PDF files are not very user friendly.

Bryan Samuels, who is our Commissioner for the Administration for Children, Youth and Family, actually identified this difficulty about a year ago, and began working with the staff to try to get a more uniform system of reporting from the states.

In addition to that, it is my view that at some point, assuming resources are available, we need to be moving from hardcopy reporting that can only be shared in a PDF format to a much more user friendly, state friendly, and services friendly reporting system.

It is something that has been identified, and I appreciate you bringing it to my personal attention, but I would report that Commissioner Samuels has identified this and is attempting to work on it.

Chairman DAVIS. I believe the purpose of the report is to understand state variations in planned and actual expenditures on child welfare so policymakers can know what works better to protect children. That is an important goal.

How do you expect this and other reports will change with the enactment of our data standards provision that was signed into law?

Mr. SHELDON. I think the data standardization exchanges are an excellent opportunity to begin addressing some of these issues. As I indicated in my prepared comments, a lot of progress has been made, but there is still a lot more that needs to be done, and I think this is a good example.

With respect to NIEM, we have established an interoperability project management team headed by Joe Bodmer, who is behind me. I am very optimistic about the direction they are taking and the impact it could have on these kinds of reports.

Chairman DAVIS. Thank you, Mr. Secretary. Ms. Roy, NIEM is not a standard but a way of setting parameters for data exchange so information can flow more freely.

I recognize this pushes beyond NIEM, but can you tell us more about the burden on the agencies and departments, especially small local governments, to transition to the structures developed by NIEM, both in the short and long term?

Feel free to use examples outside of human services, if that would be helpful in answering the question.

Ms. ROY. Thank you for asking that question, Chairman. We believe we hold true in the NIEM program. One basic foundational tenet is that we provide technologies, tools and support to reduce the burden for our state and local adopters to make sure the technology we employ is consumable given the reduced budgets and restraints they have at the state and local level.

As an example, in this PDF, it would be as simple as putting XML behind it embedded within this PDF that would make this a useful document. That would provide a very low burden to employing this type of solution.

The Recovery Act included recipient reporting from the state and locals in the form of an Excel spreadsheet, and in the back of that Excel spreadsheet, XML data that could be used to exchange information and to add up and total up the dollars there.

I don't believe that everything that we do is a high cost IT implementation within the state and locals. We have really reduced that burden by providing tools and ways for them to use XML in a manner that is at a reduced cost and a quicker time for implementation.

Chairman DAVIS. Very good. Thank you very much. With that, I would like to yield to Mr. Doggett, the Ranking Member of the Subcommittee, for five minutes.

Mr. DOGGETT. Ms. Roy, NIEM as it currently exists, I know, has been instrumental in facilitating the exchange of data. What are some examples, additional examples, of how it is currently being used in the Federal Government?

Ms. ROY. NIEM has realized a significant increase in adoption in the Federal Government. In the Department of Homeland Security, where my day job is, I can provide some examples.

NIEM is being applied in the Disaster Assistance Improvement Program from FEMA to harmonize the 60 forms that one could apply for in a disaster situation.

Amazingly enough, 80 percent of the data on those 60 forms is the same, and yet, we make our citizens fill out those forms again and again.

The FEMA Disaster Assistance Program is aimed at harmonizing that and allowing citizens to fill out most of that information once and pass that information to the agencies to ensure that those forms are pre-populated. To me, that's good Government.

The Citizenship and Immigration Services in the Department of Homeland Security has applied the use of NIEM in the E-verification and self check programs, allowing faster citizen services in a critical service that we provide.

Outside of the Department of Homeland Security, the Department of Justice has a strong program around index and law enforcement information sharing.

True banner best practice child from the beginning of the NIEM program.

There are really great cases at the state level based on some at the Federal level. In Colorado, New York City, and Massachusetts, NIEM is being applied in child and family services. The really great part about NIEM is that people can use it. It is free to use. I never have to know about it.

I often do not know about it until I hear the good news such as the New York Times article around New York City's HHS-Connect successes. They were able to provide streamlined citizen services to their citizens.

As an example, an 18-year-old mother of a one-year-old son who arrived in the city's homeless intake center.

She had been removed from her own mother's house by ACF in September because of neglect. By typing her name into this new interface, the case worker was able to within minutes find her birth certificate, her baptism certificate, and her mother's driver's license to help her document her identity and housing history, which homeless services requires.

That took about 45 minutes out of a six-hour intake process because of the work New York City's HHS-Connect has done to bring together their information using the NIEM standard. Again, we did not know they were doing it. We had no anticipation that NIEM would be used in human services when we started the program.

These are all great sorts of use cases around community adoption and the community involvement in the use of a program originally started for law enforcement and homeland security information.

Mr. DOGGETT. Thanks so much to both of you for your leadership. We have a vote under way. I will hold the rest of mine. Thank you.

Chairman DAVIS. I thank the gentleman. I apologize to our guests and to our witnesses that a vote intruded upon the proceedings right now. We will be back in 20 minutes.

I would ask Ms. Roy and Secretary Sheldon if you would please consider remaining. I believe some of our members do have some questions for you before we move on to our second panel of witnesses.

Appreciate you being here today very much, and very excited about the progress we have made over the last year and a half working together.

With that, the Subcommittee stands in recess for 20 minutes.

[Recess.]

Chairman DAVIS. The hearing is back in session. We will continue with our questioning of our first panel. I would like to recognize Dr. Boustany from Louisiana for five minutes.

Mr. BOUSTANY. Thank you, Mr. Chairman. This is a very important hearing, and I know you have had a long interest in this interagency cooperation and how we can use data to drive this.

Ms. Roy, you have been involved in all this, trying to push this from the inside. Why is it so hard to reach consensus on standardization? Please describe some of the difficulties you have encountered going forward with all this.

Ms. ROY. Thank you, Congressman, for asking me that. If it were easy, I believe it would not be so hard, such a big push to get people to adopt.

Most of the objections we get are related to education and the time to adopt something new. A lot of misperceptions; it is hard to use or hard to adopt another standard.

We believe when we have a cogent conversation around the reuse potential, those conversations get easier to have. Sometimes we have the objections of not invented here, it is not my XML standard, as an example, so it is hard for me to sort of diverge and listen openly to a better way of doing business.

For the most part, it has been about outreach and making sure we have enough outreach activities out there to apply what we think are the good aspects of a program like NIEM out there to 3,000 counties, 50 states. As an example, in Homeland Security, 18,000 police departments. It is a pretty big country, a lot of people to get to.

Mr. BOUSTANY. Magnitude of order.

Secretary Sheldon, do you want to comment on that?

Mr. SHELDON. Yes. I saw this at the state level, where the agency that I ran, mental health, substance abuse, TANF, child welfare, domestic violence, and everyone is comfortable with their little silo; they are safe in it.

I think as I indicated in my testimony, we know how to do the technology, quite frankly, but it is the culture of sharing that has to happen.

I have been meeting with several state commissioners. I think there is a growing realization at the state level, as there are declining resources, that there is a benefit to data exchange standardization.

I met, for instance, with the Secretary of the Department in Virginia just last week. They are doing some extremely innovative things in Virginia, and I think other states are too, but Virginia may very well be one of those states that could be an example to other states.

What they are attempting to do is not just add standardization but a growing sharing of information across lines, and ultimately, I think this is going to be where we are headed when we get to the point where we are not just dealing with the human services domain, but we are also dealing with the health domain, as well as with the education domain. Those three are so intricately linked.

Mr. BOUSTANY. Right. It is interesting. There is an irony I have experienced in my time in Congress. Late in 2005, I went to Iraq. On the way back, I stopped in Landstuhl. I was talking to the chief medical officer at the hospital in Landstuhl where our wounded warriors were evacuated.

What was interesting was the fact that we had good data for battlefield to Landstuhl, but when our guys left the Department of Defense and went over to the Veterans Administration, which consisted of a whole different database, there was a lack of communication and lost information, and a lot of frustration on the part of our veterans.

I returned in 2008 to see what changes were made, and basically, nothing had changed.

The irony is here we are, an Administration driven to implement health information technology to improve quality and collaboration, integration of health, and yet our own departments cannot seem to get it together.

I share Chairman Davis' intense interest in this issue because as he said in his opening statement, with our budgetary constraints and all the other things we are dealing with, this should be a no-brainer, albeit a very difficult task, given the magnitude and cultural issues.

That is why I asked the question, to try to drill down a little further into what specific problems you are encountering going forward on all this.

If you could continue to work with us on these things and help us understand where the road blocks are, what specifically is occurring. We can pass legislation, but actual implementation and getting this right is a whole different story.

With that, Mr. Chairman, I would yield back. Thank you.

Chairman DAVIS. I appreciate your comments. The Chair recognizes Mr. Reed for five minutes.

Mr. REED. Thank you, Mr. Chairman. Thank you to our witnesses for testifying today.

Ms. Roy, I am going to direct a lot of my conversation to you, as I do not think we have ever had a member of the Homeland Security team come here and testify before on human resources issues and others.

I really want to delve into the concerns that NIEM potentially is out there for purposes of intelligence gathering.

Can you dispel for me any of the issues that people are expressing, that this is confidential information data that could potentially be exploited, or concerns about privacy and issues like that?

Ms. ROY. Congressman Reed, those are very good questions. Thank you very much for asking them.

NIEM is just a format for data as it moves. It does not imply that you are moving it anywhere. It does provide a common vocabulary for someone who wants to send data to someone who wants to receive it or more appropriately, network effect of multiple people who want to receive it in a way they can understand it.

Early, when the HHS started to see the value of NIEM and have the conversations, I have read some sort of blogs out there that the CIA would get your health records, sort of had to chuckle on that one.

NIEM does not move the data. NIEM provides the format for which the data moves.

In combination with NIEM are the implementations within a Federal, state, local or private sector agency who put in place security, privacy, and other aspects of the IT system that protects the data.

NIEM is not the data itself. It is just the format for which we agree upon sharing the data.

The format had applicability across more than intelligence domains. It is the homeland security, the emergency management, the justice, education, transportation.

There are a lot of domains where Donna Roy is Donna Roy, and the description of Donna Roy as a person, I have a name, date of birth, sex, all of those things are consistently the same across multiple domains across our Government, that is where NIEM provides a significant amount of value.

Mr. REED. Excellent. Mr. Sheldon, do you have anything to offer from HHS' point of view?

Mr. SHELDON. I think the agencies are still going to be able to control their confidentiality requirements.

When we moved in this direction in Florida, we had what we called three joint application design sessions.

The first two sessions were with programs and addressed what kind of information should be put up, what would be useful, and what would be useful across agency lines.

Then in our third session, we brought in the general counsels of those agencies to address privacy issues.

Many of the ideas that were brought up during the programmatic piece of those design sessions were included in our ultimate application.

There were a few that did not make it because of confidentiality concerns, and then we developed memorandums of understanding between all the agencies who were participating.

There was a memorandum of understanding between the sender agency and the receiver agency.

I think as we move forward, we are going to have to do that kind of collaboration in order to break down some of these walls.

I also think there is a lot of misconception about confidentiality requirements and what is confidential. For instance, if I have a child who is in the child welfare system, and that child is in care, it would be very helpful to the state child welfare agency to know how that child is doing in school.

Yet, that information, under the current FERPA statutes, is not shareable.

I think with respect to data sharing you need a process where access is limited to those who have a need to know. Obviously, when you deal with a child in the child welfare system, the extent to which you can interface with what is happening with that child in the education system, is better for the child.

Those are the kinds of things I think on an ongoing basis we are going to have to work through.

I am very confident from a technology standpoint we can do this. I do think we have to break down a lot of misconceptions that exist.

Mr. REED. I would agree with that sentiment, the misconception about the ulterior motives potentially that are out there floating in the blogosphere and everywhere else.

I appreciate that and I look forward to working with you to accomplish that.

Mr. SHELDON. If I might, Mr. Chairman.

Mr. REED. Please.

Mr. SHELDON. We had a taskforce in Florida after the Virginia Tech killings, and what we found is that the folks in the colleges and mental health arena were not communicating with the people who had a need to know if in fact there were some dangers.

That is the kind of ongoing dialogue, I think, institutions are going to have to have in order to not just make sure that we are covering fraud and abuse but we are also protecting individuals at the same time.

Mr. REED. I appreciate that. My time has expired. Mr. Chairman, I yield back.

Chairman DAVIS. I thank the gentleman. The Chair recognizes the gentleman from North Dakota, Mr. Berg.

Mr. BERG. Thank you, Mr. Chairman. Thank you for being here. I apologize for the disruption with the voting. It is one of those days probably more typical than not.

As you know, this Committee has been working a lot on data standardization and the programs within our jurisdiction, child welfare, TANF, and the Unemployment Insurance.

As you heard Ranking Member Doggett and others, we co-sponsored a bill to do the same thing in child enforcement, and really on a global basis.

My question for Ms. Roy is on the bigger picture, as you look around all the things that Government is involved with, are there other agencies and programs that are looking at standardization and doing some things that kind of pop out as other examples?

Ms. ROY. We are in the business of being an available-to-use public service. I wish I knew all the good news around the communities and the agencies that were adopting NIEM.

Again, as I stated, I find out when I hear it in the press or someone bragging about a good news story.

That being said, we are seeing a lot of positive movement in the human services arena in Colorado, New York City, in Massachusetts. There is an exponential growth factor every time one of those states shares its best practices.

It is a little bit of a wild card with this community driven program, but they foster conversations with a state near them or with someone else that is interested.

We will see this network impact of a community that is very, very involved.

At the Federal level, as I mentioned, we have almost all of the Federal agencies doing something with NIEM. In particular, new domains, and around education, around transportation, are encouraging, because they have an impact on this cross community information exchange.

A child is a child. He goes to school. The child might be part of a welfare program and might get school lunch programs.

NIEM was built to actually sustain that cross business transactional support for data exchange.

Mr. BERG. Thank you. Just one quick follow up. How do we encourage agencies to move in this direction? Is there something we can do?

If you said there was one thing that could be done by Congress to encourage that, what would it be? Other than more money.

Ms. ROY. We appreciate support in getting the word out, that NIEM is a tool for your constituents to use for better IT connections, for better sharing.

We appreciate increased outreach on this. We are getting great support from the Federal CIO Council for the Federal agencies. Every time we see a Federal agency adopt, we see a ripple effect in the state and local agencies that also exchange information with the Feds.

I would say continued outreach and understanding that this is a valuable program that can help significantly increase mission performance.

Mr. BERG. Thank you. I will yield back.

Chairman DAVIS. I thank the gentleman. I would like to welcome now a distinguished member and long-serving member of the Ways and Means Committee, the Chairman of the Subcommittee on Health, the gentleman from California, Mr. Herger. Thank you for joining us today.

Mr. HERGER. Thank you, Mr. Chairman. I appreciate an opportunity to sit on the panel.

Mr. Sheldon, today there has been a lot of discussion about the positive of information sharing, but I want to bring it back to an issue that is easily overlooked and potentially more important.

I want to discuss the safeguards that should be in place to ensure that the personal data of program beneficiaries is kept secret.

As you may have heard from recent news reports, California's Department of Child Support Services lost computerized storage devices that were being transported as part of a disaster recovery task last month.

These devices held the personal data of 800,000 parents, guardians, and children, compromising their names, addresses, driver license numbers, Social Security numbers, health insurance, and employer information.

The news reports of the incident are extremely troubling. We do not have much information other than the devices went missing somewhere between Colorado and California.

I want to make sure this security lapse is taken seriously by the Government agencies involved as by the families whose personal information has been lost.

I would like to know what safeguards states operating child support enforcement and other Federal programs are required to have in place to protect personal data.

Has HHS looked into the incident in California, and if so, did California's Department of Child Services violate any of the safeguards that should have been in place?

Mr. SHELDON. Congressman, I could not agree with you more. Our child support enforcement efforts nationally have had a 15 year unblemished record in terms of protecting data.

We do take what happened in California extremely seriously. We immediately reached out to California when it came to our attention to determine, number one, the nature of the loss, what information was lost, and the level of data exposure.

We are still working with them. I have asked that we go back and look at our safeguarding protocols we are requiring of states. I have been assured there are a lot of protocols in place in terms of making sure that states comply with confidentiality.

I want to make sure we are doing everything we can in this area. We will continue to work with California.

The information that we have gotten back to date indicates, I think, there were five canisters lost. One of those has been regained. We requested that the state immediately identify the individuals, notify those individuals of the potential breach, and that is ongoing as we speak, I believe.

Mr. HERGER. Mr. Sheldon, could you tell me, what does your agency plan to do going forward to prevent this type of lapse from happening again?

Mr. SHELDON. Well, the first thing that we are doing is we are working to make sure that states are meeting the current safeguard requirements that we have in place.

We currently are doing routine monitoring of states. We will increase that monitoring on an ongoing basis.

I think quite frankly we also are identifying through a lot of those routine efforts if there is any unauthorized use of information.

We are employing technical assistance teams to work with states in this arena.

I share your concern because I think this was a serious breach, and we are trying to double our efforts in working with states and holding them accountable.

Mr. HERGER. Mr. Sheldon, I appreciate your taking this seriously. Again, it is difficult to comprehend how something like this could happen.

Mr. SHELDON. This was, as I understand it, an emergency disaster exercise. To have this happen on that kind of exercise is in itself problematic. The purpose of those exercises is just the opposite.

I would point out the state did have back-up information, so there was no loss on the part of the state. Exposing confidential information of individual citizens, however, I do think, is cause for serious alarm.

Mr. HERGER. Well, again, I appreciate that. It is very important, as you can understand, number one, to understand how this could happen in basically a mock up trial. Imagine what would happen if there was an actual emergency.

I think you can understand how it is very important that we check and double check and make sure this does not happen again.

Again, I thank you very much.

Mr. SHELDON. Mr. Chairman, what I would like to do is get back with you as we proceed so you know exactly what steps we are taking as it relates to this particular breach.

Mr. HERGER. I would appreciate you doing that. Thank you very much. Mr. Chairman, thank you.

Chairman DAVIS. I thank the gentleman. I want to thank both of our witnesses, Ms. Roy and Secretary Sheldon from the Administration, in helping us understand the issue further.

If members have additional questions, they will submit them to you in writing, and we would appreciate it if you would also give us a copy of that so we can submit it into the official record.

I want to thank you again. We look forward to continuing to work with you on improving data standardization to reduce costs and improve performance in the Government.

With that, this concludes the first panel of the hearing. I would appreciate it if the second panel would come forward. Thank you very much.

Now we will go ahead and begin the second panel. I appreciate our witnesses being here today.

We will hear from Mr. Robert Doar, Commissioner, Human Resources Administration for New York City.

Ginger Zielinskie, Executive Director of Benefits Data Trust.

Mr. Darryl McDonald, Executive Vice President of Teradata Corporation.

Campbell Pryde, President and Chief Executive Officer of XBRL US.

Appreciate you taking time out of your schedules to join us here in Washington.

Mr. Doar, would you please proceed with your testimony?

STATEMENT OF ROBERT DOAR, COMMISSIONER, HUMAN RESOURCES ADMINISTRATION, NEW YORK CITY

Mr. DOAR. Thank you and good morning, Chairman Davis, Ranking Member Doggett, and Members of the Committee.

I am Robert Doar, head of New York City's largest social service agency, HRA.

Due to the structure set up in New York State, I help to manage over $39 billion in resources in an array of programs, including TANF, SNAP, Medicaid, and child support enforcement.

Mayor Michael Bloomberg has made it a top priority to break down silos between city agencies, so that we can improve the quality of services to the millions of participants in our programs, and to properly administer and protect city, state and Federal tax dollars.

He drew from his work in the private sector and saw we needed a better computer system to manage eight health and human service agencies with 80 different case management systems serving more than three million recipients and reporting to different state and Federal oversight agencies.

In 2008, we embarked upon HHS-Connect to basically create a system to share information across multiple services, multiple agencies, so we could better serve our citizens and clients.

A key was the strong leadership provided by the Deputy Mayor for Health and Human Services, Linda Gibbs, and the emphasis placed on this program on all commissioners in human services and city government.

Presently, there are two major functions of HHS-Connect that are underway. Client access to information about benefits and services and worker access to better data and realistic view of the client.

ACCESS NYC is the client portal. It is a screening tool to self screen for more than 30 city, state and Federal human services benefit programs.

Applicants can also apply on line for SNAP, school meals, and senior citizens and disabled rental increase exemption programs.

Recently, Medicaid renewals were added to the site, and since we began, 100,000 SNAP applications have been submitted on line.

To better assist clients on the worker side, we created Worker Connect, to share information among agency workers. It is a secure read only web based application that allows select city workers to access a limited set of information from multiple data sources through one point of entry.

The basic technical elements are a common client index and a document manager. The common client index is the initial process to link the client's identity within any of the participating agencies.

The identifier is used to data mine details such as benefit information, case composition, and employment history, and display them to workers.

The document management is simple but has been very useful across agencies, an electronic repository of documents submitted by HRA clients when they apply for our benefit programs.

On the program side, the key benefit of HHS-Connect is how the information can be used. In our child welfare agency, they regularly use Worker Connect. Child welfare workers use it to quickly identify and locate children and guardians they have difficult finding but are known to other city agencies.

Often times, the reports child welfare workers receive from a central registry are missing critical identifying information, especially when they are called in by anonymous sources.

Worker Connect has alerted staff to the identity of household members and the existence of another parent or other children who may be at risk.

It has also been useful to our homeless agencies' intake facilities, where families showing up at the facility often do not have easy access to much of their documentation.

My agency also uses Worker Connect as an additional tool to identify fraud, abuse, and improper payments within public assistance programs.

We use it for eligibility verification, to quickly and accurately identify inconsistencies, particularly unreported income, between information provided to us on applications and that which has been submitted to other agencies.

In the future, we hope to use it to help identify patterns of potential fraud and abuse within the public assistance programs we administer.

I need to be clear that information sharing was not undertaken lightly. There is an over arching requirement that access to information is only granted in compliance with all applicable laws and regulations.

We strictly adhere to Federal, state and local laws governing the protection and use of confidential records maintained by our social services agencies.

I believe there is definitely a role for the Federal Government to help in this area so that every other state or city trying to identify what data can be shared is not overwhelmed with legal analysis and forced to recreate the wheel time and again.

I also believe that we need to be careful to recognize that the sharing of data is not synonymous with the sharing of eligibility rules.

Although we strive to make sure that low income individuals and families have appropriate access to benefits for which they are eligible, we need to be mindful of unintended consequences.

Every program has different standards for how to consider resources and income and ultimately determine eligibility, and many of these differences are appropriate given the different goals of the programs. Therefore, discussions as to what extent programs that share common data or clients should share the same eligibility standards needs to be approached strategically.

I thank the Committee and the Chairman for all of your work on addressing this important issue, and for moving this important agenda forward.

Thank you.

[The prepared statement of Mr. Doar follows:]

Human Resources
Administration
Department of
Social Services

TESTIMONY

Robert Doar, Commissioner
New York City Human Resources Administration/Department of Social Services

Hearing on the Use of Technology to Better Target Benefits and Eliminate Waste, Fraud, and Abuse

House of Representatives Ways and Means Subcommittee on Human Resources
United States Congress

April 19, 2012

Good Morning Chairman Davis, Ranking Member Doggett and members of the Committee. I am Robert Doar and I am the Commissioner of New York City's largest social services agency, the Human Resources Administration (HRA). In New York State, counties administer and contribute to the funding of federal social service programs and my Agency manages over $39 billion in resources in an array of programs including TANF, SNAP, Medicaid, and Child Support Enforcement. Thank you for inviting me here today to talk about the efforts underway in New York City to better coordinate data across these and other programs. Mayor Michael Bloomberg has made it a top priority to break down silos between city agencies in order to better serve the millions of participants in our programs as well as to properly administer the significant amount of city, state and federal tax dollars.

NEW YORK CITY'S (HEALTH AND HUMAN SERVICES) HHS-CONNECT

The implementation of a system which shares data across eight health and human service agencies that utilize over 80 different case management systems, serve over three million recipients, and report to different state and federal oversight agencies was truly ground-breaking. We embarked upon this change, HHS-Connect in 2008 under the strong leadership of the City's Deputy Mayor for Health and Human Services, Linda Gibbs. All the commissioners involved were also asked to make a strong commitment to the initiative that was monitored and enforced by City Hall.

SELECT NEW YORK CITY HEALTH AND HUMAN SERVICE PROGRAMS				
SNAP Recipients	1.8 million monthly		Foster Care Annual Placements	5,860
Medicaid Recipients	2.9 million monthly		Annual Child Protection Abuse & Neglect Investigations	58,666
TANF Recipients	353,062 monthly		Homeless Shelter Daily Census	40, 500
Child Care/Head Start Slots	115,000 monthly		Annual Child Support Collections	$731 million

Although the broader HHS-Connect blueprint provides for future elements including the involvement of additional city agencies and possibly community providers, at present there are two major functions that are now well underway. One focuses on client access to information about benefits and services, while the other provides workers with access to better data and creates a holistic view of the client.

ACCESS NYC

Our client portal, ACCESS NYC, is a screening tool that provides clients with convenient access to many agency services. It allows New York City residents to self-screen for over 30 city, state, and federal human services benefit programs. Residents can also apply on-line for SNAP, School Meals, and Senior Citizen and Disabled rental increase exemption programs. Recently, Medicaid renewals were added to the site and 100,000 SNAP applications have been submitted on-line through this and the New York State's website. ACCESS NYC is available in seven different languages and receives an average of 40,000-70,000 visits a day.

Worker Connect

Our more complex element was the creation of Worker Connect to facilitate data integration and exchange among existing agency information management systems. The idea is to share client information and documents on file across human service agencies while safeguarding confidentiality. Historically, workers have never been afforded a single automated consolidated view because the systems of the various agencies didn't talk to one another. Worker Connect is a secure, read-only web-based application that allows select city workers to access a limited set of information from multiple data sources through one point of entry. However, in order to assure compliance with governing privacy laws and regulations, it does not contain information related to a client's health, HIV status, mental health, substance abuse history or treatment, or domestic violence history, nor does it contain case notes relating to the client.

Key Elements: Common Client Index and Document Management

From a technological perspective, the key components of this application have been the Common Client Index (CCI) and Document Management. The CCI is a technology that provides for the unique identification of a client across all social service programs and agencies. The CCI is the initial process to link the client's identity within any of the participating Health and Human Services Agencies. The identifier is used to data mine details such as benefit information, case composition, and employment history and display them to workers. One challenge in sharing data across systems is that the data formats were not standardized. Therefore, New York City is participating in the efforts of the Department of Health and Human Services' Administration for Children and Families to establish National Information Exchange Model (NIEM) standards for the Health and Human Services Domain. These data standards have facilitated the process for dynamic data sharing across systems with differing data definitions.

The Document Management was based on a technology initially implemented at HRA as an electronic repository of documents submitted by clients when they applied for our benefit programs-primarily TANF, SNAP and Medicaid. It has assisted both clients and workers by eliminating the need to reproduce the same documents across programs and helps streamline application processes in many agencies. For example, it may contain key documents such as a lease, a pay stub, a driver's license or a birth certificate which can be viewed by authorized users.

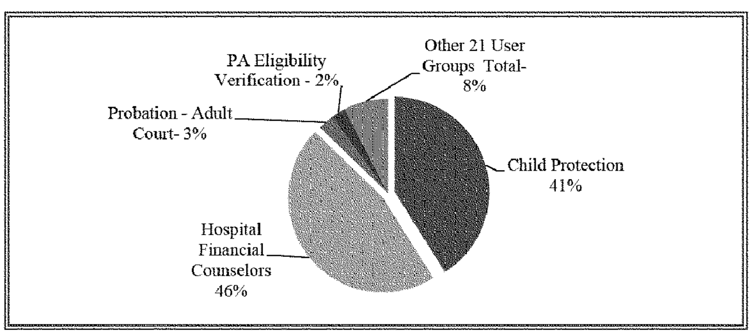
Health and Human Service Agency Involvement

Due to the nature of their work, certain agencies in the City tend to use the information while others provide it. HRA, as the city agency which determines eligibility for most entitlements and with the largest program caseload, is a key provider. Our New York City Housing Authority also contributes information from their tenant data base about lease holders and other occupants in apartments as well as rental amounts.

In the alternate, our child welfare agency regularly uses Worker Connect to quickly identify and locate children and guardians they have difficulty finding but are known to other city agencies. Oftentimes the reports they receive from a central registry are missing critical identifying information, especially when they are called in by anonymous sources. Worker Connect has alerted staff to the identity of household members and to the existence of another parent or other children who may be at risk. It has also been useful to our homeless agency's intake facility where families showing up at the facility often do not have easy access to much of their documentation. It has been a huge benefit to have the technology to instantly print and provide clients with replacement copies of identifying documents that are essential for them to access services. Unless needed for other purposes, clients no longer have to go through the time-consuming process of applying for replacement birth certificates, driver's licenses, or searching for copies of leases and paystubs. The New York City Health and Hospital Corporation's financial counselors also utilize Worker Connect to quickly identify whether persons who have received care are enrolled in Medicaid or help facilitate an application to the program.

HRA also uses Worker Connect as an additional tool in our work to identify fraud, abuse, and improper payments within the public assistance programs we administer. Our eligibility investigators also use it for eligibility verification to quickly and accurately identify inconsistencies, particularly unreported income, between information provided to us on applications and that which is submitted to other agencies. In the future we hope to use it to help identify patterns of potential fraud and abuse within the public assistance programs we administer.

Worker Connect Usage



Information Sharing and Legal Concerns

I would like to be clear that information sharing was not undertaken lightly. For example, we strictly adhered to federal, state, and local laws governing the protection and use of the confidential records maintained by our social service agencies. The type of information found in these records was carefully reviewed to determine whether appropriate legal exceptions apply that allow for the authorized disclosure and/or use of certain types of confidential information to designated agencies for authorized purposes within our health and human services structure.

There is an overarching requirement that access to information is only granted in compliance with all applicable governing laws and regulations. Administration attorneys conduct case by case analysis for all "use cases" and during that vetting process review the:

- Entity requesting access to the information including user group roles and responsibilities;
- Content of the information requested;
- Source of the information;
- Purpose and intended use of the information;
- The reason the information was provided initially; and
- Existence of any statutory and regulatory restrictions regarding the disclosure of confidential information.

Before any information is shared, there is an assessment of the relevance, necessity, and benefit of the requested disclosure. Legal counsel analyze whether the disclosure of data would be used for a purpose that would further the assistance of clients to access publicly-funded services to best meet their needs, and whether the disclosure was in furtherance of the proper administration of government programs and benefits. Appropriate legal exceptions are identified to determine which types of data may be shared absent the need for individual written consent.

Federal Requirements- SSA, HIPAA, FERPA

While this legal analysis was conducted, certain types of data were identified as having heightened restrictions on use and/or to disclosure. In particular, federal Social Security Administration (SSA) data, federal Health Information Portability and Accessibility Act (HIPAA) protected data health information, and Department of Education's Family Educational Rights and Privacy Act (FERPA) data. Our attorneys were bound closely by the Privacy Act of 1974 and restrictions against the improper use or disclosure of SSA maintained data. As HRA's use of SSA data is limited to income and eligibility verification purposes, measures were taken so that client social security numbers in our system were are not disclosed as part of the HHS Connect initiative. Similarly, the issue of individual consent provisions in HIPAA limited the sharing of Medicaid information to a data element on Medicaid case status provided to a limited group of users. All substance abuse treatment, mental health treatment, domestic violence, child abuse and HIV/AIDS records were excluded from the HHS-Connect initiative due to the restrictions placed on this information by various laws regarding the sensitive nature of the records and the limited circumstances under which disclosure of such records would be permitted. Finally, we have not incorporated any information from our Department of Education, as FERPA restricts the data sharing of student education records , without parental consent, to very limited exceptions – even in circumstances where the student is a mutual client of the New York City's Department of Education and the social service agency.

Security and Protecting Data

Once it is determined who is legally allowed access to particular data, we still needed to make sure that the data is protected. In order to accomplish this we implemented a set of standards:

- Only authorized individuals with verified credentials upon login have access and that access is limited to certain data sources or even sometimes a single data element;
- Data can only be accessed by authorized users with a connection directly to the City's secure institutional network;
- Specific logs are maintained and recorded on both access and attempts to access the system, the activities undertaken once a user is logged in, and any attempt to change read-only data elements, as well as on any security events;
- Built-in protections and double checks exist (Embedded Entitlements Management) to ensure users can only view data fields approved for their role;
- Data in transit is protected using state of the art methods (Secure Sockets layer (SSL)/Transport Layer Security (TLS)).

Lessons Learned Through HHS-Connect and Better Human Service Data Coordination

Congress and other stakeholders are correct in exploring better ways to coordinate among the programs and services that often reach the very same participants. This is a very important endeavor and in our experience it was important to proceed methodically, especially to make sure that each piece of new technology implemented is working as intended before moving to the next phase. For example, for almost the first entire year our Agency was one of the only agencies contributing data to the system. Also, although our Common Client Index is already an invaluable tool, the next phase of it provides administrators with alerts when data changes within one application that may have a bearing on a different system. This phase is only in use in our child protection program at this point.

We also found that it was important to examine the validity of data between agencies and to what degree that information can be used. For example, we were disappointed to find that in some programs it was not sufficient to see a copy of a passport or birth certificate in the document viewer, and that an original document or one that can be confirmed from the issuing source is needed. Similarly, certain data elements are universally seen as both accurate and useful, and yet their use and/or disclosure is severely limited. For example, Social Security Numbers are the easiest unique identifier to use in confirming that the information being shared among agencies concerns the same individual, yet in most instances this is not a "permitted use" for this Social Security Administration data. Likewise, many children are known to both educational agencies and social services agencies, but federal law severely restricts the ability of the educational agencies to share their information, even where it would be use to directly improve the health and well-being of the students.

I also believe that we need to be careful to recognize that the sharing of data is not synonymous with the sharing of eligibility rules. Although we strive to make sure that low-income individuals and families have appropriate access to the benefits for which they are eligible, we need to be mindful of unintended consequences. As a human service administrator for over 15 years, I know that every program has different standards for how they consider resources and income and ultimately determine eligibility and many of these differences are appropriate given the different goals of the programs. Discussions as to what extent programs that share common data or clients should share the same eligibility standards need to be approached strategically.

In closing I would like to thank the Chairman and Ranking Member for their work that resulted in the passage and signing into law of provisions for standardized data within the child welfare, Temporary Assistance to Needy Families (TANF), and unemployment insurance programs. New York City looks forward to working with the Committee as it moves forward to improve the overall human service data and information systems.

Chairman DAVIS. Thank you, Mr. Doar.

Ms. Zielinskie, you are recognized for five minutes.

STATEMENT OF GINGER ZIELINSKIE, EXECUTIVE DIRECTOR, BENEFITS DATA TRUST

Ms. ZIELINSKIE. Congressman Davis, Congressman Doggett, Members of the Subcommittee, thank you so much for the opportunity to testify today and for your ongoing work in regards to the Standard Data Act.

I would like to start today by sharing a quote with you from one of our clients, a 58 year old unemployment insurance exhaustee who was eligible for more than $200 a month in SNAP benefits.

"I was so shocked when I received your call. In the past three weeks, I have gone through three failed job interviews and I felt like a failure. This benefit amount is equivalent to my monthly mortgage payment. I am so glad you did not let me drop through the cracks."

Benefits Data Trust is a national not for profit organization committed to transforming how people in need access public benefits.

We have successfully completed over 280,000 benefit applications on behalf of low income Americans through the use of data sharing strategies to target outreach and streamline the application process.

Maximizing private sector targeting outreach strategies, Benefits Data Trust has been able to utilize more than 20 different targeted Federal and state government agency data sources to conduct national, statewide and regionally-based outreach.

We all know that data driven strategies can and should combat fraud and create efficiencies in the verification process.

I would like to share with you today five key points on how and why, right now, without prohibitive investments in technology, data sharing can and should be used to increase access to public benefits for the people who need it most.

First, data sharing strategies can create vast opportunities to conduct targeted, cost effective outreach.

Federal and state agencies can share enrollment data internally, across departments, and with business and not for profits to generate targeted outreach lists of millions of individuals who are highly likely eligible and not enrolled in benefit programs.

For example, in 2010, working with the Pennsylvania Department of Labor and Industry and Department of Public Welfare, BDT identified 80,000 unemployment insurance exhaustees commonly known as "99er's," who were likely eligible and not enrolled in SNAP.

The three entities developed comprehensive data share agreements and a process to generate an automated monthly file of new exhaustees eligible for this outreach.

The targeted outreach achieved initial response rates of 25 percent. In comparison, standard direct marketing delivers response rates of closer to one percent.

Results show that many individuals we help are not familiar with the safety net system at all, and have never needed help before.

Nationally, in the last year, more than 5.5 million people have exhausted their unemployment insurance benefits. This illustrates the tremendous opportunity and responsibility we have to help folks grappling with the recent economic recession.

Second, data sharing strategies can streamline the applications process and create express lane eligibility opportunities.

In Philadelphia, Benefits Data Trust receives an automated monthly data file of individuals 60 and older who were recently enrolled or were re-certified for Medicaid and not enrolled in SNAP.

Since income, residency and Social Security number or non-citizenship status were just verified by the same department, an individual does not need to provide proof of these elements on their SNAP application.

Therefore, eligible individuals are able to apply for SNAP in one phone call without having to provide any additional documentation. This dramatically streamlines the application process for the applicant and the verification process for the administering agency, reducing the cost of outreach, application assistance, and eligibility determination.

New enrollment or recertification in Medicaid, TANF, heat assistance, or the earned income tax credit approval, is an opportune moment to help people access other benefits they need and create express lane eligibility opportunities.

Third, increasing access to public benefit programs for people who are eligible, especially seniors, helps individuals, strengthens our local economies, and reduces long term national health care costs.

Fourth, data driven strategies can cut outreach and application assistance costs by more than 70 percent.

Fifth, there are several actions that the Federal Government can take to make it easier for Government, business and not for profits to utilize data sharing strategies.

The Federal Government can take a proactive approach by setting guidance around standard data share and data security provisions. This will immediately provide Government agencies, business and not for profits clarity on how to share and protect data.

Continuing to fund technical upgrades and integrations of state systems as well as projects that utilize data driven approaches to outreach and enrollment will continue to enhance improvements in this area.

I would like to end with one last quote from an 82 year old woman whom we were able to apply for both food stamps and the low income subsidy.

"I do not even know how you found me. My husband died of Alzheimer's and we both worked all of our lives. His treatment ate up all of our money. Thank you so much."

[The prepared statement of Ms. Zielinskie follows:]

BENEFITS DATA TRUST

Ginger Zielinskie

Executive Director, Benefits Data Trust

April 19, 2012

Hearing on the Use of Technology
To Better Target Benefits and Eliminate Waste, Fraud and Abuse

Subcommittee on Human Resources

Committee on Ways and Means

U.S. House of Representatives

BENEFITS DATA TRUST

House Ways and Means Human Resources Sub-committee Hearing on Data Standardization

April 19, 2012

Mr. Davis, Mr. Doggett, members of the subcommittee: thank you for the opportunity to testify and thank you for your ongoing work in regards to the Standard Data Act.

My name is Ginger Zielinskie and I am the Executive Director of Benefits Data Trust, a national not-for-profit organization committed to transforming how people in need access public benefits. Over the past 6 years Benefits Data Trust has successfully completed over 280,000 benefit applications on behalf of people in need through the use of data-sharing strategies to target outreach and streamline benefits application assistance.

Maximizing private sector targeting and outreach strategies, Benefits Data Trust has been able to utilize more than twenty different targeted federal and state government agency data sources to conduct national, statewide and regionally based outreach to millions of low-income individuals.

We all know data-driven strategies can combat fraud and create efficiencies in the verification process. I would like to focus my comments on how and why, **RIGHT NOW**, without prohibitive investments in technology, data sharing can and should be used to increase access into public benefits for the people who need it most.

I. Data sharing strategies create vast opportunities to conduct cost-effective targeted outreach:

- Federal and State agencies can share enrollment data internally, across departments and with business and not-for-profit organizations to generate targeted outreach lists of millions of individuals who are highly likely eligible and not enrolled in benefit programs.
- **Example 1:** In 2010, working with the Pennsylvania Department of Labor and Industry and the Pennsylvania Department of Public Welfare, BDT identified 80,000 Unemployment Insurance exhaustees or 99ers who were likely eligible but not enrolled in SNAP. Together, the three entities developed a data share agreement and process to generate an automated file on a monthly basis of new exhaustees not currently enrolled in SNAP. Benefits Data Trust then conducts outreach:
    - This targeted outreach achieves initial response rate of 25%. In comparison, standard direct marketing delivers response rates closer to 1%.

- 40% of the exhaustees BDT speaks to choose to submit an application
- 45% of these individuals are in such need that they are eligible for expedited SNAP benefits and an average benefit amount of $198 per month. Many individuals we help are not familiar with the safety net system at all – and have never needed help before.
- 45% of exhaustees BDT assists through this project are over age 50.
- To date, BDT has helped more than 10,000 99ers apply for SNAP.

- Nationally, in the last year more than 5.5 million people have exhausted their Unemployment Insurance benefits. This illustrates the tremendous opportunity and responsibility we have to help folks grappling with the results of the recent recession.

- **Example 2:** Beginning in 2006, working under contract as a prime outreach and enrollment agent for the Pennsylvania Department of Aging (PDA) PACE Program, Benefits Data Trust engaged in a targeted outreach project to increase access to the State Prescription Assistance Program, PACE. Throughout the project PDA developed a standardized process to share multiple data files across diverse agencies. The following data files have been utilized for PACE outreach:

Table A: Data List Sources
Pennsylvania Department of Welfare
Supplemental Nutrition Assistance Program (SNAP) enrollees
Medicare Savings Plan (MSP) enrollees
Low-Income Heating Assistance Program (LIHEAP) enrollees
Pennsylvania Department of Revenue
Property Tax and Rent Rebate (PTRR) recipients
Pennsylvania Department of Transportation
Individuals eligible for reduced fees
Pennsylvania Department of Aging
Clearinghouse Program
Options program participants

Medicare Part D Healthcare Companies
CCRx
Geisinger
Independence Blue Cross
UPMC
Center for Medicare & Medicaid Services (CMS)
Individuals redeemed/redetermined for the Low Income Subsidy
Pennsylvania Department of Military and Veterans Affairs
Veteran's Pension recipients
Other Agencies
Pennsylvania Employees Benefit Trust Fund (PEBTF) participants

- The use of these lists has allowed BDT to complete over 144,000 PACE applications on behalf of low-income seniors in Pennsylvania.

II. Data sharing strategies can streamline the application processes and create express lane eligibility opportunities:

- There are many common data elements across benefit applications. If particular data elements have been recently verified by one agency, then this information can and should be considered verified by other agencies.
- Our work in Philadelphia to help older Philadelphians access SNAP through the BenePhilly Enrollment Center illustrates how Data sharing can create express lane opportunities.
- Under this project, Benefits Data Trust receives an automated monthly data file from the Pennsylvania Department of Public Welfare of individuals who were recently enrolled in or re-certified for Medicaid. Since income, residency and citizenship were just verified by the department, an individual does not need to provide proof of these elements on their SNAP application.
    - Therefore, individuals who have recently enrolled in or recertified for Medicaid and had already had their necessary information reviewed are able to apply for SNAP – in one phone call – without having to provide any documentation.

This dramatically streamlines the process for the applicant as well as the administering agency.

- 91% of all express lane eligibility applicants were successfully enrolled in SNAP under the BenePhilly Enrollment Center Project

- New enrollment or recertification in Medicaid, TANF, LIHEAP, Low-Income Subsidy or Earned Income Tax Credit approval is an opportune moment to help people access other benefits they need.

III. A true person-centered approach providing comprehensive benefits application assistance is critical to maintaining program integrity and most cost-effectively assisting people in need access public benefits

- While auto-enrollment with integrated electronic application processing capabilities is the gold standard we seek to achieve, it is critical to note that it must be coupled with a professional person-centered support system in order to ensure accuracy and provide high quality customer service.

IV. Increasing access to benefit programs for people that are eligible - especially seniors - helps individuals, strengthens local economies and reduces long-term national health care costs. Access to public benefits will:

- Improve health outcomes and quality of life for seniors and their families and allow them to remain as independent for as long as possible;[i]

- Help people reach and maintain economic security; and

- Stimulate local economies. Every $1.00 in benefits distributed through the SNAP program equals $1.79 in economic stimulus.[ii]

V. Data driven strategies can cut outreach and application assistance costs by more than 70%.

Per Application Comparison of Outreach, Enrollment and Administrative Costs Associated with Select Benefits Programs

	SNAP[1]	Medicare Programs [2](LIS)	LIHEAP[3]	AVERAGE
Existing Cost for traditional outreach programs	$275	$280	$177	$244
Data-driven outreach and application cost - BDT	$75	$75	$75	$75
PER APPLICATION SAVINGS	$200	$205	$102	$169

VI. There are several actions that the federal government can take to make it easier for government, businesses, and not-for-profits to utilize data sharing strategies:

- Data standardization across programs and state lines as you have enumerated on in the Standard Data Act is paramount.
- Guidance around standard data share and data security provisions can provide government agencies, businesses, and not-for-profit organizations clarity on how to share and protect data.
- Continuing to fund technical upgrades and integrations of state systems as well as projects that utilize data driven approaches to outreach and enrollment will continue to enhance improvements in this area.
  - The Social Security Administration's use of the Medicare Improvements for Patients and Providers Act (MIPPA) data is a prime example of how federal agencies can be leaders in how to maximize data to increase access. Every month, state welfare agencies receive a file from SSA of individuals who have applied for the Low Income Subsidy. Across the country this data has been used to increase access into the Medicare Savings Program, SNAP and other benefits that help seniors reach and maintain economic security.

[1] Per the PA SNAP Outreach Plan
[2] Access to Benefits Coalitions, *Pathways to Success: Meeting the Challenge of Enrolling Medicare Beneficiaries with Limited Incomes*. 2005
[3] The Campaign for Home Energy Assistance *LIHEAP Investments 2010* page 3. Accessed on March 22, 2011 at http://liheap.org/assets/investment/LIHEAP_investment_june2010.pdf. Based on total per application cost of $671 less the average benefit of $494

VII. **In closing, I would like to leave you with the words of a UC exhaustee we helped access $219.00 in monthly SNAP benefits:** "I was so shocked when I received your call. I was depressed and at the brink of an anxiety attack. I hung up and cried at first when you called because I was upset. In the past three weeks I've gone through three failed job interviews and I felt like a failure. None of us understand how we got into this predicament. Thank goodness you're doing this... this benefit amount is equivalent to my monthly mortgage payment…I'm so glad you didn't let me drop through the cracks. I would have. I was really, really scared."

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[i] A report by The Elder Economic Security Initiative Program, see http://www.wowonline.org/ourprograms/eesi/documents/FinalWOWGINationalMethodology.pdf

[ii] "The Next Steps: Strategies to Improve the Medicare Part D Low-Income Subsidy." http://www.accesstobenefits.org/library/pdf/TheNextSteps.pdf

Chairman DAVIS. Thank you very much, Ms. Zielinskie.

Mr. McDonald, you are recognized for five minutes.

STATEMENT OF DARRYL MCDONALD, EXECUTIVE VICE PRESIDENT, TERADATA CORPORATION

Mr. MCDONALD. Good morning, Chairman Davis and distinguished Members of the Subcommittee, and thank you for the opportunity to testify here today.

I am Darryl McDonald representing Teradata Corporation. For 30 years, Teradata has redefined the lead of database technology and the use of advanced analytics.

Among the nearly 1,400 Teradata customers, companies such as eBay, Wal-Mart, Wells Fargo, Caterpillar, and AT&T, have learned how to recognize data as their most valuable asset by transforming that data into useful information.

These same approaches can be applied to the Government.

My testimony today will focus on how applying advanced analytic solutions to massive data sets or big analytics helps Federal agencies meet complex, large scale mission demands despite unprecedented budget cuts and infrastructure.

It is important to remember that big analytics are not futuristic or incomprehensible. In fact, one of the best known example is from Major League Baseball, the 2002 Oakland A's.

As described in the book "Moneyball: The Art of Winning An Unfair Game," and the subsequent movie and feature film, the A's used data analytics to more effectively compete against other teams using less money.

A lesser known example is from one of our state government customers found in Michigan. Since 1996, the State of Michigan has been creating their enterprise data warehouse which supports reduced health care costs and a 25 percent reduction in administrative costs.

The Michigan enterprise data warehouse has also aided the state in many ways, including doubling the recoveries for Medicaid fraud, moving from last to first in child immunization rates, and identifying more than $70 million in fraudulent child care.

Imagine the benefits achieved by Michigan at the scale of Federal Government.

Giving Federal decision makers the ability to utilize all the data on hand to find underlining insights is essential for effective risk management, cost containment, and mission success.

Rather than making weak decisions with data sampling, big analytics utilized all the available data to enable fact based decisions. Big data analytics cuts analysis time from weeks or months to near real time and enables continuous improvements to meet changing technology, regulatory and mission needs.

As one of the world's largest creators and consumers of data, the Federal Government will see its long term future of success or failure linked to how well it addresses big data.

Teradata has numerous and varied success stories of helping clients integrate and understand and leverage big data at the Federal and state levels, within and outside the U.S.

For example, the U.S. Department of Agriculture's Risk Management Agency has successfully applied data and analytics within the Federal Crop Insurance Program, by bringing together disparate data to identify and combat fraudulent claims, the agencies have saved the American taxpayers approximately $838 million in improper pay outs from 2001 to 2011, with cost avoidance estimated at $1.5 billion.

Another example is the U.S. Transportation Command. The Legacy information systems used by Transportation Command limited the visibility to historic and current shipment and arrival detail.

Today, data from 33 different systems is integrated to improve decisions with near real time visibility across the Department of Defense.

A final example is the Centers for Medicare and Medicaid Services and the CMS Data Dashboards. Completed within five weeks, the initial Dashboard was launched early because among other reasons, the historical claim data was housed in a single system.

With many organizations seeing tremendous benefit, a logical next question is how do we motivate more Government agencies to adopt big analytics?

In that respect, Mr. Chairman, the timing of this hearing could not be better. Teradata strongly supports H.R. 3339 and respectfully requests Congress to pass this legislation.

Not only would this legislation improve cost effective delivery of essential services to millions of Americans, but it would also create a stepping stone for other Government agencies to understand and acquire the benefits of big analytics.

Consider the lessons from Moneyball. If analytics can change a hundred year sport like baseball, think of the possibilities for Government.

Once again, Mr. Chairman, thank you for your continued leadership on this issue, and Teradata stands ready to support you and your colleagues.

Thank you.

[The prepared statement of Mr. McDonald follows:]

Statement of Darryl McDonald

Of Teradata Corporation

Testimony Before the

House Ways and Means Committee

Subcommittee on Human Resources

On

April 19, 2012

In

Longworth House Office Building, Room 1100

At

10:00 A.M.

A Hearing Entitled:

"Use of Technology to Better Target Benefits and Eliminate Waste, Fraud, and Abuse

Chairman Davis, Ranking Member Doggett, and distinguished members of the Subcommittee, thank you for the opportunity to testify today on this important subject.

I am Darryl McDonald representing Teradata Corporation. For thirty years, Teradata has continually redefined the leading edge of database technology and advanced analytics, enabling organizations to transform raw data into strategic advantage and attain their visions. As executive vice president of applications, business development and Chief Marketing Officer, I help ensure the innovation behind our products and services meet the evolving needs of our diverse government and commercial customers.

We are living in a time when the volume of data is growing at an enormous rate. Among the nearly 1400 Teradata customers, more than 300 have 100+ terabyte systems while the number of customers with petabyte sized systems doubled between the years 2010 to 2011. To put those metrics into perspective, ten terabytes could hold the printed collection of the Library of Congress; and a petabyte is 1000 terabytes, or the approximate equivalent of 13.3 years of HD-TV video. These customers have seen the advantages of using the data available to them – not by keeping the data in data silos but by integrating it to bring value to the organization - through improved operations, service delivery and customer engagement. The returns on investment from the successful implementation of these systems have been substantial.

The list of companies using Teradata includes technology leaders from across all industries including eBay, Walmart, Caterpillar, Wells Fargo, United Airlines, AT&T and Ford to name a few. These companies are getting smarter by not only recognizing data as their most valuable asset, but also by transforming that data into useful insight for better decision making. They further use this intelligence for analyzing customers' experiences and preferences, to create new products and improve service delivery. We believe that these approaches can be applied by government agencies to streamline operations and improve service delivery while achieving the goals of their missions. Mr. Chairman, we also believe that smarter government is smaller government.

My testimony today focuses on applying advanced analytics to massive data sets – what Teradata terms "big analytics" – to help federal agencies meet complex, large-scale mission demands despite unprecedented budget cuts and constraints.

How *Moneyball* Helps Explain the Value of Big Analytics

It's important to remember that even though big analytics helps address huge, complicated problems, the principles behind it aren't futuristic or incomprehensible.

In fact, one of the best known recent examples that illustrates the value of big analytics doesn't come from government, but from Major League Baseball: the 2002 Oakland A's, as described in Michael Lewis' 2003 book *Moneyball: The Art of Winning an Unfair Game* and the 2011 feature film *Moneyball*.

The book and film relate how the A's' used data analytics to successfully compete better against other teams that could outspend them to attract the best talent. The data analytics used quantitatively analyze player data. Armed with insight provided by the data analytics, the A's assembled a team of players undervalued by traditional baseball criteria.

Though controversial at the time, Oakland's bet on data analytics paid off handsomely and changed the sport forever. The A's finished the 2002 season first in the American League West with an American League record 20-game winning streak that still stands today. Two years later, data analytics helped the Boston Red Sox break the "Curse of the Bambino" and win their first World Series in 86 years. Since then, many teams have added full-time analysts to their staffs.

The parallels between *Moneyball* and our current situation are many, including:

- Just as the A's found value in undervalued players, the federal government has lots of undervalued data that it can, and must, leverage to improve mission success.
- Unable to spend their way out of problems, the A's had to discover what metrics most contributed to mission success and cost-effectively manage legacy and new assets to accomplish that goal. The federal government faces similar challenges today.
- Both the A's in 2002 and the federal government today face entrenched cultural resistance to change from both within their organizations and from their larger communities. But once organizations see the benefits of change – and data analytics in particular – they can move quickly to adopt it and see immediate, widespread and substantial benefits.

Moneyball is an excellent example of how data analytics can transform individual organizations and entire industries. It's especially relevant in this forum because if any pursuit is more devoted to statistics than baseball, it's government. As a nation, we of course have more on the line than winning baseball games. But the principle still stands that leveraging insight from integrated data provides considerable advantages to accomplishing federal agencies' diverse missions.

A Lesser Known Example: Michigan's Data Warehouse Delivers $1 Million per Business Day

A lesser known example from a Teradata state government customer can be found in the State of Michigan. One of our most successful public sector clients, recognized by the 2012 ComputerWorld Laureate program, is Michigan. Initiated in 1996, the Michigan enterprise data warehouse (EDW) is accessed by 10,000 users in five departments, 20 agencies and 100 bureaus, mostly used within the areas supporting Medicaid/Health and Human Services.

No other state in the United States has achieved Michigan's level of proven results from an EDW. Users include: Department of Community Health (MDCH), Department of Human Services (DHS), Department of Natural Resources, Department of Licensing and Regulator Affairs (DLARA), Secretary of State, Department of Treasury, plus 10 judicial and justice organizations.

As one of the primary users of the EDW, DHS is a perfect example of how the data warehouse demonstrates best practices for a state agency. Traditional data processing systems are absolutely necessary and are the life-blood of DHS. They are used to determine eligibility and issue benefits payments to clients receiving public assistance. However, the agency's data is not accessible in a useful form to analysts and administrators who need it the most. The information is typically entered and stored on many different computer systems, each serving a specific purpose and using its own format. Quite often, lack of consistency makes it extremely difficult to correlate data by drawing on information from several databases. What's more, the level of technical difficulty involved usually makes it impractical for administrators to perform their own interactive queries on the data. The end result is that agencies have become data rich, but have limited ability to transform this data into useable information.

In general, without the EDW, most of the time would be spent looking for data, rather than analyzing it. Because the EDW allows for interactive follow-up questions, it is much more useful than standard, pre-existing reports. The EDW helps uncover trends that previously would have remained hidden.

A few of the most prominent DHS projects include:

- *Food Assistance Program (FAP) Automated Find and Fix (AFF)*—by identifying food assistance cases not receiving correct benefit levels, this project identified and corrected almost $500 million dollars that were mis-issued to FAP clients from 2005-09.
- *Fraud Detection*—the Office of Inspector General (OIG) uses the data warehouse heavily in detecting fraud within the various program areas that DHS administers. Primarily focused on Child Day Care, Medicaid, Food Assistance, and Cash Assistance, the EDW has assisted OIG in identifying $70+ million in the last four years.
- *Bridges Information Management Mart*—used to balance caseloads among workers, this online system provides case listings and counts, and provides

performance metrics to help assist in the day-to-day management of the local office. It is estimated to be responsible for $18 million per year in streamlined labor efficiencies. For example, the amount of time that a worker spends putting together benefit redetermination packages has been reduced by 75%.

- *Child Support*—holds a collection of data from other agencies, which allows a very sophisticated and comprehensive method to "locate" non-custodial parents for the purpose of collecting child support. Ranked as one of the top-performing states in the country, the Office of Child Support is perennially rewarded with high levels of federal incentive money. In addition, these child support collections offset a large amount of money that otherwise, would have been distributed to clients as public assistance dollars.
- *Family Reunification*—DHS and the State Court Administrative Office share data and conduct analytics to protect and care for children in cases involving child abuse, neglect, foster care, adoption and legal guardianship among the 16,000 children enrolled in child welfare services in Michigan. Over nine months after initial implementation, Michigan increased family reunifications by 34% among temporary court wards.

The data warehouse has evolved from its original use to become the primary tool used to bring information from all 12 MDCH separate health-related program areas, encompassing 34 separate data sources, into a single environment. Today, MDCH can monitor the cost and care associated with a single individual across multiple programs. The data warehouse has since become a critical and productive part of the agency's efforts.

Michigan is a leader in using data integration and yielding a 15:1 cost effectiveness ratio for ONE state agency. Michigan stands as an example for all governments on sharing data across multiple agencies.

Big Data Complicates Decision-Making

Imagine the benefits achieved by Michigan at the scale of the federal government. The federal government faces a broad array of difficult challenges, from ensuring national and homeland security to providing essential services and encouraging U.S. economic competitiveness at home and abroad. A common trend among all these different responsibilities is the massive increase in the amount of data government agencies create and collect as they perform their duties. In that respect, the federal government reflects the global trend of near-exponential data growth over the next decade. IDC estimates that the amount of data worldwide doubles every two years,[i] with 1.8 zettabytes – 1.8 trillion gigabytes – created and duplicated in 2011 alone.

Not surprisingly, this blizzard of big data has the potential to overwhelm many federal decision-makers. These massive data sets involve complex and varied data that is both structured, such as spreadsheets; and unstructured, which includes most of the other data organizations today collect, from emails to social media content to video footage. Much of this data is in non-standard formats and resides on non-interoperable legacy systems in multiple locations. This data explosion leads to an obvious question: How can decision-makers at every level of an organization be confident they're drawing the right conclusions from all that data to ensure they best accomplish their agencies' missions?

Getting the answer right to this question is mission critical for federal agencies. The ability of federal decision makers to utilize all data on hand to find underlying insights is essential for effective risk management, cost containment and mission success. This is especially true as the federal government tries to weather record budget deficits and navigate through the worst economy since the Great Depression by mandating agencies find the most cost-effective solutions possible.

What's more, all these trends I've just described are accelerating. In its *2012 Trends to Watch: Government Technology* report, the research and consulting firm Ovum posits that data is replacing oil as the main driver of the global economy, with analytics tools a key means to extracting value from that resource.[ii]The omnipresence of the Internet and social media are driving societal demands for government to provide authoritative, accurate data and make fact-based, real-time decisions from it. As one of the world's largest and most influential creators and consumers of data, the federal government will see its long-term success or failure inextricably linked to how it handles big data, not only for research and investigation but for also managing its own business operations.

Big Analytics Solutions Help Overcome Persistent Problems

To overcome the challenges I've just described, federal decision-makers need big data analytics tools that:

- help them extract actionable insights and deliver the right ones to the right people in time to make a difference
- handle multiplying, diverse and overlapping avalanches of structured and unstructured data
- maximize resource efficiency and improve secure collaboration and productivity
- avoid data redundancy and improve data quality and re-use
- increase confidence in the data that is used for decision making
- improve end results for both users and those who rely upon them

Big analytics solutions help assure decision-makers that their important decisions are fact-based and not weakened by data sampling errors because all integrated data is available for analysis. They cut analysis time from weeks or months to near-real time and enable continuous improvement to meet constantly changing technology, regulatory and mission needs.

By helping evaluate past and current data and determine the most cost-effective courses of future action, big analytics solutions are invaluable in finding and fixing the root causes of persistent, confounding problems. Their usefulness is visible across government, from improving cybersecurity and military operations, to tailoring regulations and policy and rooting out fraud, waste and abuse, to understanding the needs of citizens and making a difference at an individual level.

I am honored to share Teradata's role in helping government customers make the best decisions from big data. Teradata is among the world's largest companies focused solely on big data analytics and data warehousing. Our big analytics offerings enable organizations to scrutinize enormous data sets, find actionable insights and gain advantage from those insights most cost-effectively. We empower individuals – government employees, contractors, partners and citizens – to do more, be more economically productive and transform the way government agencies operate.

I would also like to emphasize that Teradata stands ready to help your fellow colleagues and other government officials understand the possibilities big analytics presents. Agencies already have the data needed to deploy big analytics today. Every day the federal government puts off implementing big analytics on the data it already has means money wasted and millions of Americans not receiving essential services more efficiently.

Federal and State Big Analytics Success Stories

I have already mentioned the success achieved in the State of Michigan, but Teradata has nearly 1400 global commercial and government customers worldwide, and we have numerous success stories of helping public sector clients integrate, understand and leverage big data. Teradata's federal customers in the U.S. include the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (HHS CMS), the U.S. Air Force Materiel Command, the U.S. Department of Defense Transportation Command (TRANSCOM), Naval Air Systems Command (NAVAIR), and the U.S. Department of Justice, among many others that extend our reach to both the state and national levels of government globally.

Our examples include:

- The U.S. Air Force (USAF) Materiel Command integrates more than 60 source systems to provide clear and accurate decision-making information for the USAF logistics community to quickly provide the ability to see where resources are currently deployed throughout the global supply chain, allowing the best course of action in response to critical time sensitive events. Intangible benefits include access to accurate, reliable, timely and trusted information. The prior process required an Air Force employee to access each and every information system, often logging onto more than 60 systems to run a query, download the results, aggregate the results, then compile the results in an easily understood format. This process could take hours to days, depending on how complex the question was. Today, the same information is integrated into a single system and available in near real-time with a couple of clicks. The speed and accuracy of obtaining this information cannot be precisely measured with metrics or cost savings; rather by customer satisfaction and executing the Air Force mission.
- The US Transportation Command, which provides air, land and sea transportation for the Department of Defense, had previously used a legacy system for supply chain and distribution visibility. This system, however, provided limited visibility to shipment and arrival detail with limited historical data. Today, they have the ability to bring together data from 33 different internal systems plus 600 commercial feeds to improve their decision making. Different agencies and functional areas now access this information from a single source, providing near real-time visibility of cargo and personnel movements, trend analysis and projections on 5 years of data, cost reductions, streamlined operations and improves the logistics information sharing across the Department of Defense.
- Eight U.S. states have recovered $1.6+ billion – and counting – in recovered tax revenues from non-compliant tax filers across by integrating data from the IRS, other state agencies, and external data. By identifying anomalies in the data, the states target areas to improve taxpayer and tax preparer education, provide data for more informed policy decisions, and more easily identify under- and non- payment of taxes. Efficiencies are further gained by providing access to a single view of the taxpayer audit through a case management system, available to any of the approved staff of the tax and revenue compliance departments, eliminating the need for inefficient paper processes and improving customer satisfaction.
- Another example includes the Centers for Medicare and Medicaid Services (CMS) within the Department of Health and Human Services. As part of the open government initiative, CMS was able to simplify and make its data more accessible to researchers and policymakers through the CMS Dashboards. The initial implementation was completed within 5 weeks – one week short of the deadline. They were able to make this data available in such a short

timeframe because CMS already had claims data available in a single system going back to the year 2006.

- U.S. Department of Agriculture (USDA): Teradata has helped the U.S. Department of Agriculture's Risk Management Agency's Center for Agribusiness Excellence, led by Dr. Bert Little of Tarleton University, se marked success with data analytics to avoid an estimated $1.5 billion in related costs. The Center use data analytics to ensure the integrity and cost-efficiency of the Federal Crop Insurance program, particularly by combating fraudulent claims. From 2001 to 2011, the Center saved American taxpayers approximately $838 million in improper payouts.

With many government organizations seeing tremendous benefits from the big analytics deployments they have made so far, a logical next question is how to overcome the challenges I described above to motivate more government agencies to adopt big analytics. Profit, shareholders and competitive advantage motivate commercial users, while regulatory compliance, cost containment and improving mission performance drive government agencies.

In that respect, the timing of this hearing couldn't be better. Legislation requiring standard data content and formats currently has bipartisan support in both chambers of Congress. Data standardization improves the efficiency of big data exchanges, which makes adopting big analytics easier and more cost-effective. Last September, President Obama signed the first such bill into law: the Child and Family Services Improvement and Innovation Act of 2011, which requires data standardization for federal human services programs. In addition, the same provisions have been enacted recently in unemployment insurance and TANF programs (PL 112-96). H.R. 3339, the Standard Data Act, introduced last November builds off that success as well as H.R. 4282 which addresses the needs in the child support program.

Mr. Chairman, thank you for your leadership on this legislation. Teradata strongly supports both H.R. 3339 and H.R. 4282 and respectfully requests Congress to pass this much needed legislation as quickly as possible. Not only would this legislation improve cost-effective delivery of essential services to millions of Americans, but it would also serve also as a stepping stone for other government agencies to understand and acquire the benefits of big analytics. Consider the lessons from *Moneyball*, the best decisions wins and those decisions are based on the ability to integrate data, make it accessible, and perform big analytics. The better agencies know what data they have and how they can use it, the more they can cost-effectively protect our country, improve service delivery and eliminate waste, fraud, and abuse.

Once again, Mr. Chairman, thank you for the opportunity to testify today, and I look forward to your questions. Thank you.

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[i] http://www.emc.com/about/news/press/2011/20110628-01.htm

[ii] http://www.itchannelinsight.com/2011/11/cloud-data-analytics-and-agile-development-the-future-of-government-it/

Chairman DAVIS. Thank you very much, Mr. McDonald.

Mr. Pryde?

STATEMENT OF CAMPBELL PRYDE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, XBRL US

Mr. PRYDE. Chairman Davis, Ranking Member Doggett, and Members of the Subcommittee, thank you for inviting me here to discuss the use of standards to improve Government reporting.

I am Campbell Pryde, President and CEO of XBRL U.S., a non-profit organization established to support the implementation of standardized business reporting by Government and business through marketplace collaboration.

I applaud you and the other Members of Congress who are striving to make Government more effective and efficient by using data standards.

I will briefly discuss one such standard, the Extensible Business Reporting Language or XBRL.

XBRL is a data standard that is used to communicate financial and performance related data by both business and Government.

The objective of XBRL is to enable compatibility and comparison of the data that is being standardized.

Shipping containers are an useful analogy to demonstrate the importance of data compatibility. The standard shipping container revolutionized the way that products were transported from the manufacturer to the consumer. It increased the speed of delivering products to market and reduced perishable waste. It reduced transfer costs between ships, trucks and rail.

No longer did it separate products, have to be manually loaded onto trucks, reset onto ships, and off loaded onto trains.

This also drastically reduced loss through theft.

It ultimately changed the design of ships and trains to accommodate the new shipping containers allowing both ships and trains to carry far more cargo.

Finally, it reduced storage costs because cargo is moved more quickly and it can be stacked at storage facilities.

All of these gains were the result of developing a global standard for shipping containers. The manufacturers, the shipping companies and the transportation companies realized that they could drastically reduce handling costs with a simple standardized solution that was compatible between trucks, trains and ships.

Today's management of financial reporting data in Government resembles the transport industry before the introduction of the shipping container.

The implementation of data standards such as XBRL can improve the speed, reduce the transfer costs between systems, allow more data to be moved and reduce storage costs by allowing storage in one format.

In addition to compatibility, data standards also facilitate the comparison of data. By standardizing financial and performance data, it can be quickly compared. This allows data to be easily aggregated and disaggregated, giving the users the ability to disaggregate or drill down into information, providing improved transparency and the ability to compare, for example, the relative performance of recipients of Federal funds.

It is important, however, that everyone uses the same standard. Standards, just like electrical plugs, are standardized within countries, but unlike the shipping container, the electrical plug standard is not global. This lack of standardization requires the need for adapters and transformers to use the same product across countries.

The use of different data standards across agencies will result in the same problem.

Some recent legislation has suggested the use of XML as a reporting standard. XML is a flexible data standard that like electrical plugs can use different formats to deliver electricity, or in this case, information.

Allowing agencies to use their own variants of XML to communicate financial reporting data will result in data compatibility issues between agencies and will minimize the ability of taxpayers or policy makers to efficiently analyze such information.

XBRL is a specific data standard and ensures that reported financial information is compatible and comparable across all agencies.

Moreover, XBRL eliminates the need for adapters or transformers to transfer the comparable financial data between users.

Standards like XBRL will ensure that financial and performance information can be transported in a cost effective and timely way from creation through to analysis.

This will enable you as policy makers to monitor and track Government spending as well as use up to date financial information to make appropriate future allocation decisions.

It will also allow the Federal, state and local agencies and other recipients of Federal funds to analyze how those funds are used.

Most importantly, using data standards like XBRL to communicate this information will reduce costs, increase speed, increase transparency, and increase the effectiveness of taxpayer dollars spent.

XBRL U.S. has vast experience and expertise in XBRL development through our work with the SEC and the FDIC. We are ready and available to help Congress and those in the Federal and interested state agencies in this important initiative.

Thank you again for having us here today, and I look forward to answering your questions.

[The prepared statement of Mr. Pryde follows:]

Prepared Testimony to the Subcommittee on Human Resources on
The Use of Technology to Better Target Benefits and Eliminate Waste, Fraud, and Abuse

Statement of Campbell Pryde
President and CEO
XBRL US

Thursday, April 19, 2012
10:00am
1100 Longworth House Office Building
Washington, D.C.

Executive Summary

Chairman Davis, Ranking Member Doggett, and members of the subcommittee, thank you for inviting me here today to discuss the use of technology to better target benefits and eliminate waste, fraud, and abuse. I am Campbell Pryde, President and CEO of XBRL US, a non-profit organization established to support the implementation of standardized business reporting within the public and private sectors by promoting XBRL adoption through marketplace collaboration.

I am here today to discuss how a standardized data tagging language can be used to create better analyses and increase efficiencies for business and government. My testimony will explain the importance of standards, how data tagging works, and will describe XML and of course, XBRL.

Data standards are critical to improve the efficiency and effectiveness of communicating and analyzing. The primary benefits of standards are comparability and compatibility of information.

Data standards were created for different purposes – some are extremely flexible, some are more restrictive. Many standards were created to solve a very specific need and others are very broad, and designed to handle lots of different situations. XML is one such very broad standard. Its flexibility makes it useful for lots of very different applications and it is widely used in the commercial marketplace. The flexibility of XML makes it ideal as the base for many other standards, including XHTML, RSS feeds, NIEM and XBRL (Extensible Business Reporting Language). That flexibility, however, makes it *less* suitable for the reporting of financial and performance-related data.

When choosing a standard, it is important to select one that best addresses the need at hand. XBRL was developed to specifically handle reporting of financial and performance-related information for business or government. My testimony today will discuss how XBRL is uniquely suited to reporting government financial and performance data and why it is a better option than just XML. It needs no further adaptation or development. Using XBRL to track, report, and evaluate the effectiveness of government programs will ensure that government agencies, the public and others have access to the most timely, accurate data produced in an efficient and cost-effective manner.

The Importance of Standards

Standards are all around us and have developed as a means to reduce costs, improve communication, and encourage efficiency. Electrical plugs, shipping containers, units of measure, and TCPIP, the Internet protocol that allows us to communicate over the World Wide Web, are commonly used standards that, whether we know it or not, we rely on every day.

Data standards are agreed upon definitions, formats and features of commonly used information. The key components of a data standard are descriptive names, definitions, and formatting rules. Data standards often include information describing procedures, implementation guidelines, and usage requirements.

Standards are important to the smooth functioning of our everyday lives because they allow for **compatibility** and **comparability.** For example, internet communication protocols or standards like TCPIP have facilitated a massive increase in data communication because data is conveyed in a compatible way between computer systems. Compact discs and MP3 players are also good examples of the "compatibility" benefit of standards – the standardization of music file readers eliminates the need for multiple media programs and music players, which increases ease of use and portability of purchased music while at the same time reduces cost for consumers.

Standards also enable comparability. Units of measure, such as meters or feet, establish a normalized means of gauging size so that two items can be compared. Data standards are critical to enabling comparability. One such standard, eXtensible Business Reporting Language, or XBRL, is a language format used to report business and financial data electronically. Data formatted in XBRL has computer-readable descriptive information including labels, definitions and other characteristics such as 'units' or 'currency' embedded in the data. Taken collectively, this descriptive information gives the reader contextual information about each piece of data. With XBRL, data is no longer simply a block of text or a figure; its contents are readable, searchable, moveable, and extractable for easier analysis and reporting of information.

A financial statement formatted in XBRL also enables comparability among different company financials. This is because the terms and definitions used, e.g., Revenue, Earnings per Share, Cash, etc. have been previously agreed-upon so that multi-entity comparisons can be performed with ease, and with confidence in the data.

Data Standards

There are many types of data formats such as comma-separated values (CSV), a simple, plain-text file format widely used in consumer, business and scientific applications to move tabular data between programs. JavaScript Object Notation (JSON) is an open standard for human-readable data exchange which is used for serializing and transmitting data over a network, primarily between a server and a web application.

One of the more widely known data standards is Extensible Markup Language (XML) which is both human- and machine-readable and was created to structure, store and transmit data. XML allows you to define data in a standard format such as in an email:

```
<email>
    <to>joe.smith@xml.com </to>
    <from>jane.doe@xbrl.us</from>
    <subject>Reminder</subject>
    <body>Meeting scheduled for 9am Wednesday.</body>
</email>
```

XML is information wrapped in tags. The "tags" are the items contained inside angle brackets (<>) which tell the computer what the information means. The data itself sits between a set of angle brackets such as "joe.smith@xml.com". The <to> tag tells the computer that the email message recipient is Joe Smith. XML's tagging structure is extremely flexible and can be used for numerous applications that require information to be identified by a computer.

Because of this flexibility, XML can be used to capture information about almost anything and multiple versions of XML can be used to do exactly the same thing. For example, two government agencies, seeking to track and analyze performance measures on funds spent on their individual programs, could develop XML-based applications that rely on completely different software for collection, reporting and analysis. Each of the two agency applications could also use different definitions and labels to explain the same information, e.g., Program Costs. While each XML application technically may perform the required reporting, performance data from the two agencies would not be compatible, making it difficult, costly and time-consuming to compare program performance across agencies. A more standard language, such as XBRL, will facilitate collaboration between agencies to ensure that similar concepts are defined and handled the same way.

Organizations use XML to build proprietary data standards and applications every day. However, unless more than one party agrees to use a specific "version" of XML, it is not a standard and does not provide the benefits of standards – comparability, consistency and cost reduction through the leveraging of the same software.

A set of agreed upon XML tags becomes incrementally more valuable when more people and organizations agree to use it and build applications around it. Many standards have evolved in this fashion - a group of people and organizations have agreed upon a defined set of XML tags and structure designed for a specific purpose which creates a more specific data standard. Below are a few examples:

- NIEM - National Information Exchange Markup, which offers a common vocabulary so information can be exchanged in a common language between government agencies.
- Extensible HyperText Markup Language (XHTML)– used to define the display of web pages, e.g., font, bolding, underline, etc.
- RSS – Real Simple Syndication – used to transmit a single feed of data, e.g., news, to multiple consumers.
- FIXML - Financial Information eXchange (FIX) Protocol – a messaging standard developed specifically for the real-time electronic exchange of securities transactions.

These standards were created to describe specific types of data because XML, while useful, is too broad and cannot accurately capture the structure and requirements of these particular data needs. For example, XHTML is a standard based on XML that is used to build web pages, defining web page text such as headings, paragraphs, lists and links, and includes design-related information such as font, bolding and underlining. If every user of XML was left on his or her own to define how content should be displayed on a website without the added structure provided by XHTML, the web would have ended up as a collection of incompatible pages requiring a multitude of browsers to navigate.

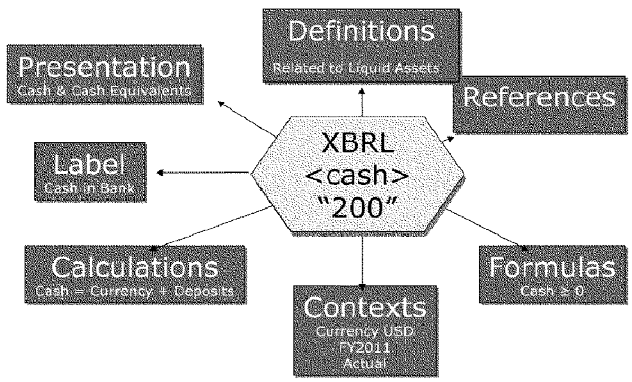
A Data Standard to Report Performance-Related and Financial Data

Reporting financial or performance-related information requires a standard, agreed-upon structure that defines how each element is related, and how the data is labeled and defined.

The XBRL standard was developed to incorporate this needed structure. It is based on XML but it adds further specification relevant to financial, accounting and performance-related data for business and government reporting. XBRL incorporates consistent methods to report durations, reporting entities, reporting balances, aggregation of amounts, disaggregation of amounts and the ability to represent how calculations should be performed.

The diagram below illustrates some of the additional structure defined in XBRL (and not in XML) that makes it uniquely suitable for financial data. Each reported item, such as Cash as described below, has associated context linked to it:

- Presentation – human-readable label
- Label – computer-readable label
- Definition – description
- Calculation – explains how this concept relates to other concepts
- Context – added parameters specific to the type of data reported, e.g., units, currency
- Formulas – used to validate values input and check for outliers
- References – points to other literature that can help define the data



This structure means that every XBRL application reports data the same way – without it, there would be no consistency, comparability or compatibility in the information reported. Relying on XML alone to report financial data would result in data being reported with differing structures, with each set of data requiring proprietary software to extract, report and analyze, and most importantly, would result in incomparable data.

Key Considerations in Government Performance and Financial Data Reporting

Currently there are several pieces of legislation under consideration which recommend the use of data standards for the reporting of performance-related and financial data. We believe that any data standard chosen for these purposes should meet these requirements:

Interoperable. Compatibility with existing standards allows market participants to leverage existing infrastructure and expertise.

Free and freely available. Non-proprietary, open standards will reduce the cost of implementation and ongoing maintenance, and will allow for continuous competition in the market for tools that create and analyze the data.

Broadly used. Use of a global standard with multiple, successful implementations will increase the potential to achieve the goals of any program. A broadly-used standard means that the software market for creation, reporting and analysis is well-developed, and government can leverage existing offerings as well as the technical expertise available.

Specific to the task at hand. Selecting a data standard that best fits the reporting of financial and performance-related data will increase ease of implementation and maintenance and ensure that multiple government reporting applications of financial data are compatible. XBRL was specifically designed to support the reporting of financial and performance-related data through its structure. Using a less specific standard, such as XML, would limit the ability of the final implementation to produce comparable data as too much latitude could be given in the data definition process. Without comparable, consistent data, the performance of government programs simply cannot be evaluated in an efficient, cost-effective manner.

Recommending XBRL for Financial and Performance-Related Data

We believe that XBRL best meets the requirements necessary to report government financial and performance data in an efficient, cost-effective manner. XBRL is a free, open standard, broadly used around the world and specific to the task of reporting financial and performance-related data.

XBRL is currently in use in the U.S. for the reporting of corporate financial statements, bank call reports, mutual funds and credit ratings. Over 8,000 public companies and 8,000 banking institutions use XBRL today to submit their financial statements to the U.S. Securities and Exchange Commission (SEC) and the Federal Financial Institutions Examination Council (FFIEC), respectively. XBRL is used in Australia for government reporting requirements under a framework called Standardized Business Reporting (SBR), an initiative to reduce the business-to-government reporting burden. This major government project streamlines business-to-government reporting through SBR-enabled accounting/payroll software. An SBR program is also underway in the Netherlands.

Compatibility

XBRL unifies the manner in which information is reported, making it possible for all varieties of software to process the information. Before XBRL, financial reports were communicated in numerous formats such as plain text, CSV, HTML, PDF, Microsoft Word or Excel, and in various XML formats. The use of multiple formats made it difficult for different software tools to process and communicate financial information. A single standardized format resolves the complications for the processing of reported information. Requiring the use of XBRL technical specification means that software used to create, report or analyze information in XBRL format can work with any XBRL other application.

By implementing XBRL, one can expect a competitive market, resulting in better, faster, cheaper tools, driving down costs and increasing the efficiency of government reporting. Legislation that requires only the use of XML would result in government agencies building one-off data collection, reporting and analytical applications that are not compatible – that cannot leverage the same software tools, that use different labels and definitions to report the same concepts. Ultimately these applications will require proprietary software tools that will be unable to create consistent, comparable data to track and evaluate the performance of the agencies and their programs.

Comparability

XBRL provides a framework to define what is reported. This is essential for comparison of information. Consider the public company reporting example. Before XBRL, it was difficult to look at two different companies' financial reports and do a side-by-side comparison. Inconsistent definitions for the same reporting item made it difficult to do an apples-to-apples comparison. For example, one company may report total revenues as "Sales" while another reports revenues as "Revenues". XBRL provides the ability to define precise reporting terms that multiple companies can use while allowing the flexibility to create a human-readable label for these same reporting terms differently for each company, thus making it clear that "Sales" and "Revenues" are different labels for the same reporting term.

An XBRL implementation for government spending would start with the creation of an agreed-upon dictionary of financial or performance-related terms, such as Program Cost, Money Received, and Project Status. Once the terms have been set, with associated definitions, labels, units of measure, and other parameters, all parties creating and consuming the data will use the same underlying definitions to communicate information. The ambiguity of data is eliminated and all members of the supply chain have the confidence that they understand the definitions of the underlying data.

XBRL is an enabling technology, opening the door to better, free flowing financial reporting information. It provides the foundation for complex analytical applications. While XBRL allows for some flexibility, it has sufficient pre-defined structure such that when data is created in XBRL, it is automatically comparable.

What does XBRL Not Do?

XBRL was created specifically to structure, store and transmit financial and performance data; it is not designed to represent non-financial and non-performance related information such as biometric, chemical, genetic, medical, judicial and other information that needs to be structured, stored and transmitted by governments. Each of these data domains need to utilize domain specific standards already developed, or develop new ones where they are unavailable. A large number of these domains are already encompassed in the National Information Exchange Model (NIEM).

XBRL in Practice

Implementing XBRL for the reporting of financial or performance-related information requires the creation of an agreed-upon collection of reporting terms called a taxonomy. Concepts defined in a taxonomy can be seen as the fields in a form that government agencies collect such as Cash, Program Cost, Project Status, Contractor, or Subcontractor. Each item has a specific label, definition, formula, calculation, etc., and may be linked to other items in the taxonomy.

Stakeholders to the reporting process should be involved in taxonomy development and review. During that process, concepts are defined, computer- and human-readable labels are assigned, definitions fortext strings, numeric values, units of measure, and other relevant context important to understanding the data are prescribed. XBRL expertise is also required to ensure that the proper technical specification is followed.

A taxonomy developed for one reporting need, e.g., program performance reporting in adoption-related services, could easily "borrow" common concepts used to report performance in programs designed to subsidize nursing homes. Concepts such as Cash, Cost, Status, Contractor, etc. would continue to be defined exactly the same way from program to program. Doing so would thereby reduce the development work needed, eliminate redundancy of common elements, and ultimately making program performance data for nursing home services and adoption services comparable and understandable across government entities and all end users of such information.

XBRL implementations, as with any reporting application, require ongoing support and maintenance which can be accomplished through regular review of the reported elements to ensure that required new elements are added, those no longer needed are removed, and definitions are revised as needed.

Conclusion

Data standards are a critical tool in efforts to cut costs, increase accuracy and timeliness, and improve efficiency in government programs, but it is important to require the use of a data standard that is specific to the needs at hand. Legislation that specifies only the use of a standard as broad and undefined as "XML" would open the door to the use of multiple reporting standards which would not meet the goal of reducing costs, or of enabling the tracking and comparison of government program performance. XML alone is not the answer and if anything, would result in each agency developing its own costly, proprietary solution creating performance data that could not be compared with data from other agencies.

XBRL is uniquely capable of providing the standardization and structure needed for reporting of government financial and performance data. The XBRL standard needs no further adaptation or development. It was developed specifically for the reporting of financial and performance-related data, regardless of whether it is reported by business or by government. We strongly recommend specifying the use of XBRL to ensure that government programs can be accurately tracked, reported and analyzed in the most efficient and cost-effective manner possible.

About XBRL US

XBRL US, a nonprofit consortium, was established to facilitate the use and adoption of XBRL within the United States so that companies and governments can take advantage of the benefits of standardized business reporting. XBRL US has lent its expertise and vast network of other XBRL experts in work with government agencies and commercial entities to build taxonomies for the reporting of financial statement data, credit ratings, mutual fund information and securities data.

Thank you for the opportunity to provide this testimony today and note that XBRL US stands ready to provide its expertise and experience in XBRL development to any government standards initiative.

Chairman DAVIS. Thank you very much, Mr. Pryde. I appreciate all of your testimony. We appreciate your perspectives on this important topic.

Before we move to questions, I would also like to insert a letter from the Kentucky Society of CPAs into the record, without objection, so ordered.

[The information follows: The Honorable Geoff Davis]

Kentucky Society
Certified Public Accountants

April 16, 2012

The Honorable Geoff Davis, Chairman
Subcommittee on Human Resources of the
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

RE: April 19, 2012 Hearing Entitled "Properly Targeting Benefits and Ending Waste, Fraud, and Abuse"

Dear Chairman Davis:

On behalf of the 5,000 members of the Kentucky Society of CPAs, I am writing to thank you for your plan to hold the upcoming hearing on "Properly Targeting Benefits and Ending Waste, Fraud, and Abuse." You have led the effort on introducing legislation that includes requirements for nonproprietary data standards for reporting information under programs within your Subcommittee's jurisdiction. We understand that this is the Subcommittee's second hearing in this area and are pleased that Campbell Pryde, President of XBRL-US will be testifying.

We truly appreciate your leadership in introducing and working for the passage of H.R. 2883, the "Child and Family Services Improvement and Innovation Act" with Ranking Member Doggett last year. That Act calls for grantees of Federal funds under the Child Welfare Services program and the Safe and Stable program to report certain data to the Department of Health and Human Services (DHHS), and for DHHS to develop a rule designating standard data elements and data reporting requirements for the information to be reported. The legislation specifies that DHHS "shall, to the extent practicable, incorporate existing nonproprietary standards, such as eXtensible Business Reporting Language (XBRL)." We hope that H.R. 3339, the "Standard DATA Act," will enjoy similar success. Further, we strongly support including identical provisions in future legislation that requires reporting of financial and other program measurement data.

Data tagging using a nonproprietary standard, such as XBRL, has been proven time and time again to increase efficiencies and comparability in reporting processes of financial and other program measurement data. XBRL provides a detailed yet customizable approach to gathering data and will provide significant transparency to the Federal government and the American people regarding the use of taxpayer funds. Federal agencies, Congress, and others who report, monitor and/or analyze the use of these funds will find significantly reduced compliance reporting burdens and, at the same time, enhanced usability of reported information.

Thank you again for your leadership on this important issue. We are happy to talk further with you or your staff regarding additional areas where data standards can further enhance reporting under Federal programs. If you have any questions or if we can be of any further assistance, please contact me at (502) 749-1900 or you can contact Penny Gold, KyCPA CEO, at (502) 736-1372.

Sincerely,

Stephen M. Lukinovich CPA

Stephen Lukinovich
President, Kentucky Society of CPAs

1735 Alliant Avenue, Louisville, KY 40299-6326
Phone 502.266.5272, 800.292.1754(KY), Fax 502.261.9512
kycpa.org

Chairman DAVIS. When we started this data standards effort, it was based on a question about what was going on in programs under the jurisdiction of the Committee.

For me, from a personal perspective, to give you an idea, coming from the private sector, working with data integration in a retail business to business environment, early in the standardization with electronic data transfer, before the Internet fully stood up, and then saw the beginning of that coming in, I sat down with the Subcommittee and I asked a question as the new Chairman, how do I get a cost rule up?

For those in the audience who might not be familiar with that, the idea of saying if I take what would be called a "vendor master," similar to what the gentlewoman, Ms. Roy, from NIEM talked about with data matching across standards, trying to find out exactly if we had the means of understanding who was on all of what programs with one given record, similar to some of the initiatives Mr. Doar is taking.

The answer was that we cannot do that. That literally was the genesis moment from years of discussion about data standardization to move forward and talk about this.

I appreciate all of you being here. We knew there was a lot of program overlap within our programs that creates additional cost in overhead, takes away taxpayer dollars, and does not help beneficiaries.

We also knew there were serious questions about program effectiveness that current data could not successfully answer, especially when there are multiple programs that are involved, and the data standardization effort that we put in place will eventually get us to the point of being able to address these questions and concerns, we believe.

So far, we have made considerable progress with child welfare, with Temporary Assistance to Needy Families, with Unemployment Insurance, and hopefully soon, child support enforcement.

However, if we are going to take a beneficiary-centered approach to better using data standards in the administration of public benefit programs, it needs to be the most complete view, and that probably means programs outside the jurisdiction of this Subcommittee, like food stamps, Medicaid, housing, Medicare and Social Security.

Mr. Doar, I will start with you. As we look to expand this effort, from your experience, what human service programs should we seek to include in this effort?

Mr. DOAR. Well, the one we struggle with the most is schools. Those may be beyond your jurisdiction.

Chairman DAVIS. We would be glad to bring that under the jurisdiction.

Mr. DOAR. The data concerning children in the New York City Public School system is very firm. They are not participating, and they feel constrained, that they cannot participate.

I think data concerning enrollment and what is happening in schools would be good for us in social services and it would be good for them in education.

That would be the area that we are most frustrated by at this point.

Child support enforcement is great. We have food stamps. We have Medicaid. We have cash assistance. We have housing.

The one that we struggle with is schools.

Chairman DAVIS. I appreciate your perspective. My wife and I have volunteered with kids and families on the edge for over 25 years.

The one consistency, particularly now, is our oldest daughter is a school teacher dealing with at-risk children, and I am sure it is the same phenomenon in New York as in our small little part of the world, moving to multiple schools sometimes within a year, even within the schools, they cannot share information about the kids which creates a real educational challenge as well, not to mention the lack of connectivity.

Ms. Zielinskie, your organization works primarily with seniors, correct?

Ms. ZIELINSKIE. That is correct.

Chairman DAVIS. What are the most common combinations of programs that seniors are usually eligible for but they may not receive?

Ms. ZIELINSKIE. Sure. To help seniors reach and maintain economic security, we really need to look at housing, health care, and basic living costs.

Obviously, housing is the biggest indicator of whether or not an individual will be able to reach and maintain economic security. That would also include heat assistance or LIHEAP.

Second, we talk about health care. Obviously, if we take a look at poverty among seniors and actually include health care costs in that calculation, millions of seniors are in poverty and struggling to meet their health care costs.

In addition, there is also the cost of food.

Combining those programs as we take a look at helping low income seniors in America is critical.

Chairman DAVIS. Mr. Doar or Ms. Zielinskie, either one, is there certain program data that you wish you had that could further streamline your organization's efforts?

Ms. ZIELINSKIE. Yes.

Mr. DOAR. In my case, the other area that is a constraint is the Social Security Administration. While a lot of what we have done with HHS-Connect was limited because some data we get is a result of previously established matches with the Social Security Administration, and to the extent that we got data from them through a match, there are very strong prohibitions against our ability to share what they gave us outside our area.

That is a problem. That leads HHS-Connect to not be complete, so a worker could look and see if there is any information, but could not be sure that by it not being there on a particular case that it is not there somewhere, if we got it from SSA.

That would be another area where this initiative could be even more successful if that kind of Federal guidance allowed us to go in that direction.

Chairman DAVIS. Thank you. Ms. Zielinskie, briefly.

Ms. ZIELINSKIE. Sure. That being said, I think the Medicare Improvement for Patients and Providers Act or commonly known as MIPPA, has made great strides in how Social Security and the Low Income Subsidy data has been able to be shared with the states.

I think when you start talking about challenges relating to access points of which data is available, it gets down to talking with states and lawyers about what is able to be shared and how it can be used.

It is not necessarily the data set so much it is an opportunity for access. Obviously, Medicaid is going to be the most telling in terms of if we are really talking about reaching the poorest individuals to receive support.

It is more about guidance around how different agencies, business and community partners can share data while also protecting an individual's privacy rights.

Chairman DAVIS. Great.

Mr. DOAR. Mr. Chairman, can I just add also, when we put Medicaid data on HHS-Connect, we only put the fact that they are eligible or receiving, they are a Medicaid recipient.

Claims data is also very strictly limited in our ability to share. In many contexts, particularly with very vulnerable people, people who are high users of Medicaid, knowing the extent to which they are taking advantage of Medicaid provider services and those services are being claimed on their behalf would be very helpful in both limiting costs and getting better care.

Chairman DAVIS. I appreciate the perspective that both of you have shared. I would say we met early on with the Inspector General, the Social Security Administration, and I think in all of the agencies we met with, the leadership understands the importance of sharing.

There may be some issues that have to be addressed statutorily that would legitimately protect privacy but allow enscripted data be shared with those who are receiving the service as well. That will be a continued discussion as this implementation moves forward.

With that, I would like to recognize the gentleman from Washington State, the former Chairman of this Subcommittee, Mr. McDermott, for five minutes.

Mr. MCDERMOTT. Thank you, Mr. Chairman. I want to commend Mr. Davis. We are going to miss you because this issue of data is a huge problem.

I go back to the days in the State of Washington when we tried to put welfare/mental health data on a database so that when a mental patient showed up in this clinic and then showed up in that hospital, then showed up across the state, we would have some way of someone knowing what had happened before. We ran into all kinds of problems.

I also have spent a lot of time in trying to get data in the military medical system and the Veterans Administration medical system to talk to one another.

You have a proprietary system in the military that does not talk to the publicly developed system in the VA.

A guy gets blasted in Afghanistan and gets put out of the Army and into the VA, his medical records—if you go to the hospital in Seattle, the doctors are sitting there with two computers. One with the military system and one with the VA system. It is absolutely insane.

This data thing, it would make better health care, it would make better all of our social systems, so I commend Mr. Davis for bringing this.

What I am interested in, Ms. Zielinskie, is this. You are talking Pennsylvania. How wide across the country, does your organization work in other states doing this, or are there agencies in all the 50 states? How is it working to use this, what you are trying to do is looking for people eligible for benefits.

Ms. ZIELINSKIE. Correct.

Mr. MCDERMOTT. You are using whatever data system. Tell me what is going on in the rest of the country. You are our only window into the 50.

Ms. ZIELINSKIE. Thank you. Thank you for the question.

We have actually been able to conduct outreach nationally, and we have been able to conduct outreach in other states in addition to Pennsylvania and are exploring opportunities in some of our partner states.

I think to your point, different states have different make-ups or the puzzle of how their data sits. The information that we seek to gain access to is not terribly deep.

It is very possible to pull automated files once you start getting to the right data folks that are in the different state departments.

It crosses agencies and the landscapes are different, so where food stamps sits and where Medicaid sits—how it is set up in New York City is not necessarily how it is set up in Pennsylvania or Virginia or New Mexico.

Mr. MCDERMOTT. Let me ask a question, a specific question. It is an issue you brought up, which is one that has troubled me because of this Committee.

You have the people who have had middle class experience, and they lose their job, and 99 weeks later, they come to the end of that and they have nothing.

Ms. ZIELINSKIE. Yes.

Mr. MCDERMOTT. They have no idea of the social service system, number one. Number two, they are too embarrassed to go over to the welfare office and see if they qualify or wherever you have to go on this food stamp stuff.

How does it work for states trying to find those people or most states just saying if we do not hear about it, we do not need to worry about it? How are they dealing with the 99er's who are out there eating into their 401(k)'s to keep a house but are eligible for food stamps?

Ms. ZIELINSKIE. I think there is a wide variety in what different states are doing. I do not have necessarily that information here, but would be more than happy to get back to you about other efforts.

I know there are a lot of other national advocacy organizations engaged in talking about 99er's.

To your point, about 45 percent of the folks that we help with the unemployment insurance exhaustee outreach project are over the age of 50. Exactly what you are saying—they are spending down their small nest egg. They never thought they were going to be in the situation that they have found themselves in. These are the individuals that are in great risk of foreclosure.

How it all connects is very integrated. I almost pulled a quote of an individual who is an MBA, and for two years, he has been searching for a job. It was a challenge for him to overcome the stigma and pride and call us. Obviously he is a hard worker if he was able to get an MBA—and now all of a sudden he is in need. Over-coming that stigma is something that I think illustrates how important it is to not only think about data in terms of fraud and creating efficiencies, but also that it is absolutely critical to think about it in terms of how we can help folks that are teetering on falling into poverty.

Mr. DOAR. I would just add the programs that we run in New York City are well known to the populous. There is lots of promotional activities that go on. Food stamps, USDA is running advertisements promoting food stamp benefits.

The number of people who take advantage of these benefits are quite large now in the City, food stamps and Medicaid particularly.

In the case that you talk about, people who exhausted unemployment insurance tend to turn to health insurance, public health insurance first, and perhaps food stamp benefits, and then last, TANF.

The other thing is that in New York City, the Mayor continues to have an expectation that people who are struggling should work and personal responsibility matters.

We have to be careful about the extent to which we are overly promoting the receipt of public assistance as a substitute for personal responsibility and employment.

Mr. MCDERMOTT. Could I ask one more question?

Chairman DAVIS. Briefly, yes.

Mr. MCDERMOTT. Yesterday, we eliminated the Social Services Block Grant. How much of that comes to your Department and what is it used for?

Mr. DOAR. Well, at HRA, the Adult Protective Services Program is a program that serves our most, most vulnerable populations. We have about 9,000 people who have been determined unable to care for themselves in any way.

That is a program we are going to have to run, and people are going to have to serve, 75 percent of the funding for that program in HRA comes from the Federal Government.

To the extent that we get less SSBG money for Adult Protective Services, the Mayor will have to make up the difference, and that is a fiscal burden on us, and it is not a population we can neglect, it is a particularly vulnerable population.

I think from the Mayor's perspective, if he had a choice of Federal programs that are in need of reduction, that might not be the first one, particularly as it affects Adult Protective Services.

Mr. MCDERMOTT. Thank you.

Chairman DAVIS. The gentleman's time has expired. The Chair now recognizes Mr. Paulsen from Minnesota for five minutes.

Mr. PAULSEN. Thank you, Mr. Chairman. To the panel, there was recently an announcement for this year's Human Services IT Conference, it is called ISM, and the announcement listed sessions on the usual new service delivery models, emerging technologies, and general best practices.

What caught my eye and drew a little bit of attention, I think, was the session description that said this "The era of big data has arrived at ISM. State and Federal agencies are looking to advanced data analytic capabilities, improvement predictive modeling, to reveal patterns of behaviors and outcomes that were previously buried in mountains of data. ISM 2012 Data Analytic Sessions show how big data can turn into big discoveries."

Mr. McDonald, how are big analytic efforts different than what our agencies are doing now, and do you agree this is what agencies should be doing in the future? Is this the direction to go?

What is the difference between data and data analytics today versus 30 years ago?

Mr. MCDONALD. Sure. The answer is yes. I think what is happening is the amount of data is doubling extremely fast, just from traditional organic data.

With all the new digital data that is being created and leveraged across the different agencies, you can imagine the data that they are having to wrestle with is overwhelming.

You really have to start looking at instituting business rules and analytics to help mine that data based upon the kinds of goals that you set and the outcomes you want to get, and more importantly, how do you push that out to the front line Government workers so they are able to make decisions more quickly on things that cross in front of them.

I would say today people are overwhelmed with data and we have to use technology to take that overwhelming aspect out of it and try to give them the actions they should take based upon what is sitting in front of them, and again, whether it is private corporations or Government agencies, they are all struggling with this.

I would say what has happened is the amount of data has changed over the past 30 years, but more importantly, the complexity of it has changed as well.

As you talk about this unstructured to big data, it really is marrying up new data types with traditional data types which says you have to understand how to read and integrate both, but more importantly, take that confusion out of it, simplify it, and give people on the front lines the types of activities and actions they should take based upon what rules you set in place and the outcomes you want to get.

Mr. PAULSEN. Let me ask this for the rest of the panel because we are going to find a lot of information obviously in these mountains of data that are out there.

Ms. Zielinskie, I think in your testimony you mentioned that we are going to be able to connect individuals to benefits, they may not have been getting these benefits before, we are going to be able to tie that together.

How about the converse? Will we be able to make strives down the road to make sure only, for instance, people that are eligible for programs like low income people that are able to get welfare benefits get those benefits, that programs that require work activity, can we ensure that actually happens?

Can we tie the data in that fashion to make sure we are going to see some progressive results there?

Ms. ZIELINSKIE. I think there is absolutely opportunity to be comprehensive in how we use data. We certainly do not want to have people who are not eligible for these programs receiving them.

That being said, we want to make sure that people who are eligible are able to access them so they can get themselves out of poverty and to self sufficiency.

Certainly there are accuracy components of using data. If we look at, for example, SNAP in Pennsylvania, there is a payment accuracy challenge of one-tenth of one percent. There is a fraud issue of one-tenth of one percent.

I think that it is critical that when we are talking about data that we do not just talk about it in the frame of fraud. We also talk about it in terms of making sure we are helping the right people in a comprehensive way so they can get out of poverty.

Mr. PAULSEN. Mr. Doar, in terms of waste, fraud and abuse?

Mr. DOAR. Yes, we absolutely see the benefits of this kind of sharing of data to see the inconsistencies in income reporting and work status and household status that would allow us to be sure our programs are being expended correctly.

The most exciting use of big data from our standpoint in the City is the potential use to identify households where there is a potential child welfare issue in the future.

You could use data to find what are risk factors in advance of unfortunate circumstances happening.

That is where I think right now we are trying to find what tells a child welfare protective services worker, what do they need to know that would lead them to say this is a more potentially at risk family than another family, so we can prevent tragedies from occurring.

Mr. PAULSEN. Thank you, Mr. Chairman. I yield back.

Chairman DAVIS. I thank the gentleman. The Chair now recognizes Mr. Berg from North Dakota for five minutes.

Mr. BERG. Thank you, Mr. Chairman. I am not sure exactly where to start, but it keeps coming back to me that nothing measured gets managed, and I think out there, nothing that is measured, it will not get managed unless it is measured, but it will not get managed unless it is looked at.

That is what I cringe at, just the mountain of information, a lot of really great information that would really help us as policy makers make decisions when we get to the point where we are going to make decisions.

I am looking at kind of the big picture. My question really relates to standardization. Again, kind of boiling this down, we are going to look at a program and we make a big effort to really look at that program, but within our scope, there are so many other programs that affect that individual that is within that program, and yet we are just kind of looking at that program somewhat in isolation.

We are looking at this international child support law and what it is doing. One of the things we are looking at there is tapping into the National Directory of New Hire's.

We are kind of looking at that as a way to expedite a lot of information and hopefully lower the cost of a lot of these programs. That information will be right there.

I think that is ultimately what we want to do, have some uniformity and make sure we are delivering those very efficiently and cost effectively.

Maybe it is kind of a bigger question, but the question is how would standardization help us when we are reviewing and evaluating programs?

Is it worth the effort to move towards standardization because that benefit is going to be there?

It is kind of a question for each member of the panel.

Mr. DOAR. It would absolutely help us. One of the theories of the post-welfare reform world was that we have a combination of programs that can serve as work supports. We want to know if people are working and taking advantage of SNAP, public health insurance, perhaps other forms of assistance.

It is good to know how those programs work together for an individual client, and whether they work together, for how many.

The analytical opportunities that we can see if we get greater standardization across programs so we can know who is a multiple program user and who is not and why not.

I absolutely agree about the National New Hire's database. I come from the child support program. It is a tremendous resource and has greater potential than it is currently being used for.

There is no question that standardization will allow us to see not just how these programs work by themselves, but how they work in concert with other programs and with employment, which is I think what we are all trying to do.

Ms. ZIELINSKIE. Thank you for the question. The primary focus of our work has been on older Americans. There has been great work done with the Elder Index, which does exactly what you are talking about.

I think absolutely standardization around what an individual needs to reach and maintain economic security is critical, as we explore how to support our older Americans.

That being said, we also need to take into consideration that the cost of living in New York City, for example, is probably different than in North Dakota.

Mr. BERG. Some parts of North Dakota get pretty expensive.

Mr. ZIELINSKIE. The Elder Index does that. Wider Opportunities for Women and the National Council on Aging are also engaged in a lot of work around economic security for older Americans.

I guess a caution as we look at standardization is that it is critical to also need to look at the environment in which those individuals are trying to thrive.

Mr. MCDONALD. I would just add that I think the standardization has to be the starting point for trying to take this complexity out of the programs and agencies and the investment in that will reduce the amount of future investment that you have to deploy on programs for them to be able to share information and get value out of that information, both from a cost savings standpoint, but more importantly, how to reallocate it to the right programs and the right missions.

I think it is just fundamentally the right place to start.

Mr. PRYDE. I think one of the advantages is you do not get the data stuck in separate systems. If everyone is using a different system, there is no way these systems can talk to each other. If we have standards across an agency or among agencies, one system can talk to another seamlessly.

I can request some information, that request can go down to all those systems and pull it on the fly, which is not the case where you have different computer screens to log into each different system.

Mr. BERG. Thank you. I will yield back, Mr. Chairman.

Chairman DAVIS. I thank the gentleman. The Chair now recognizes Dr. Boustany from Louisiana for five minutes.

Mr. BOUSTANY. Thank you, Mr. Chairman. Under our Subcommittee's jurisdiction, we have two programs, SSI and Unemployment Insurance, that both have been deemed high-error programs by the Office of Management and Budget.

In fact, in fiscal year 2011 alone, they combined to account for $18.3 billion in improper payments.

Mr. McDonald, I read through your testimony and you had a lot of detail in there referencing the work that you all have done in Michigan with regard to fraudulent child support.

I would like you to elaborate for the Committee a little more about that work and what steps could we take at the Federal level to implement some of your best practices?

Mr. MCDONALD. Sure. I think what the State of Michigan decided to do was build a platform that integrated its information across all their different programs.

They knew by doing so they would not only provide better customer satisfaction to those people that are using the programs, but they would link that information to find fraud and abuse, and then take that extra money and apply it back to those programs that were under funded.

Think about the simplicity if I come and get a new driver's license but I have not been paying my child support, instantly, you are able to connect those two, and start trying to recoup those benefits, right?

Just the simplicity of connecting different programs and agencies' information gives you that instant insight of first, being a better provider to those taxpayers, but secondarily, catching fraud at the moment it happens instead of having to wait a year later to determine if we have been over paying or under paying in certain areas.

I think it is very common practice on the business side and I think it is now becoming an opportunity in the Government to start looking at that same benefit they can reap by consolidating the data, standardizing the data, and giving access and interoperability to the different agencies in a quick fashion, so they can catch things both proactively and defensively.

Mr. BOUSTANY. Thank you. At a time when we know we have a number of duplicative programs with a lot of overlap and we are dealing with budgetary problems, looking at the effectiveness of these programs is critically important.

It seems to me what you just described would also help us in our oversight role, sort of paring down, figuring out how to most efficiently use those resources.

Mr. MCDONALD. I would agree. I think too often people ask about how much money do you need, and I think not enough is put into what will be the impact or return of that investment.

In most cases, what we are seeing, especially like the State of Michigan, they spent a few million dollars, but they got $15 for every dollar they invested.

Who would not like that formula for investing, to try to take costs out and return that money back, right?

As you can see, understanding the impact, but also everyone now operates under a similar fashion. Whether you are Bank of America or CMS, in reality, projects are 12 month based, they are program based, you have to spend money and see that return in a quick fashion, but you have to have a view as to where am I going to be in three years, am I incrementally improving the overall process versus this program approach and a 12 month approach.

Mr. BOUSTANY. Thank you. From the time the first set of data standards were included in the child welfare programs to the next iteration of TANF and Unemployment programs, the language went from suggesting a standard like XBRL to suggesting XML.

Some of the concerns that were expressed was that XBRL was too expensive or too complicated to implement, and the feedback we received was that we should only recommend that the agencies implement XML.

Mr. Pryde, could you respond to those criticisms for us? Is it too complicated or too expensive?

Mr. PRYDE. It depends on what you are trying to do. XBRL is specifically designed for reporting financial and performance data. It is not designed for reporting information like biometric information or information on human resources cases. It is specifically done for financial reporting.

To use XBRL for sharing information about a child's condition or operational issues, XBRL would not be appropriate in that case. It would be silly to do that.

There are other standards that would be more appropriate in those cases.

However, if you are going to report financial reporting information like how much is this agency spending, how much are we spending on this program, what period are we spending it, how much is wasted and what is the cost, et cetera, then XBRL is an appropriate standard to use.

If you ask that question, let's use XBRL to standardize every single piece of data, yes, that would be correct, it would not be appropriate to do that.

Mr. BOUSTANY. I thank you. Mr. Chairman, I yield back.

Chairman DAVIS. I thank the gentleman. The Chair now recognizes Mr. Reed from New York for five minutes.

Mr. REED. Thank you, Mr. Chairman. Thank you again to the witnesses on the second panel.

Being from New York, I want to spend a little time with my fellow New Yorker here.

If we could, I am very interested. I read your testimony, in particular, pages six and seven, talking about the lessons you learned as you implemented the programs in your agency in New York City.

I want to kind of delve into a little bit more detail as to what you could offer us from your experience in implementing that, in particular, and also the interaction you referenced, the problem with Social Security numbers, the Social Security Administration.

Obviously, they are such a large agency with tons of data that needs to be part of this conversation, in my opinion.

I am very interested in your point of view on what lessons you learned that we can learn here in Washington, D.C.

Mr. DOAR. Well, one of the lessons we learned is that the direction from the top had to be emphatic, that the lawyers had to do everything they possibly could and be as imaginative and as persistent in trying to make legal and appropriate, not inappropriate, arguments for allowing the sharing of data.

Bureaucracies, as I think the previous panel mentioned, are inherently narrow and afraid, and afraid of doing something that someone may say in rare circumstances it was wrong or not consistent with policy.

That was a very important lesson. We really pushed our lawyers to really think creatively and set up the process where those agencies that received data had to sign a form with the commissioners committed to enforcing confidentiality and security rules on employees that violated them, and to report back to the giving agency so that we were consistent.

We had an advantage in New York State, social services is governed by sort of an umbrella agency, and that is mine, so I could delegate to sister agencies the role of being social services and in a social services' purpose.

One lesson is to get the lawyers and the mayors, chief executives' position be very strongly felt that this was something we were going to try hard to do.

Social Security Administration data is data we use now in certain programs. We use it based on established agreements with SSA that have taken a long time to be established, that have allowed us to get data.

Their prohibitions against sharing of that data are very firm. One of the things our lawyers had to do was not allow that data from that source to be used in the way that we wanted to, and that is a problem that we think we would like to work on nationally.

Also, there are HIPAA requirements involving the sharing of Medicaid or health data, which we basically agree with. This is private data. This is something that should not be shared inappropriately.

Claims data as opposed to just being on Medicaid, but actually just how much is being expended on the client in Medicaid and where is strictly prohibited, so we do not share that, and that is a problem, which we think we could make greater work with this if we had that available to our sister agencies and to ourselves in a way that it could be used.

Finally, we would constantly come up to situations—I am on a taskforce that looks at the gap between African American children and white children in schools.

We know that exists. Education wants us to work with them on that, and we want to work with them on that, but we do not share any data.

We do not know about the use of public assistance within schools by children and they do not know it either. In both cases, I think it would be useful.

Those are the frustrations that have occurred. It required real work. It required somebody holding the bureaucratic narrow individual agencies accountable, and it ran into some barriers we just could not get through with regard to sharing data.

Mr. REED. I appreciate that. Mr. McDonald, from your experience in the private sector, if we leave SSA out of this conversation and do not really focus on that, do you see a problem, how that could impact the development of standardization across the agencies?

It is such a large agency and such a large amount of data. I just want to know from your perspective, would that work in the private sector?

Mr. MCDONALD. I think in the private sector, they have come to realize the importance of standardization across corporations. I think through the evolution of how they have gone through mergers, acquisitions and growth, they have all had to realize that unless we standardize on whether it is financial data, product data, or customer data, how will they be able to roll these companies and report on that.

I think no matter the size, there are enterprises bigger than many of the agencies that have done that.

Is it doable? Yes. Is it required? Yes. I think it is a matter of putting the energy and the standards behind it that says let's adopt this.

I think what you will see is once you start, five years from now you will say why did we not do that ten years ago.

It is just a matter of making that first step and getting everyone committed to this is what we have to do to get to where we want to be, so let's stop talking about it.

Mr. REED. I appreciate that. With that, my time is expired. I yield back.

Chairman DAVIS. I thank the gentleman from New York. I just have to tell you the little huddle that was going on over here in the early part of Mr. Reed's question, your testimony has inspired two of our subcommittee members to come up with another piece of legislation to compliment what we are doing for data sharing on the health care side, our two doctors on the Subcommittee.

As we wrap up, I would like to ask one final question. It is open to all to comment. I would like to start first with Mr. Pryde, then with Mr. McDonald, on this issue of analytics and standards.

I am going to preface this by saying coming into Government from a world dealing with implementations, focusing on internal rate of return, and the idea that I can make an investment and know, particularly for those of you who have all dealt with what you might call a return on information, a dollar spent on information improvement can usually return itself 15, 20 or 50 times what was spent in improvements of efficiency, throughput, the agility to respond to unique customer needs because of that access to information.

Unfortunately, the Congressional Budget Office is trapped in another era and focuses on static rather than dynamic scoring, which is our issue to address in looking at the value of this.

Speaking of value, I would appreciate it if Mr. Pryde could talk a little bit about the importance of standards. I am very familiar with XBRL, not from a programming standpoint, but one of the very first pieces of legislation that I introduced, the Transparency and Financial Reporting Act back in 2005, was directly built around the idea of using things like XBRL and XML to harmonize processes, bring best practices to the SEC and other related organizations, with financial services accountability.

Also, frankly, to offset some of the huge compliance costs imposed with Legacy systems and Sarbanes-Oxley.

I was wondering if you could comment on the value that comes in terms of pay back by the implementation of these kinds of common standards, and then the analytics that would come from some real world examples.

I am quite open to the private sector since the Government is generally a lagging indicator of what is happening out in the country.

Mr. PRYDE. Sure. We recently issued a white paper covering how much Government reporting that is required by companies. We can make that available to the Committee.

It kind of backs up what Ms. Roy was saying, where 80 percent of the information was repeated information that they were reporting to different agencies, so you get a massive amount of duplication in data because no one is sharing the data, there is no way of sharing it. You get significant efficiencies through that.

In addition, there was an implementation that was carried out by the FDIC five years ago to collect call report data. This information was called call report data, because they had to go around and call everyone when they submitted the data incorrectly.

With XBRL, they could check the data on submission, that reduced all the manual costs that were involved in checking on the data and getting it correct.

A lot of this stuff, once you standardize it, you have created a platform for automation. Everything can be automated.

For example, every SEC filing that is filed with the SEC we analyze. We run 12,000 checks on it. We find out so much information about these companies which was impossible to do before in an automated way.

We have this information go back to companies, go back to the auditors. You end up in an era where you create layers of things that you could never dream of doing before, which can save massive amounts of costs and can completely make redundant very time-consuming and manual processes that you had in the past.

Mr. MCDONALD. I would just add that if you think about it, without the standards, even if you got everyone to agree that they wanted to track return on investment or the IRR for programs or whatever the right metrics are, without the standardization, it is still going to be tough to measure the effectiveness and how they are calculating it. They are all using different methods.

We have a couple of customers that have gone on record, the State of Michigan, and they have advertised that they save over $1 million a day. That does not mean they are not spending the money back on the programs, but think about the effectiveness of a state saving $1 million a day and reinvesting that back into their programs.

It is through this investment and the technology to put it all together, set standards, and be able to share this information.

If I save $1 million in one department, I give it to another department, and they are effectively better utilizing that cash and that investment.

They in effect are making, like you said, 15/25 percent back on that investment.

We have had other customers like AT&T who say with our analytic platform, we saved $1 billion over a ten year period. You ask them, were these big things. They said no, it is little things.

It was hundreds of thousands of little things that the front line workers were able to see and solve or fix in a quick manner that allowed AT&T to use those advance analytics, which get deployed across the way, it is operationalized in all of their operations, to save them $1 billion.

Again, that possibility is capable here for the Federal Government as well.

Ms. ZIELINSKIE. Using standardized data can have many positive impacts. It can help people who need services in a most comprehensive fashion; it can help reduce costs by being able to determine eligibility cost-effectively; and it can help in administering services as efficiently as possible, and evaluating programs in terms of true value.

I look forward to working with all of you to figure out how we can prove this and really have a paradigm shift, so talking about data and how we deliver services and embracing the power of the data that the Government has is not innovation but rather the norm in terms of how we do business.

Chairman DAVIS. Thank you. Just as a case in point, since I am married to a Bronx girl, Mr. Doar will get to have the last word.

Mr. DOAR. Thank you very much. I am from Brooklyn but we love the Bronx.

When the Deputy Mayor started the project with the Mayor's endorsement, we had an ROI all the way through it. When we were talking to our partners in the technology industries, we were very clear that we are going to make an investment here with your firm or this operation, but we want to see it returned more so to the taxpayers and to our outcomes.

The key benefit was time and energy. We are reducing costs of staff by sharing information. We believe that is happening.

You should also know that part of the return on investment that the City sees is the extent to which Federal claiming sources are maximized.

There is a part of this that involves making sure that everybody who should be getting Medicaid or should be getting food stamps does, and that will lead to greater cost across the Federal Government.

Chairman DAVIS. Thank you very much. I appreciate all of you taking the time to come in and share from various parts of the country.

It has been very helpful. I believe this may not be an issue that brings in crowds of people and emotional activists on either end of the spectrum, but I am admonished to the old baseball rule that baseball is a pretty easy game, it is just throwing and catching and hitting, and in business, it is these basic building blocks that will make the difference in the long run.

I believe that what we are all discussing here today is at the foundation of transforming our Government in the 21st Century to be something that all Americans can be proud of.

If members have additional questions, they are going to submit them to you directly. What I would request is that you submit your answers back to the Committee as well so we can get them into the record so all have access to that.

With that, thank you again. Thank you to our guests and Committee members, and with that, we stand adjourned.

[Whereupon, at 12:26 p.m., the Subcommittee was adjourned.]

Member Submissions For The Record

The Honorable Geoff Davis

Kentucky Society
Certified Public Accountants

April 16, 2012

The Honorable Geoff Davis, Chairman
Subcommittee on Human Resources of the
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

RE: April 19, 2012 Hearing Entitled "Properly Targeting Benefits and Ending Waste, Fraud, and Abuse"

Dear Chairman Davis:

On behalf of the 5,000 members of the Kentucky Society of CPAs, I am writing to thank you for your plan to hold the upcoming hearing on "Properly Targeting Benefits and Ending Waste, Fraud, and Abuse." You have led the effort on introducing legislation that includes requirements for nonproprietary data standards for reporting information under programs within your Subcommittee's jurisdiction. We understand that this is the Subcommittee's second hearing in this area and are pleased that Campbell Pryde, President of XBRL-US will be testifying.

We truly appreciate your leadership in introducing and working for the passage of H.R. 2883, the "Child and Family Services Improvement and Innovation Act" with Ranking Member Doggett last year. That Act calls for grantees of Federal funds under the Child Welfare Services program and the Safe and Stable program to report certain data to the Department of Health and Human Services (DHHS), and for DHHS to develop a rule designating standard data elements and data reporting requirements for the information to be reported. The legislation specifies that DHHS "shall, to the extent practicable, incorporate existing nonproprietary standards, such as eXtensible Business Reporting Language (XBRL)." We hope that H.R. 3339, the "Standard DATA Act," will enjoy similar success. Further, we strongly support including identical provisions in future legislation that requires reporting of financial and other program measurement data.

Data tagging using a nonproprietary standard, such as XBRL, has been proven time and time again to increase efficiencies and comparability in reporting processes of financial and other program measurement data. XBRL provides a detailed yet customizable approach to gathering data and will provide significant transparency to the Federal government and the American people regarding the use of taxpayer funds. Federal agencies, Congress, and others who report, monitor and/or analyze the use of these funds will find significantly reduced compliance reporting burdens and, at the same time, enhanced usability of reported information.

Thank you again for your leadership on this important issue. We are happy to talk further with you or your staff regarding additional areas where data standards can further enhance reporting under Federal programs. If you have any questions or if we can be of any further assistance, please contact me at (502) 749-1900 or you can contact Penny Gold, KyCPA CEO, at (502) 736-1372.

Sincerely,

Stephen M. Lukinovich CPA

Stephen Lukinovich
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Questions For The Record

The Honorable Geoff Davis to Mr. Pryde

Questions for the Record from Chairman Davis to Mr. Campbell Pryde

Hearing on the Use of Technology to Better Target Benefits and Eliminate Waste, Fraud, and Abuse

April 19, 2012

Ways and Means Subcommittee on Human Resources

Mr. Pryde, your testimony was helpful to understand XML and now XBRL. What would you have recommended as a solution 10 years ago, and how does that differ from what you are suggesting today? What do you think the solution will be 10 years from now? Is the work of setting standards ever done and if not, why should we even start?

XBRL was first conceived of ten years ago by a group of certified public accountants who considered the use of XML for financial information reporting and realized that, on its own, XML was not a viable solution. XBRL was developed to add the structure that is critical to creating a workable solution to report financial and performance-related information. In ten years, the information reported and definitions used for reporting could very likely differ greatly from the standards used today, and the type of information that policymakers, regulators, analysts and others want conveyed will certainly change, but if XBRL is used, the underlying data standard will easily adapt with those changes. XBRL is flexible enough that it can be adapted to changes in reporting requirements, but it maintains the same underlying structure. The primary advantage of using XBRL is that the software, expertise and infrastructure used today to report data will undoubtedly still be applicable ten years from now for different reporting needs.

As new technologies evolve to further define the meaning of data, there may be a need to move data from XBRL to new data formats not available today. With XBRL already in place, the hard work of moving from a paper-based storage mechanism to the next evolution of data standards will be complete. XBRL can provide immediate benefits today and also provide an easy transition path to switch to other formats in the future. Given that XBRL is a free and open, international data standard, the compatibility and comparability of data will only be further enhanced as more implementations of XBRL for government or business reporting are put in place.

Mr. Pryde, during the hearing you began to respond to the criticism that a standard like XBRL is too complicated and expensive to implement. Could you please expand on your previous points?

Thank you for following up on this important issue. XBRL is not too complicated and expensive to implement if used for the right purposes. As I explained during the hearing, XBRL would not be the right standard to use for things such as biometric information. In the same way that you would not use a standardized shipping container to move crude oil or coal, or an oil tanker to move consumer products, there is an appropriate standard to use for different types of data.

XBRL is the best and most appropriate standard to use for anything financial or program performance-related. The technical specification for XBRL is designed specifically for those uses and while it may appear somewhat more complex than XML, therein lies the benefit. A simpler standard like XML can be everything to everyone which essentially means it can be transformed into all kinds of applications that produce data that is **not** compatible and **not** comparable. XBRL's more rigorous technical requirements mean that the data it produces is truly a standard and an aid to those who wish to track performance and compare metrics across time periods. That's how XBRL is used today – to analyze thousands of public companies' financial performance and to measure the performance of government programs as it does in the standardized business reporting programs in Australia and the Netherlands. These latter programs report on funds spent and performance of programs in those countries -- all in XBRL. For the US government, a single government-wide taxonomy could be created, leveraging much of the work already done and in use for business reporting.

The Honorable Geoff Davis to Mr. Sheldon

Questions for the Record from Chairman Davis to ACF Acting Assistant Secretary George Sheldon

Hearing on the Use of Technology to Better Target Benefits and Eliminate Waste, Fraud, and Abuse

April 19, 2012

Ways and Means Subcommittee on Human Resources

House Ways and Means Subcommittee on Human Resources
Questions for the Record
April 19, 2012 Hearing
HHS Witness: ACF Acting Assistant Secretary George Sheldon

Question 1: Your written testimony mentions the Office of Management and Budget's working group on data exchange standards, which is the same one specified by the statutory language. Can you tell us more about how this group will function? What other agencies and stakeholders will be included? Has the group met? If not, when can we expect it to meet?

Answer: Based on preliminary conversations we have had with OMB, we know they are working to develop the parameters and membership of the working group. Once those decisions are made, they plan to hold meetings of the interagency working group and anticipate the first meeting will be held this summer. As provided in the statute, this effort also will include a consultative process with Tribes and State and local organizations.

Question 2: It seems there are multiple ways in which NIEM is beginning or already attempting to implement NIEM. Which such heavy focus on it, what financial and human resources is HHS devoting to this new effort? How is NIEM included in the annual budget request process? Will this current approach be sufficient as NIEM increase in scope and scale?

Answer: The Department of Health and Human Services has established the health and human services domains within NIEM. Funding for these activities include contributions from the Office of National Coordinator under its standards and interoperability initiatives as well as in-kind support from the Administration for Children and Families and the Office of the Chief Information Officer. As the scope and scale of NIEM activities increases, we anticipate additional resources from participating agencies will be required to support the NIEM PMO.

Question 3: Both the Departments of Justice and Homeland Security have previously or are currently hosting the NIEM project management office (PMO). It is our understanding that the PMO is designed to rotate, ideally to a new agency so they could provide fresh ideas and take an increased role in shaping the future of NIEM. HHS is currently the only other voting agency member on the NIEM steering committee that has not hosted the NIEM PMO. With DHS reaching the same four-year mark that DOJ did when it handed off the NIEM PMO, has HHS considered being the next to provide a home to NIEM? Why or why not?

Answer: To date, the Department has concentrated its work with NIEM on providing value in the new health and human resources domains, and building communities of interest. The Department has not made plans or proposals to host the NIEM PMO. We look forward to continuing to work our partners on NIEM, and if adequate resources are available would consider serving as the host agency in the future.

Submissions for the Record

Steven D. Harris

TECHNOLOGIES THAT COMPLEMENT
THE NATIONAL INFORMATION EXCHANGE MODEL (NIEM)

Improved human-system integration (HSI) through technological innovation in the processing and sharing of mission-critical information is an important and worthwhile focus of the House Ways and Means Committee, Subcommittee on Human Resources. The National Information Exchange Model (NIEM) is a simple concept for information sharing with profound implications for improving government services through more effective use of human resources in such diverse areas as air traffic control, electronic medical records, medical device interoperability, the so-called "smart grid", and many others – anywhere data/information exchange between humans and systems is required.

The concept is simple: Communities of interest develop standard data structures which are then expressed in a straightforward form that can be read by both humans and machines. The value of the approach is huge: In today's increasingly network-centric environment, the efficient exchange of information among systems, and between systems and humans acts as a "force multiplier," a concept that has proven of incalculable value in defense and strategic operations, and is rapidly gaining traction in non-defense applications.

NIEM, and its technological cousins such as the Department of Defense Architecture Framework (DODAF), represent "overnight" breakthroughs that were years in the making. The NIEM program, a joint initiative of DHS and DOJ, is one of those rare examples of technology that actually works. An important emerging technology, known as Concept Mapping, is closely related. Concept Maps are pictures of information structures that are drawn by human experts, and then translated into NIEM-compatible data structures. A Center of Excellence in the development of concept mapping technology is the Institute for Human and Machine Cognition in Pensacola, Florida (http://www.ihmc.us/), founded by Dr. Ken Ford, who is currently on the Defense Science Board, and, until September, 2011, was Chairman of the NASA Advisory Council. Another relevant technology is the Hybrid Cognitive Task Analysis system developed by Dr. Missy Cummings and her team at MIT's Humans and Automation Laboratory (HAL) (http://web.mit.edu/aeroastro/labs/halab/about.shtml). Dr. Cummings is presently on the technical staff of the Office of Naval Research. An initiative to develop standards for symbology for the FAA's Next-Generation Air Traffic Control System, sponsored by the Human Factors program at FAA Headquarters (Code ANG-C1) is moving in this same direction.

Private sector research is also awakening to the possibilities of improved interoperability. A recent smart-grid initiative by General Electric's Global Research Laboratory concluded that improvements in information exchange can have both positive and negative impacts on the nation's electric power distribution infrastructure. A Committee of the Association for the Advancement of Medical Instrumentation (AAMI) is exploring development of an international standard for medical devices, in which the prospective benefits of NIEM for improved interoperability among medical devices and electronic medical records is being evaluated. These and other research and development projects, funded by various public and private sources, have at least one thing in common – improved exchange of information between and among machines and humans. Much of this important work is being done by innovative small businesses in support of these large enterprises. These efforts offer both near-term and long-term benefits to improving HSI, and deserve the Subcommittee's attention.

For decades, this country has maintained its economic strength and security by maintaining strategic focus on technological leadership – particularly in information technology. If we are to sustain our strength in the challenging economic climate ahead, it is imperative that we understand the importance of that singular fact, and continue to exploit advances in information technology in every aspect of government. I thank the Subcommittee for its valuable work in this area.

– Statement submitted for the record by
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