



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
2101 E. Jefferson St., Rockville, MD, 20852

August 12, 2008

Robert McDonnell
Attorney General
Office of the Attorney General
900 East Main Street
Richmond, VA 23219

Received

AUG 18 2008

ATTN: Jan Meyer

Office of the Attorney General
Insurance and Utilities

RE: Compliance with Va. Code Ann., Section 18.2-186.6E

Dear Mr. McDonnell:

Pursuant to Va. Code Ann., Section 18.2-186.6E, I write on behalf of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. ("Kaiser Permanente) to provide notification to the Office of the Attorney General concerning a suspected breach of our health information system.

A Kaiser Permanente employee is suspected of taking and unlawfully using, without authorization to do so, information provided by some Kaiser Permanente members/patients, including name, date of birth, and last four digits of his/her social security number. This information used for our appointment check in and collection of copayment processes may have been taken at the time of a member's appointment at the Kaiser Permanente Falls Church Medical Center during the time period of January 1, 2007 to May 1, 2008. The suspect is no longer employed by Kaiser Permanente.

Last Thursday, August 7, 2008, we released a notification concerning this suspected security breach to approximately 5,200 Kaiser Permanente members living in Virginia and one in Maryland who may have been affected ("August 7 member communication"). A copy of that member communication is attached to this letter for your reference.

Our August 7 member communication:

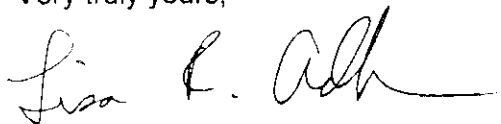
- Summarized the facts concerning the suspected security breach as presented above;
- Provided information on how to contact the national credit reporting agencies Equifax, Experian and TransUnion to request that a fraud alert be placed in the member's credit report file, and how to receive a free copy of a credit report;
- Offered to these 5,200 members the opportunity to sign up for one year of credit monitoring service through Equifax at Kaiser Permanente's expense;
- Furnished information concerning the Federal Trade Commission's ("FTC") resources on the prevention of identity theft;
- Advised members of their rights to file a complaint with Kaiser Permanente under our HMO complaint procedures and provided instructions on how to file such a complaint; and
- Advised members of their right to contact the Department of Health and Human Services through the Office for Civil Rights.

This is now a suspected criminal matter under investigation by the Falls Church police department and the U.S. Postal Inspection Service. We are in communication with local law enforcement, and cooperating with the police investigation. If you wish to contact the detective or postal inspector

investigating this case, please contact Jennifer M. Elliott, detective Falls Church police department, at (703) 248-5068 or Ronell A. Parker, postal inspector, at (703) 280-7223.

If you have questions concerning this matter, please do not hesitate to call me. I can be reached at (301) 8166678, or by e-mail at Lisa.R.Adkins@nsmtp.kp.org

Very truly yours,

A handwritten signature in black ink, appearing to read "Lisa R. Adkins". The signature is fluid and cursive, with a long horizontal stroke at the end.

Lisa R. Adkins
Regional Privacy & Security Officer/Director of Compliance, Administrative Services

Enclosures
August 7 Member Communication



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
2101 E. Jefferson St., Rockville, MD, 20852

[Date]

[Name]

[123 Any Street]

[Any Town, XX 12345]

[Dear Name]

I am writing to inform you about a health information privacy matter.

A Kaiser Permanente employee is suspected of taking and unlawfully using information provided by some Kaiser Permanente members/patients including name, date of birth, and last four digits of his/her social security number. The former employee may also have copied your credit card or other financial information without authorization to do so. The information used for our appointment check in and collection of copayment processes may have been taken at the time of an appointment at the Falls Church Medical Center during the time period of January 1, 2007 to May 1, 2008.

You may have been contacted by local law enforcement as the case is currently under investigation. Please know that we are cooperating with the police investigation. Since this is a suspected criminal matter under investigation by the Falls Church police department and the U.S. Postal Inspection Service, we are unable to provide additional information. If you wish to contact the detective or postal inspector investigating this case, please contact Jennifer M. Elliott, detective Falls Church police department, at (703) 248-5068 or Ronell A. Parker, postal inspector, at (703) 280-7223.

We know of only one Kaiser Permanente member who has experienced suspicious credit activity that may be connected to this incident but want to let you know that your information is at risk. The information at risk includes your name, date of birth, credit card or other financial information, and the last four digits of your social security number.

The suspect is no longer employed by Kaiser Permanente.

For your protection, you may want to contact one of the national credit reporting agencies to place a fraud alert in your file and to receive a free copy of your credit report. We have been informed that the agency you contact will notify the other two agencies.

Here are the names of the credit reporting agencies and their contact information:

Equifax 1-800-525-6285; www.equifax.com

Experian 1-888-397-3742; www.experian.com

TransUnion 1-800-680-7289; www.transunion.com

Free Credit Watch Offer: We also encourage you to take advantage of an opportunity to sign up for one year of credit monitoring service through Equifax at our expense. In order to participate, please see attached and use **promotional code** < _____ >.

You may seek additional information on the prevention of identity theft by going to the Federal Trade Commission's website, www.ftc.gov. Take time to read the FTC's guide, "Take Charge: Fighting Back Against Identity Theft" at www.ftc.gov/bcp/edu/microsites/idtheft/index.html or call the identity theft hotline at the FTC at (877) IDTHEFT (877-438-4338).



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Kaiser Permanente respects your right to file a complaint. If you have any questions, concerns or wish to file a complaint with us, please contact us at 1-800-777-7902 or TTY 1-301-879-6380 between the hours of 7:30 am and 5:30 pm. You also have the right to contact the Department of Health and Human Services through the Office for Civil Rights at 1-800-368-1019.

On behalf of Kaiser Permanente, we offer our sincerest apology that this unfortunate incident occurred. We assure you that safeguarding your information is one of our highest priorities. If you have any questions with regard to this matter, please call 1-800-777-7902 or TTY 1-301-879-6380 between the hours of 7:30 am and 5:30 pm.

Very truly yours,

Lisa R. Adkins
Regional Privacy & Security Officer/Director of Compliance, Administrative Services

Enclosures
KP Notice of Privacy Practices

As described in our Notice of Privacy Practices, you have privacy rights under a Federal law that protects your health information. We must follow this law to protect your privacy rights. These rights are important for you to know. You can exercise these rights, ask questions about them, and file a complaint if you think 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 Notice. We are enclosing a copy for your convenience.