STATE OF CONNECTICUT
INSURANCE DEPARTMENT

In the Matter of: HEALTH NET OF CONNECTICUT, INC. Docket No. MC 12-05

STIPULATION AND CONSENT ORDER

WHEREAS, Health Net of Connecticut, Inc., (hereinafter referred to as "Health Net" or the "Respondent") is a domestic health care center, incorporated under the laws of the State of Connecticut with its principal business address at One Far Mill Crossing, Shelton, CT 06484;

WHEREAS, pursuant to Conn. Gen. Stat. § 38a-16, the Insurance Commissioner has conducted an investigation of Health Net relating to the personal health and other information of its Connecticut members;

WHEREAS, the Insurance Commissioner has determined that Health Net failed to exhibit evidence of good management as required by Conn. Gen. Stat. §38a-41 for licensure as a health care center when it failed to adequately protect member information of approximately 24,000 Connecticut members and failed to timely report the loss or possible theft of computer storage equipment;

WHEREAS, the Insurance Commissioner has determined that Health Net violated Conn. Gen. Stat. §38a-478o by a failure to conform to state confidentiality statutes, and to protection of specified enrollee patient information and records in its custody;

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WHEREAS, the Insurance Commissioner has determined that Health Net violated Conn. Gen. Stat. §42-471 by not fully safeguarding the personal information of certain members from potential misuse;

WHEREAS, Health Net cooperated with the Insurance Commissioner’s review of this matter;

WHEREAS, it is understood and agreed that this Stipulation and Consent Order shall not be construed to have the effect of either limiting or expanding existing rights, if any, of third parties in connection with Health Net’s activities alleged herein;

WHEREAS, this Stipulation and Consent Order has been entered into for purposes of settlement only and nothing herein including, but not limited to, the payment of any monetary penalty and any recitation set forth herein, shall constitute an admission of liability or unlawful conduct on the part of Health Net or any of its past or present parents, affiliates or subsidiaries;

WHEREAS, Health Net neither admits nor denies that it has violated the aforementioned Connecticut statutes or any other applicable state or federal law, but in order to avoid the expense and time-consuming process of formal administrative proceedings and future litigation, Health Net voluntarily waives:

1. any right to a hearing before the Commissioner;
2. any requirement that the Commissioner’s decision contain a statement of findings of fact and conclusions of law; and,
3. any and all rights to object to or challenge before the Commissioner or in any judicial proceeding involving the Commissioner any aspect, provision, or requirement of this Stipulation and Consent Order.
NOW THEREFORE, upon consent of the parties, it is hereby agreed and ordered:

1. That the Insurance Commissioner has jurisdiction over Health Net and the subject matter of this administrative proceeding.


3. Health Net agrees to conduct its remaining business activities in compliance with Connecticut privacy statutes.

4. This Stipulation and Consent Order shall not be construed to limit the authority of the Insurance Commissioner in investigating and taking appropriate action with regard to undisclosed or unknown matters relating to the subject matter of this Stipulation and Consent Order which may be subsequently identified.

5. This Stipulation and Consent Order shall not be construed to limit the authority of any other government agency which may have authority in this matter or serve as a release with respect to any other government agency actions.

Consented and agreed to this 10th day of July, 2012.
HEALTH NET OF CONNECTICUT, INC.

BY: 

Name: James E. Woys
Title: Administrator, Health Net of Connecticut, Inc.

CERTIFICATION

The undersigned deposes and says that he/she has duly executed this Stipulation and Consent Agreement this 10th day of July, 2012, for and on behalf of Health Net of Connecticut, he/she is Administrator, Health Net of CT and he/she is authorized to execute this instrument.

James E. Woys
Administrator for Health Net of Connecticut, Inc.

SO ORDERED on this 10th day of July, 2012 at Hartford, Connecticut.

Anne/Melissa Dowling
Deputy Insurance Commissioner