Health Net Agrees to $1 Million DMHC Administrative Penalty

LOS ANGELES--(BUSINESS WIRE)--Nov. 15, 2007--Health Net of California, a subsidiary of Health Net, Inc. (NYSE:HNT) today announced that it is entering into a consent agreement with the California Department of Managed Health Care (DMHC) in connection with the DMHC's finding that Health Net did not appropriately disclose certain compensation-related information to the Department.

As part of the agreement, Health Net agreed to not engage in any compensation practices linked to the results of rescission investigations. This is consistent with current company policy.

"We are sorry for any misunderstanding with the DMHC. It is important to note that we are currently abiding by the policy in the agreement," said Jay M. Gellert.

"Health care reform is aimed at solving the problem of providing universal coverage. We have supported Governor Schwarzenegger's reform proposals from the start and they represent the best way to achieve this goal," Gellert added.

About Health Net

Health Net, Inc. is among the nation's largest publicly traded managed health care companies. Its mission is to help people be healthy, secure and comfortable. The company's health plans and government contracts subsidiaries provide health benefits to approximately 6.7 million individuals across the country through group, individual, Medicare, Medicaid and TRICARE and Veterans Affairs programs. Health Net's behavioral health services subsidiary, MHN, provides mental health benefits to approximately 7.0 million individuals in all 50 states. The company's subsidiaries also offer managed health care products related to prescription drugs, and offer managed health care product coordination for multi-region employers and administrative services for medical groups and self-funded benefits programs.

For more information on Health Net, Inc., please visit the company's Web site at www.healthnet.com.

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SOURCE: Health Net, Inc.