

NOTICE OF DATA INCIDENT

April 5, 2019

Health Recovery Services, Inc. ("HRS") is posting this statement on our website as a precautionary measure and as part of our commitment to patient privacy. HRS takes our patients' privacy seriously, and it is important to us that you are made fully aware of a recent incident which potentially involves personal information of HRS' current and past patients.

What Happened? On February 5, 2019, we discovered that our computer network had been accessed by an unauthorized IP address. We immediately launched an investigation into the nature and scope of this access and disconnected our network and information systems. We also moved to rebuild our entire network to ensure it was secure and free of any security threat. On March 15, 2019, our third-party forensic expert determined that the unauthorized access to our network occurred from November 14, 2018 until its discovery on February 5, 2019. While the forensic expert has indicated to us that they do not believe that any of HRS' patient information was ever in fact accessed, they were unable to definitively rule out that possibility.

What Information Was Involved? While our investigation is ongoing, we have no evidence that the unknown third party accessed or acquired protected health information stored on the HRS server. Nevertheless, we confirmed this server stored files and a software application which may have contained demographic information such as name, address, phone number, and date of birth. If you were a patient of HRS after 2014, the information stored in the files and software application may also have included medical information, health insurance information, diagnosis, and treatment information. For certain patients, these files may also have contained Social Security numbers. Out an abundance of caution, we are providing notice of this incident to any individual that may be affected by the data event given we cannot rule out unauthorized access to this information occurred.

What Health Recovery Services Is Doing. HRS is committed to protecting the confidentiality and security of all the information in our possession. HRS has security measures, policies, and procedures in place to protect its data and continues to review these measures as part of its ongoing commitment to the security of the information held in its care. In addition to launching the ongoing investigation and restoring the integrity of its entire network, HRS is reviewing its policies and procedures and enhancing the security of its information systems to mitigate the risk an incident like this will occur in the future.

What You Can Do. We encourage you to remain vigilant against incidents of identity theft and fraud, to review your account statements, and to monitor your credit reports for suspicious activity. Under U.S. law you are entitled to one free credit report annually from each of the three major credit reporting bureaus.

To order your free credit report, visit www.annualcreditreport.com or call, toll-free, 1-877-322-8228. You may also contact the three major credit bureaus directly to request a free copy of your credit report.

You have the right to place a "security freeze" on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit. Pursuant to federal law, you cannot be charged to place or lift a security freeze on your credit report. Should you wish to place a security freeze, please contact the major consumer reporting agencies listed below:

Experian PO Box 9554 Allen, TX 75013 1-888-397-3742

TransUnion P.O. Box 2000 Chester, PA 19016 1-888-909-8872

Equifax PO Box 105788 Atlanta, GA 30348-5788 1-800-685-1111

www.experian.com/freeze/center.h tml

www.transunion.com/cre dit-freeze

www.equifax.com/personal/cre dit-report-services

In order to request a security freeze, you may need to provide the following information:

- 1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);
- 2. Social Security number;
- 3. Date of birth:
- 4. If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years;
- 5. Proof of current address, such as a current utility bill or telephone bill;
- 6. A legible photocopy of a government-issued identification card (state driver's license or ID card, military identification, etc.);
- 7. If you are a victim of identity theft, include a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft.

As an alternative to a security freeze, you have the right to place an initial or extended "fraud alert" on your file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer's credit file. Upon seeing a fraud alert display on a consumer's credit file, a business is required to take steps to verify the consumer's identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting seven years. Should you wish to place a fraud alert, please contact any one of the agencies listed below:

Experian P.O. Box 2002 Allen, TX 75013 1-888-397-3742

www.experian.com/fraud/center.ht ml

TransUnion P.O. Box 2000 Chester, PA 19016 1-800-680-7289

-victim-resource/placefraud-alert

Equifax P.O. Box 105069 Atlanta, GA 30348 1-888-766-0008

www.transunion.com/fraud www.equifax.com/personal/credi t-report-services

You can review helpful sites to learn more about consumer protection related to information compromise, i.e. AHIMA's *Medical Identity Theft Response Checklist for Consumers*, which can be found at http://bit.ly/2pHDcqV.

You can further educate yourself regarding identity theft, fraud alerts, security freezes, and the steps you can take to protect yourself, by contacting the consumer reporting agencies, the Federal Trade Commission, or your state Attorney General.

The Federal Trade Commission can be reached at: 600 Pennsylvania Avenue NW, Washington, DC 20580, www.identitytheft.gov, 1-877-ID-THEFT (1-877-438-4338); TTY: 1-866-653-4261. The Federal Trade Commission also encourages those who discover that their information has been misused to file a complaint with them. You can obtain further information on how to file such a complaint by way of the contact information listed above.

You have the right to file a police report if you ever experience identity theft or fraud. Please note that in order to file a report with law enforcement for identity theft, you will likely need to provide some proof that you have been a victim. Instances of known or suspected identity theft should also be reported to law enforcement and your state Attorney General. This notice has not been delayed by law enforcement.

We are keenly aware of how important our patients' personal information is to them, and we apologize for any inconvenience. We are committed to providing quality care, including protecting our patients' personal information. We have been working with our forensic expert and our IT team to review and analyze the security of our computer systems, and we have updated certain technical, administrative and physical safeguards to ensure the security and confidentiality of your data in the future.

If you have any questions, please call our toll-free dedicated assistance line staffed with individuals familiar with this incident and how to better protect against the possibility of identity theft and fraud has been established by HRS. You can direct all questions and concerns to this line by calling 1-833-231-3360, between 8:00 a.m. and 5:30 p.m. Central Time, Monday through Friday.