



Processing Center · P.O. Box 3825 · Suwanee, GA 30024

[First_Name] [Last_Name]
[Address_Line_1]
[Address_Line_2]
[City], [State] [Zip]

June 23, 2014

Dear [First_Name] [Last_Name]:

As part of the community of families who have been in our care, we wanted to let you know about an instance in which patient information was disclosed in error. We appreciate the sensitive nature of this information, and want to be completely transparent about what occurred.

This was a human mistake. The security of our computer systems was not compromised.

In the fall of 2012, a Rady Children's Hospital-San Diego employee emailed a training exercise, containing limited patient information, to test three job candidates. Six additional job applicants came to the Rady Children's campus to take the test on a Rady Children's computer, in 2010 and 2011, but had no ability to save, store, or personally use or send the information.

That file contained information on 6,307 patients who were registered for inpatient or outpatient treatment between June 30, 2009 and June 30, 2010. Your information was included in this file. The data included patients' names, discharge dates, location they were seen, and account information such as the payor name and balance. The file did not include dates of birth, diagnoses, street addresses, or social security, insurance or credit card numbers.

Rady Children's is contacting each of the three individuals who received the email to confirm the information has been removed. The Hospital has employed an independent information security firm to verify that the information was removed from the recipients' devices.

Rady Children's is continuing our investigation and notifying the appropriate regulatory agencies. We are providing families who request it with copies of their information that was released.

Rady Children's is taking action to prevent this from happening again, including:

- Only commercially available and validated testing programs will be used to evaluate job applicants who will be tested onsite.
- We are enhancing information security and automated screening to flag emails that may contain potential protected health or other sensitive information, and require an added level of approval before it can be sent.

- Rady Children's is working with our email encryption provider to further strengthen our protection of sensitive data.
- Rady Children's continually provides employees with education regarding privacy policies. We will be using these incidents as examples to better inform our leadership team and employees about the need to protect patient information and the importance of the policies we have in place and train them in these new measures we are taking.

As an added precaution, we have arranged to have AllClear ID protect your identity for one year at no cost to you. The following identity protection services start on the date of this notice and you can use them at any time during the next year.

AllClear SECURE: The team at AllClear ID is ready and standing by if you need help protecting your identity. This protection is automatically available to you with no enrollment required. A dedicated investigator will do the work to recover financial losses, restore your credit and make sure your identity is returned to its proper condition. AllClear ID maintains an A+ rating at the Better Business Bureau. If a problem arises, call 1-877-615-3753 (toll free) or +1-512-579-2308 (toll), and provide the Reference Code {Redemption_Code}.

Please refer to the attached for information about these services.

We deeply regret that this incident occurred and extend our sincerest apologies. The security of patient information is of great importance to Rady Children's. Please be assured that our patients' information and our computer systems remain secure.

If you have any questions about this incident, or the AllClear protection available to you, please call 1-877-615-3753 (toll free) or +1-512-579-2308 (toll) between 6:00 am and 6:00 pm (Pacific Standard Time), Monday through Saturday.

Sincerely,

Donald Kearns, MD

Donald B. Kearns, M.D.
Acting President & CEO
Rady Children's Hospital-San Diego

The following is a list of the fields that were included in the emailed file. We have also included a description of the field to help you better understand the data that was included:

Column Heading	Description
Account Number	Hospital account number
Account Class	Location where services were provided
Account Status	Status of the account and whether it is billed, open, or discharged/not billed
Account Name	Patient Name
Discharge Date	Discharge date
Account Balance	Balance due to the hospital
Message	Notes field where account message could be written
Payor Name	Name of the insurance carrier
Date Entered Work Queue	Date the account enter a specific user's work list
Claim Edit Rules	Rules built into the system that ensure the claim is billed properly

Terms of Use for AllClear Secure

If you become a victim of fraud using your personal information without authorization, AllClear ID will help recover your financial losses and restore your identity. Benefits include:

- Automatic 12 months of coverage;
- No cost to you – ever. AllClear Secure is paid for by the participating Company.

Services Provided

If you suspect identity theft, simply call AllClear ID to file a claim. AllClear ID will provide appropriate and necessary remediation services (“Services”) to help restore the compromised accounts and your identity to the state prior to the incident of fraud. Services are determined at the sole discretion of AllClear ID and are subject to the terms and conditions found on the AllClear ID website. AllClear Secure is not an insurance policy, and AllClear ID will not make payments or reimbursements to you for any financial loss, liabilities or expenses you incur.

Coverage Period

You are automatically protected for 12 months from the date the breach incident occurred, as communicated in the breach notification letter you received from Company (the “Coverage Period”). Fraud Events that occurred prior to your Coverage Period are not covered by AllClear Secure services.

Eligibility Requirements

To be eligible for Services under AllClear Secure coverage, you must fully comply, without limitations, with your obligations under the terms herein, you must be a citizen or legal resident, eighteen (18) years of age or older, reside in the United States, and have a valid U.S. Social Security number. Minors under eighteen (18) years of age may be eligible, but must be sponsored by a parent or guardian. The Services cover only you and your personal financial and medical accounts that are directly associated with your valid U.S. Social Security number, including but not limited to credit card, bank, or other financial accounts and/or medical accounts.

How to File a Claim

If you become a victim of fraud covered by the AllClear Secure services, you must:

- Notify AllClear ID by calling 1.855.434.8075 to report the fraud prior to expiration of your Coverage Period;
- Provide proof of eligibility for AllClear Secure by providing the redemption code on the notification letter you received from the sponsor Company;
- Fully cooperate and be truthful with AllClear ID about the Event and agree to execute any documents AllClear ID may reasonably require;
- Fully cooperate with AllClear ID in any remediation process, including, but not limited to, providing AllClear ID with copies of all available investigation files or reports from any institution, including, but not limited to, credit institutions or law enforcement agencies, relating to the alleged theft.

Coverage under AllClear Secure Does Not Apply to the Following:

Any expense, damage or loss:

- Due to

- Any transactions on your financial accounts made by authorized users, even if acting without your knowledge
- Any act of theft, deceit, collusion, dishonesty or criminal act by you or any person acting in concert with you, or by any of your authorized representatives, whether acting alone or in collusion with you or others (collectively, your “Misrepresentation”)
- Incurred by you from an Event that did not occur during your coverage period;
- In connection with an Event that you fail to report to AllClear ID prior to the expiration of your AllClear Secure coverage period.

Other Exclusions:

- AllClear ID will not pay or be obligated for any costs or expenses other than as described herein, including without limitation fees of any service providers not retained by AllClear ID; AllClear ID reserves the right to investigate any asserted claim to determine its validity;
- AllClear ID is not an insurance company, and AllClear Secure is not an insurance policy; AllClear ID will not make payments or reimbursements to you for any loss or liability you may incur;
- AllClear ID is not a credit repair organization, is not a credit counseling service, and does not promise to help you improve your credit history or rating beyond resolving incidents of fraud; and
- You are expected to protect your personal information in a reasonable way at all times. Accordingly, you will not recklessly disclose or publish your Social Security number or any other personal information to those who would reasonably be expected to improperly use or disclose that Personal Information, such as, by way of example, in response to “phishing” scams, unsolicited emails, or pop-up messages seeking disclosure of personal information.

Opt-out Policy

If for any reason you wish to have your information removed from the eligibility database for AllClear Secure, please contact AllClear ID:

<p><u>E-mail</u> support@allclearid.com</p>	<p><u>Mail</u> AllClear ID, Inc. 823 Congress Avenue Suite 300 Austin, Texas 78701</p>	<p><u>Phone</u> 1.855.434.8077</p>
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