

## SYSTEM DESCRIPTION

### Kaiser Permanente Member Arbitrations Administered by the Office of the Independent Administrator

#### I. Introduction

The Office of the Independent Administrator (“OIA”) is the neutral entity that administers all arbitrations brought pursuant to Kaiser Foundation Health Plan, Inc.’s Members’ Contracts. The system is designed to provide Health Plan members with a fair, speedy, cost effective, and confidential means of resolving disputes. The system is governed by a set of rules, *Rules for Kaiser Permanente Member Arbitrations Administered by the Office of the Independent Administrator* (“Rules”), which are available from the OIA at 213-637-9847 or [www.oia-kaiserarb.com](http://www.oia-kaiserarb.com).

#### II. The System’s Timing Requirements

This system has been designed so that most cases are resolved within eighteen months after the OIA receives a claimant’s demand for arbitration and the \$150 filing fee, or has been granted a waiver of this fee. Under the *Rules*, Health Plan forwards demands and any filing fees or fee waiver applications to the OIA within ten days of receiving them.

After the OIA receives a demand and the filing fee or has granted a fee waiver, key events take place very quickly. Within **three days**, the OIA sends the parties a list of possible arbitrators. Parties then have **twenty days** to return their responses to that list. Once selected, the neutral arbitrator holds an arbitration management conference within **sixty days**.

At the arbitration management conference, the neutral arbitrator and the parties set deadlines for remaining events, including the mandatory settlement meeting and the arbitration hearing date. Those deadlines must ensure that the case is resolved within **eighteen months** of the date the OIA received the demand and the filing fee or granted a fee waiver. The *Rules* contain more information about these important deadlines, and provide a description of the events that must take place within the eighteen month schedule.

#### III. Other Timing Options

Not all cases will fit within the eighteen month time frame described above. The system has expedited procedures for cases that need to be resolved faster than eighteen months. Rules 33-36 explain how to request expedited procedures. Some cases may be designated complex or extraordinary because they need more than eighteen months to be resolved. Rules 24b and 24c provide information about those designations.

Postponements may also be available under some circumstances. Rules 21 and 28 provide information about postponements.

(CONTINUED ON REVERSE)

#### **IV. Selecting the Neutral Arbitrator**

The OIA maintains a panel of neutral arbitrators available to hear cases in this system. Within three days of receiving a demand for arbitration and the filing fee or a granted fee waiver, the OIA sends each party a randomly generated list of twelve possible arbitrators (“LPA”) from its panel based on the region where the cause of action arose. There are 3 regions: San Diego, Southern California, and Northern California.

Included with the LPA are copies of the arbitrators’ application materials, including names of references; copies of the arbitrators’ decisions in previous OIA cases; and evaluations from parties in cases where the arbitrator served. Parties then have twenty days to strike four names from the LPA and rank the remaining eight names in order of preference. Under Rule 21, claimants, or respondents with agreement from claimants, may request and receive a ninety day postponement of this twenty day deadline. The OIA then selects an arbitrator to serve on the case using the parties’ selections. Rules 16, 18, and 19 provide more information about selecting a neutral arbitrator.

As an alternative to selecting the neutral arbitrator from the LPA, parties may jointly select any neutral arbitrator of their choosing, subject to the restrictions of California’s Ethics Standards for Neutral Arbitrators in Contractual Arbitration, and as long as that arbitrator agrees to follow the *Rules*. Rule 17 provides more information about joint selection of a neutral arbitrator.

#### **V. Waivers of the \$150 Filing Fee and the Neutral Arbitrator’s Fees and Expenses**

Under California law, the fees and expenses of the neutral arbitrator are divided between the claimants and the respondents. The *Rules* provide ways for claimants to shift that obligation to Kaiser. The *Rules* also allow waiver of the \$150 filing fee for claimants who cannot afford it. Copies of the forms are available from the OIA or on its website. Rules 12, 13, and 15 provide more information about the waivers.