



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

Department of Managed Health Care
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(916) 323-0435 -Phone
(916) 323-0438 -Fax
enforcement@dmhc.ca.gov

September 6, 2006

Anne Deibert
Senior Counsel
Kaiser Foundation Health Plan, Inc.
d/b/a Kaiser Foundation Permanente Medical Care Program
One Kaiser Plaza, 19th Floor
Oakland, CA 94612

RE: Complaint No. 273018
Enforcement Matter No. 05-340

LETTER OF AGREEMENT

Dear Ms. Deibert:

The Office of Enforcement of the California Department of Managed Health Care (the Department) has completed its investigation of the above-referenced matter and has concluded that there is sufficient evidence to support allegations that Kaiser Foundation Health Plan, Inc. (the Plan) has violated the Knox-Keene Health Care Service Plan Act of 1975, as amended, (the Act).

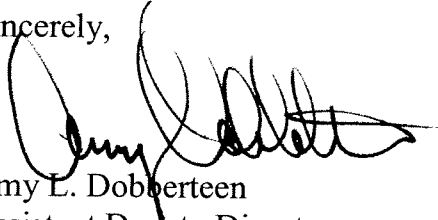
The Plan admits to receiving the enrollee's grievance on August 3, 2005; however, the grievance was not resolved until September 19, 2005. As required by Health and Safety Code section 1368.01, subdivision (a), and California Code of Regulations, title 28, section 1300.68, subdivision (d)(3), an enrollee's grievance is to be resolved within thirty (30) days.

Based on the above facts, the Department has determined that the Plan has violated Health and Safety Code section 1368.01, subdivision (a), and California Code of Regulations, title 28, section 1300.68, subdivision (d)(3). Pursuant to Health and Safety Code section 1386, the Department is imposing an administrative penalty in the amount of five thousand dollars (\$5,000.00) for this violation of the Act.

Anne Deibert
Letter of Agreement (05-340)
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The Plan has agreed to pay this penalty. The Department agrees that 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 above violation.

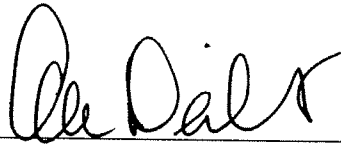
Sincerely,



Amy L. Dobberteen
Assistant Deputy Director
Office of Enforcement

Accepted by Kaiser Foundation Health Plan, Inc.

DATE: 9-8-06



Anne Deibert
Senior Counsel
Kaiser Foundation Health Plan, Inc.

CML:slb