



January 6, 2010

The Honorable Michael A. Delaney
33 Capitol Street
Concord, NH 03301
Fax: (603) 271-2110

Dear Mr. Attorney General:

The purpose of this letter is to inform you of a security incident we were made aware of on September 9, 2009. The matter involved a report that was sent electronically to one of our general insurance agents that mistakenly contained information pertaining to Health Net members not associated with that agent.

The report included the name, enrollment date and Medicare Social Security number for some of our members. The incident included approximately 1 resident of your state. We immediately realized the error and took steps to correct it, by notifying the general agent and requesting the destruction of the information. We have also received written certification from our agent that the report was deleted and the information was not further disclosed. Although the general agent is not a Business Associate of Health Net, the agent is bound by a confidentiality agreement with respect to all personal information provided by Health Net.

Even though the error has been corrected and we are assured that the information was not further disclosed, we will be sending notification of this incident to the affected individuals during the week of January 4, 2010 with advice that they consider checking their credit record and any identification information that may be at risk. Given that all affected members are Medicare members, we had to obtain approval from the Centers for Medicare and Medicaid Services ("CMS") of any proposed notification and/or remediation pertaining to this incident. We obtained the required approval from CMS on December 17, 2009. Given the low risk associated with this incident, we will not be offering credit monitoring for the affected individuals. We will provide them with information about how to obtain a credit report, and how to contact Health Net with any questions.

If you have any concerns or questions, please contact me at the number below.

Sincerely,

Lisa King
Director, Information Privacy
Corporate Compliance Department
21650 Oxnard Street
Woodland Hills, California 91367
818-676-8239
Lisa.king@healthnet.com



January 4, 2010

John Q. Sample
123 Anywhere St.
Anytown, US 12345-6789

Dear John Q. Sample,

Protecting the privacy of our members' personal information is a critical priority at Health Net, Inc. The purpose of this letter is to inform you of a personal identification matter we were made aware of on September 9, 2009. The matter involved a report that was sent electronically to one of our general insurance agents that mistakenly contained information pertaining to Health Net members not associated with that agent.

The report included your name, enrollment date and your Medicare Social Security number. We immediately realized the error and took steps to correct it. We have also received assurances from our agent that the report was deleted and your information was not further disclosed.

Even though the error has been corrected and we are assured that your information was not further disclosed, you may nevertheless want to consider checking your credit use record and any identification information that may be at risk. You may do this by contacting any one of the three credit reporting agencies at the telephone numbers listed immediately below to obtain a copy of your credit report and, if necessary, place a fraud alert on your credit file. You may also visit www.annualcreditreport.com to obtain a copy of your credit report online.

Experian
1-888-397-3742

Equifax
1-800-525-6285

TransUnion
1-800-680-7289

Note: TTY/TDD users should call 711

We also recommend that you regularly review the explanation of benefit statements you receive from us as claims are submitted. If you see any service that you believe you did not receive, please contact Health Net at the number on the statement.

We would also like to remind you that you have privacy rights under various Federal laws that protect your personal health information. We must follow these laws to protect your privacy

rights. These rights are important for you to know. You can exercise your rights, ask questions about them and file a complaint if you believe your rights are being denied or your health information has not been protected. You may find out more about your privacy rights by reading our HIPAA Notice of Privacy Practices, which is attached.

We respect your right to file a complaint with us or with the United States Department of Health and Human Services through the Office of Civil Rights at (800) 368-1019 (TTY/TDD use 711).

Health Net is diligent about ensuring the safety of our members' information. We are vigorously monitoring this matter to ensure the on-going security of your private information. We sincerely regret any inconvenience or concern this event may cause you. Health Net wants you to know how much we appreciate the trust you have placed in us by choosing us as your health care provider. If you have any concerns or questions, please contact Health Net at the phone number listed on your identification card.

Sincerely,

A handwritten signature in black ink that reads "Lisa King". The signature is written in a cursive style with a large, looped "L" and "K".

Lisa King
Director, Information Privacy
Health Net, Inc.

M0004_2009_1747 (H0351, H0562, H0755, H5439, H5520, H5721, H5996, R5863),
S5678_2009_1747, CMS Approval (12/09)