



STATE OF CALIFORNIA
ARNOLD SCHWARZENEGGER, GOVERNOR
BUSINESS, TRANSPORTATION AND HOUSING
AGENCY

Department of Managed Health Care
Office of Enforcement
980 Ninth Street, Suite 500
Sacramento, CA 95814
916-323-0435 phone
916-323-0438 fax

March 19, 2004

Marlene S. Ma, Esq.
Counsel
Kaiser Foundation Health Plan, Inc.
One Kaiser Plaza, 21st Floor
Oakland, CA 94612

**RE: DMHC Complaint No. 129413
Enforcement Matter Number 04-037**

Dear Ms. Ma:

LETTER OF AGREEMENT

The Department of Managed Health Care (hereinafter "the Department") has concluded its investigation of Kaiser Foundation Health Plan, Inc., (hereinafter "Kaiser" or the "Plan") in the above referenced matter. The focus of the investigation was Kaiser's failure to comply with California Health and Safety Code section 1368.01, subdivision (a), and California Code of Regulations title 28, section 1300.68, subdivision (d). Those sections, with certain specified exceptions, require a health care service plan to provide an enrollee with a written response to a grievance within thirty (30) calendar days of its receipt of the grievance.

The pertinent facts include that the enrollee filed a grievance with Kaiser on or about March 18, 2003. Kaiser did not provide its written response to that grievance until on or about April 23, 2003.

Based on the above chronology of events, the Department has determined that Kaiser failed to provide a written response to the enrollee's grievance within thirty days of receiving it, as required by California Health and Safety Code section 1368.01, subdivision (a), and California Code of Regulations title 28, section 1300.68, subdivision (d). Accordingly, the

Marlene S. Ma, Esq.
March 19, 2004
Page 2

Department, pursuant to its authority under Health and Safety Code section 1386, subdivisions (a) and (b) (6), has assessed an administrative penalty against Kaiser in the amount of two thousand, five hundred dollars (\$2,500.00), payable to the Department of Managed Health Care. As acknowledged below and during previous discussions between Kaiser and the Department, Kaiser has agreed to pay the assessed penalty to the Department.

Sincerely,

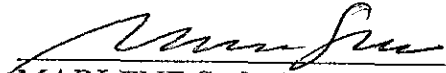


G. Lewis Chartrand, Jr.
General Counsel

SJB:vb

Assessed Penalty Accepted by Kaiser Foundation Health Plan, Inc.

Dated: 4.14.2004



MARLENE S. MA
Counsel
Kaiser Foundation Health Plan, Inc.