



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

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Department of Managed Health Care  
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September 7, 2006

Anne M. Diebert  
Senior Counsel  
Kaiser Foundation Health Plan, Inc.  
One Kaiser Plaza, 21<sup>st</sup> Floor  
Oakland, California 94612

**RE: Enforcement Matter No. 04-431**

**LETTER OF AGREEMENT**

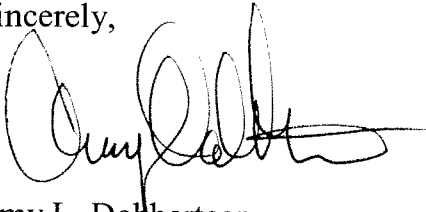
The Office of Enforcement of the Department of Managed Health Care (the Department) completed its investigation of Kaiser Foundation Health Plan, Inc.'s (the Plan's) violation of Health and Safety Code section 1368, and California Code of Regulations, title 28, section 1300.68, in the above enforcement matter. Section 1368 requires that the Plan establish and maintain a grievance system, and provide reasonable procedures to ensure adequate consideration of enrollee grievances. Section 1300.68 defines a grievance as "a written or oral expression of dissatisfaction with the Plan."

The enrollee initially contacted the Plan's Member Services Department to dispute the Plan's Statement of Benefits for her treatment following an automobile accident. The enrollee was directed to write to the Plan's subrogation contractor regarding her dispute. Although the enrollee clearly expressed dissatisfaction with the Plan's charges, the enrollee's complaint to member services was not treated as a grievance, as required by Health and Safety Code section 1368, and California Code of Regulations, title 28, rule 1300.68.

Anne M. Deibert  
Letter of Agreement (04-431)  
Page 2

The Plan has acknowledged its violation of Health and Safety Code section 1368, and California Code of Regulations, title 28, section 1300.68. The Department has determined that an Administrative Penalty of \$2,500 is warranted in this matter, and the Plan has agreed to pay that penalty.

Sincerely,

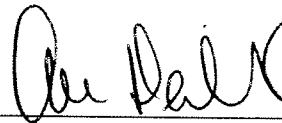


Amy L. Dobberteen  
Assistant Deputy Director  
Office of Enforcement

KLT/cbt

**Accepted by Kaiser Foundation Health Plan, Inc.**

DATE: 9-12-06



Anne M. Deibert  
Senior Counsel  
Kaiser Foundation Health Plan, Inc.