

August 3, 2010

Tina Sweet
Department of Managed Health Care
980 9th Street
Sacramento, CA

RE: Plan's Response to Follow-Up Review Report for a Non-Routine Medical Survey of the Plan

Dear Ms. Sweet:

In response to the Department's Follow-Up Review Report for a Non-Routine Medical Survey of the Plan (issued to the public file on July 19, 2010), Kaiser Foundation Health Plan, Inc. requests that the attached letter from the Department's Office of Enforcement be appended to the Review Report.



Follow-up Report for
a Non-Routine Medical

(Embedded document attached to Cover Letter)

Thank you for your cooperation in this matter. Please let me know if I can be of further assistance.

Sincerely

/signed/

Daniel A. Chesir
Director, Survey and Provider Dispute Response
Health Plan Regulatory Services
Kaiser Foundation Health Plan, Inc.
510-627-2699



Arnold Schwarzenegger, Governor
State of California
Business, Transportation and Housing Agency

Department of Managed Health Care
980 9th Street, Suite 500
Sacramento, CA 95814-2725
916-323-0435 -Phone
916-323-0438 -Fax
enforcement@dmhc.ca.gov

July 20, 2010

RECEIVED

JUL 27 2010

BY U.S. MAIL AND FACSIMILE TO (510) 267-2128

LEGAL DEPARTMENT

Paula C. Ohliger
Senior Counsel
Legal and Government Relations Department
Kaiser Foundation Health Plan, Inc.
One Kaiser Plaza, Suite 1250
Oakland, CA 94612

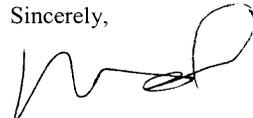
**RE: Follow-Up Report for a Non-Routine Medical Survey and Consent Agreement
Enforcement Matter No. 07-202**

Dear Ms. Ohliger:

This letter is to address the \$1 million administrative penalty suspended by the Department of Managed Health Care (Department) as set forth in the Consent Agreement entered into by Kaiser Foundation Health Plan, Inc. on July 30, 2007. The Department is pleased to inform you that the suspended penalty is hereby waived based on our review of the Division of Plan Surveys Follow-Up Review Report for a Non-Routine Medical Survey of Kaiser Foundation Health Plan, Inc., dated July 8, 2010, and finding that the Plan has corrected all deficiencies identified in the Survey Report.

The Department appreciates the Plan's cooperation in this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,



Michael D. McClelland
Assistant Deputy Director
Office of Enforcement

MDM:SRF:sib