

September 29, 2026

THIS LETTER SENT VIA EMAIL

Deanna Eaves
Interim Compliance Officer
Health Net Community Solutions, Inc.
21281 Burbank Blvd
Woodland Hills, CA 91367

**WARNING LETTER AND DEMAND FOR CORRECTIVE ACTION PLAN (CAP):
DENTAQUEST DATA BREACH IMPACT TO HEALTH NET**

Dear Ms. Eaves,

The Department of Health Care Services (DHCS) is hereby providing Health Net Community Solutions, Inc. (HN), this Warning Letter (WL) due to the DentaQuest (DQ) cybersecurity incident that was reported to DHCS by HN on May 21, 2026. HN's Administrative Services Organization (ASO) is DentaQuest dba California Dental Network (CDN).

Pursuant to the Dental Managed Care (Dental MC) Contract¹ and All Plan Letter (APL) 22-009², DHCS hereby requires a Corrective Action Plan (CAP) at the time of the Final Report. This CAP must include a remediation plan to protect all impacted individuals.

Please note, if HN is unable to correct the noted efficiencies and/or complete their CAP within six (6) months of the date of this notice, DHCS may exercise its right to pursue Liquidated Damages and/or Sanctions pursuant to the Dental MC Contract and APL 22-009.

I. Background

¹The Dental MC contract can be found here: <https://www.dhcs.ca.gov/wp-content/uploads/2025/10/Medi-Cal-Dental-Managed-Care-Plans-Boilerplate-Contract.pdf>

² APL 22-009 Enforcement Actions: Administrative and Monetary Sanctions can be found here: <https://www.dhcs.ca.gov/wp-content/uploads/2025/10/APL-22-009-1.pdf>

On May 21, 2026, HN notified DHCS via phone voicemail through the DHCS Privacy Hotline of a DQ cybersecurity incident. HN submitted an initial Privacy Incident Report (PIR) to DHCS on May 21, 2026, and subsequently added additional information to the PIR. HN met virtually with DHCS and DQ on June 15, 2026, and weekly thereafter until August 24, 2026 to discuss ongoing updates.

On July 27, 2026, DQ started mailing out notifications to affected individuals.

II. Resultant Action

DHCS is hereby providing this Warning Letter hereby demands a CAP submitted at the time of the Final Report regarding remediation to ensure compliance to make all affected individuals whole.

On the enclosed CAP Response Form, please complete the CAP Response Form and submit supporting documentation organized in separate electronic folders that are clearly labeled by corresponding findings. The CAP Response Form must be signed by the plan's Compliance Officer. The CAP Response Form and corresponding supporting documentation should be submitted to DHCS at dmcdeliverables@dhcs.ca.gov.

If you have any questions regarding this notice, please contact DHCS.

Sincerely,

Original Signed by:

Dana Durham
Chief, Medi-Cal Dental Services Division
Department of Health Care Services

Enclosure: CAP Response Form