

Officials: Health Net aware of data breach in Feb.

The Associated Press

Data servers containing the personal financial information, Social Security numbers and health history for nearly 2 million Health Net customers nationwide have been missing from a Sacramento-area office for roughly a month, authorities said Tuesday.

The Connecticut attorney general's office said the managed care company called March 4 to say the drives had been unaccounted for since early February. The office said Health Net began sending letters Monday to affected people, including former and current clients, employees and health care providers.

"When you're dealing with identity theft, time is of the essence," said Susan Kinsman, a spokeswoman for the attorney general.

It was unclear why Health Net Inc. didn't publicly announce until Monday that the servers were missing. California regulators have said nine servers are unaccounted for.

Health Net, which provides benefits to 6 million people across the country, would not confirm any of the details released by authorities in the two states.

As part of a lawsuit settlement, Health Net must notify Connecticut officials anytime the privacy of its customers is compromised. The Woodland Hills, Calif.-based company paid fines to Connecticut and Vermont after waiting more than six months in 2009 to inform 1.5 million people that it lost their private information.

In response to the latest data breach, the California Department of Insurance said Tuesday it will determine "whether the company did everything it could have done to avoid and appropriately remedy this security breakdown." The state Department of Managed Health Care, which was notified Friday, also is investigating Health Net's security practices.

On Monday, Health Net said it is investigating how the drives went missing and is offering two years of credit monitoring to people whose private information might have been compromised. Debix Identity Protection Network will provide identity theft insurance, fraud resolution and restoration of credit files.

Health Net began analyzing its system after IBM, which manages the company's information technology, informed the company that it could not find the drives, which belong in an office in Rancho Cordova, a Sacramento suburb.

The 1.9 million people potentially affected include more than 622,000 enrollees in Health Net products regulated by the state Department of Managed Health Care, more than 223,000 enrolled in California Department of Insurance products and an

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unspecified number enrolled in Medicare.

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