

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

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January 4, 2005

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

**RE: DMHC Complaint Number 157799
Enforcement Matter Number 04-257**

LETTER OF AGREEMENT

2005 JAN 12 PM 2:08
MANAGED HEALTH CARE
ACCOUNTING OFFICE

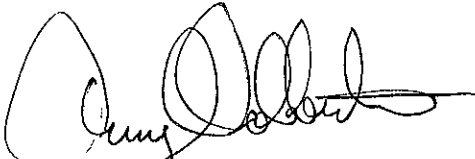
The Office of Enforcement of the Department of Managed Health Care (the "Department") has completed its investigation of Kaiser Foundation Health Plan, Inc.'s ("Plan") violation of California Code of Regulations, title 28, section 1300.68, subdivision (g)(1-5). In this matter number (04-257), the enrollee filed a grievance with the Department on January 21, 2004. On January 22, 2004, the Department sent notice to the Plan of that grievance and requested information. The Plan provided a timely response; however, the Plan failed to provide all of the required information, as required by the above section.

The Plan has acknowledged its violation of California Code of Regulations, title 28, section 1300.68, subdivision (g)(1-5), in the above-referenced matter. The Department has determined that an administrative penalty of twenty-five hundred dollars (\$2,500.00) is warranted and the Plan has agreed to pay the penalty. The Department agrees that the

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execution of this Letter of Agreement and payment of the penalty will settle this enforcement matter and all issues, accusations, and claims the Department has against the Plan based upon the Plan's actions in the above-referenced grievance case.

Sincerely,

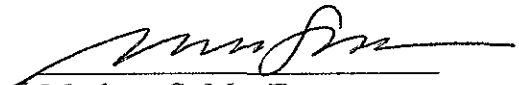


Amy L. Dobbherten
Assistant Deputy Director
Office of Enforcement

JA:vb

Accepted by Kaiser Foundation Health Plan, Inc.

Date: 1.7.2005 5
cc



Marlene S. Ma, Esq.
Counsel
Kaiser Foundation Health Plan, Inc.