



Texas Health and Human Services Office of Inspector General Audit and Inspections Division

Follow-Up Assessment on Previously Issued Audit Recommendations

Security Controls Over Confidential HHS Information at Scott and White Health Plan
AUD-24-007

May 13, 2024

Dear Jeff Ingram:

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted a follow-up assessment of the previously issued audit report titled "Security Controls Over Confidential HHS Information: Scott and White Health Plan" to determine the implementation status of audit recommendations previously issued by OIG Audit.

Based on the results of our assessment, OIG Audit determined that Scott and White Health Plan (Scott and White) fully implemented all reported audit recommendations. As a result, OIG Audit did not reissue any recommendations from the previous audit.

OIG Audit thanks management at Scott and White for their responsiveness, cooperation, and assistance during this assessment. The attachment to this letter contains additional details on the assessment.

Sincerely,

Anton Dutchover, CPA
Deputy Inspector General of Audit and Inspections

Attachment

cc: Cecile Erwin Young, HHS Executive Commissioner
Raymond Charles Winter, HHS Inspector General

Background

The previously issued audit report was published on July 30, 2021. The objectives of the original audit were to assess the design and effectiveness of (a) selected information security controls over confidential HHS System information in the custody of Scott and White and (b) business continuity and disaster recovery planning for selected activities related to the delivery of managed care services to Medicaid members enrolled with Scott and White.

The scope of the original audit covered, for the period from September 1, 2019, through January 31, 2021, the Medicaid contracts between Scott and White and the Texas Health and Human Services Commission (HHSC) and included a review of Scott and White's internal controls through the end of fieldwork in June 2021 as well as testing of controls that were significant within the context of the audit objectives.

Attachment

Pursuant to Standard 9.61 of *Government Audit Standards* issued by the Comptroller General of the United States, certain information related to security configurations and vulnerabilities was omitted from the original report because the information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

Scott and White fully implemented all recommendations included in the previously issued audit report, "Security Controls Over Confidential HHS Information: Scott and White Health Plan," [AUD-21-017](#), issued July 30, 2021. As a result, OIG Audit did not reissue any recommendations from the previous audit. Fully implemented recommendations were successfully implemented by Scott and White using a process, system, or policy.

Through its implementation of the audit recommendations, Scott and White more effectively (a) protected confidential HHS information and (b) reduced its risk of noncompliance.

Objective, Scope, Methodology, Criteria, and Standards

Objective and Scope

The objective of this follow-up assessment was to determine the implementation status of OIG Audit's previously issued audit recommendations to Scott and White, which included testing the effectiveness of management activities designed to remediate identified recommendations.

The scope of the assessment was limited to reviewing the implementation status of recommendations identified in the previously issued audit report.

Methodology

OIG Audit issued an engagement letter to Scott and White on November 8, 2023, providing information about the upcoming assessment, and conducted testing from February 15, 2024, through March 19, 2024.

OIG Audit reviewed the previously issued audit report and performed a follow-up assessment of the reported findings, recommendations, and management responses.

Data Reliability

OIG Audit assessed the reliability of Scott and White's user account data by reviewing parameters of reports Scott and White provided and interviewing relevant Scott and White personnel knowledgeable about the systems and data. OIG Audit determined that the data was sufficiently reliable for the purposes of this assessment.

Testing Methodology

To determine the implementation of audit recommendations, OIG Audit:

- Examined relevant activities to protect HHS information processed and stored by Scott and White.
- Examined security procedures and processes designed to remediate the findings from the original report.

OIG Audit collected information for this assessment through interviews and electronic communications with Scott and White management. Auditors assessed the effectiveness of management activities designed to remediate the findings

from the original report and conducted testing for the recommendations Scott and White management asserted had been fully implemented.

Criteria

OIG Audit used the following criteria to evaluate the information provided:

- HHS Information Security Controls (IS-Controls), v. 1.0 (2018) through v. 1.2.2 (2021)

The testing for this assessment used the security control baselines and overlays applicable in the original audit with consideration of upcoming changes to the IS-Controls affecting requirements related to recommendations made in the original audit.

Auditing Standards

Generally Accepted Government Auditing Standards

OIG Audit conducted the original audit in accordance with generally accepted government auditing standards (GAGAS) and performed the work in accordance with the IT Standards, Guidelines, and Tools as well as the Techniques for Audit and Assurance and Control Professionals published by ISACA (formerly known as the Information Systems Audit and Control Association).

In accordance with GAGAS, providing audit, investigative, and oversight-related services—such as periodic audit recommendation follow-up engagements and reports—does not involve a GAGAS engagement. OIG Audit planned and performed this follow-up assessment to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions included in this report based on the assessment objectives.