



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

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

February 6, 2007

Marlene Ma
Counsel
Kaiser Foundation Health Plan, Inc.
One Kaiser Plaza, 19th Floor
Oakland, CA 94612

RE: Grievance Case No. 02560
Enforcement Matter Number 06-283

LETTER OF AGREEMENT

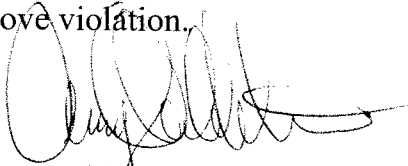
The Office of Enforcement of the California Department of Managed Health Care (the Department) has completed its investigation of the above-referenced matter and has concluded that there is sufficient evidence to support allegations that Kaiser Foundation Health Plan, Inc., (the Plan) has violated the Knox-Keene Health Care Service Plan Act of 1975, as amended (California Health and Safety Code section 1340, et. seq.), (the Act).

The enrollee filed a grievance with the Plan on March 27, 2006; however, the grievance was not resolved until June 1, 2006. As required by Health and Safety Code section 1368.01(a), and California Code of Regulations, title 28, section 1300.68 (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(a), and California Code of Regulations, title 28, section 1300.68 (d)(3). Pursuant to Health and Safety Code section 1386, the Department is imposing an administrative penalty in the amount of \$2,500 for this violation of the Act.

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Letter of Agreement (06-283)
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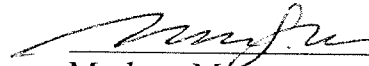
The Plan has agreed to pay this penalty. The Department agrees that execution of this Letter of Agreement and payment of the penalty will settle this enforcement matter and all issues, accusations, and claims the Department has against the Plan based upon the above violation.



Amy Dobberteen
Assistant Deputy Director
Office of Enforcement

Accepted by Kaiser Foundation Health Plan, Inc.

Date: 2-21-2007



Marlene Ma
Counsel
Kaiser Foundation Health Plan, Inc.

SCS:slb