



Commonwealth of Kentucky Personnel Cabinet

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FOR IMMEDIATE RELEASE

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HealthEquity Increases Account Security After Incident

FRANKFORT, Ky. (June 21, 2024) - On May 14, the Kentucky Personnel Cabinet was informed of unauthorized updates to members' HealthEquity accounts. HealthEquity is a third-party vendor that administers Flexible Spending Accounts (FSA) and Health Reimbursement Arrangements (HRA) on behalf of the Kentucky Employees' Health Plan (KEHP).

After investigating this incident, HealthEquity determined that this potential fraud event impacted 449 KEHP member accounts. It is presumed that the bad actors who accessed the accounts were aiming to receive money from claim reimbursements.

No personal identifying information, including social security numbers or bank account numbers, is known to have been compromised. Although the HealthEquity member portal masks personally identifiable information (PII) and existing bank account information, it does provide the ability to view previously submitted reimbursement claims which may contain protected health information (PHI) and/or PII. However, no evidence supports that the bad actors viewed any prior claims documentation in the affected accounts.

Immediately upon becoming aware of this potential fraud event, HealthEquity locked all affected member accounts, removed any unauthorized profile changes and suspended the ability to edit account login information. HealthEquity also implemented additional measures to ensure further security for members. Communications regarding the security incident were distributed to all affected members.

HealthEquity is currently investigating whether any claim reimbursements were fraudulently submitted or redirected. HealthEquity has committed to restoring any member accounts to the prior balance if they conclude that any HRA or FSA member funds were impacted.

The KEHP and HealthEquity take data incidents like this very seriously. State officials believe that this breach creates a low risk to the KEHP members, and there is no evidence that the Commonwealth's human resources systems or data were affected at any point. The breach was an isolated attack, and state and vendor personnel will continue to investigate and work with law enforcement.

For questions related to this incident, members can contact HealthEquity at 1-866-346-5800 or KEHP Member Services at 888-584-8834. Pursuant to KRS 61.931 et. seq., the Personnel Cabinet has notified the Kentucky Attorney General's Office, the Auditor of Public Accounts, the Kentucky State Police, and other state agencies of this security incident.

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