

EXHIBIT A

Description of OIA Staff

OIA Staff Descriptions

Sharon Oxborough, Esq., Independent Administrator. Ms. Oxborough is the principal of the Law Offices of Sharon Oxborough. Ms. Oxborough is a graduate of Hamline University, *summa cum laude*, and Harvard Law School, *cum laude*. She was a federal law clerk in the Central District of California. She has nearly twenty years of experience in general civil litigation, appeals, and alternative dispute resolution. She was of counsel to the Law Offices of Sharon Lybeck Hartmann. In that capacity, Ms. Oxborough drafted and negotiated the original *Rules* and forms used by the OIA and consulted about issues as they arose. She drafted all amendments and the OIA contracts and had primary responsibility for negotiating them with Kaiser and the AOB. During 2001, she supervised the day-to-day operations of the OIA when Marcella Bell was on maternity leave. Now, as Independent Administrator, she supervises the overall operation of the OIA, meets with Ms. Bell and Ms. O'Neal monthly regarding the status of cases, and wrote the Fifth Annual Report.

Marcella A. Bell, Esq., Director. Ms. Bell is a graduate of Loyola Marymount University and the University of West Los Angeles School of Law, where she served on the Moot Court Board of Governors. Her legal experience is primarily in the areas of civil rights and alternative dispute resolution. Ms. Bell was an attorney with the Law Offices of Sharon Lybeck Hartmann firm from 1995 to 2003. As Director of the OIA, Bell supervises day-to-day operations of the OIA and its staff. She also decides fee waiver applications and petitions for expedited proceedings, selects neutral arbitrators based on parties' responses, speaks with neutral arbitrators about their selection and the progress of their cases, compiles and analyzes statistical data, and answers substantive questions from claimants and attorneys. She also reviews neutral arbitrators disclosures to ensure that the disclosure required by Ethics Standard 12(b) is made and is timely, and the Standard 8 disclosures provided by the OIA are served on the parties. Ms. Bell speaks with neutral arbitrators about the status of their cases, monitoring the progress of those open more than 15 months. She served as a volunteer attorney at the West Los Angeles Domestic Violence Prevention Clinic from 1998 to 2000. Ms. Bell is fluent in Spanish and Italian.

Stephanie L. O'Neal, Esq., Assistant Director. Ms. O'Neal is a graduate of Dartmouth College and UCLA School of Law. She also holds a Masters in Urban Planning from the UCLA School of Architecture and Urban Planning. Her legal experience is primarily in the areas of civil rights and alternative dispute resolution. Ms. O'Neal was an attorney with the Hartmann firm from 1996 to 2003. At the OIA, Ms. O'Neal reviews arbitrator applications and fee waiver applications, decides fee waiver applications and petitions for expedited proceedings, selects neutral arbitrators based on parties' responses, speaks with neutral arbitrators about their selection and the progress of their cases, and answers substantive questions from claimants and attorneys. She also reviews neutral arbitrators disclosures to ensure that the disclosure required by Ethics Standard 12(b) is made and is timely, and the Standard 8 disclosures provided by the OIA are served on the parties. Ms. O'Neal speaks with neutral arbitrators about the status of their cases, monitoring the progress of those open more than 15 months. She also assists Ms. Bell in supervision of the OIA and its staff.

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Tracy Holler, Management Information Systems. Ms. Holler is a graduate of California State Polytechnic University, Pomona. She studied Business Administration, with a concentration in Management and Human Resources. She worked at the Hartmann firm from 1994 to 2003. She is the computer network administrator and is responsible for all parts of the firm's computer network. She designed, set up, and maintains the OIA's extensive computer databases. She was responsible in 2002 for redesigning the OIA's software to meet the reporting requirements of both the Ethics Standards and of California Code of Civil Procedure §1281.96. Because of her, the OIA posted all data required before the statutory deadline of January 1, 2003. She also created and generates the statistical reports upon which these annual reports are based.

Vivian Arroyo, Administrative Staff. Ms. Arroyo worked as an administrator at the Hartmann firm from 1997 to 2003. Prior to that, she worked for Mexicana Airlines as a sales representative for fifteen years. Ms. Arroyo traveled all over the world during her career with the airline. At the OIA, Ms. Arroyo is responsible for tracking each case's compliance with the *Rules* to the extent that it can be tracked through our computer database, sending form letters reminding parties and neutrals of deadlines, and maintaining case files. She also assists Ms. Bell and Ms. O'Neal in the neutral arbitrator selection process. She is fluent in Spanish.

Joyce Daniels, Administrative Legal Assistant. Ms. Daniels attended Metropolitan Junior College (now Los Angeles Trade Technical College) where she majored in Secretarial Science for two years. She has worked with Ms. Hartmann and Ms. Oxborough since 1984 as legal secretary/assistant. Ms. Daniels has been a legal secretary for over thirty years in a number of large law firms including Irell & Manella and the U.S. Air Force, Judge Advocate General's Office. Ms. Daniels has worked in many areas of law including litigation, civil rights, alternative dispute resolution, bankruptcy, entertainment, labor, tax, probate/estate planning, patent/trademark and corporate. At the OIA, Ms. Daniels is responsible for sending out the lists of possible arbitrator packets ("LPA packets") to the parties. She also calls the parties to remind them of the deadline to respond to the LPA and keeps track of who is named on the LPAs and sends letters confirming the granting of 90 day postponements with new due dates. Ms. Daniels has been studying Spanish for several years in order to become fluent in it as a second language.

Maria Garcia, Office Services Clerk. Garcia worked at the Hartmann firm since from 1996 to 2003. She generates the LPAs, assembles copies of the neutral arbitrators applications files for the LPAs, and maintains the neutral arbitrator application files. She also inputs the information the neutral arbitrators provide about themselves in their applications into the OIA computer database. Ms. Garcia is fluent in Spanish.

Griselda Luna, Administrative Staff. Ms. Luna worked at the Hartmann firm from 1996 to 2003. She is a graduate of Watterson College, where she studied Business Administration. At the OIA, Ms. Luna answers incoming telephone calls and responds to questions from lawyers, claimants,

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and the public. She sends out the questionnaires and evaluations at the end of a case and inputs the responses into the OIA computer databases. Ms. Luna is fluent in Spanish.

Lynda Tutt, Legal Assistant. A native of Philadelphia, Pennsylvania, Ms. Tutt attended Temple University. She has many years' experience as a Legal Assistant, and worked for the Hartmann firm from 1995 to 2003. Ms. Tutt is a licensed notary and a member of the Legal Secretaries Association, Beverly Hills/Century City Chapter. She creates case files, enters information about new cases into the OIA's computer database, sends letters to neutral arbitrators confirming their selection, and sends letters regarding payment of filing fees.

EXHIBIT B

Blue Ribbon Panel Report Recommendations

Status Report on Blue Ribbon Panel Recommendations

This appendix sets out in bold type each of the recommendations made by the Blue Ribbon Panel on Kaiser Permanente Arbitration in the report that it issued in January 1998. Each recommendation is followed by the status of the recommendation as known to the OIA on December 31, 2003.

A. Independent Administration

- 1. An Independent Administrator should manage the Kaiser Permanente Arbitration System and the individual cases within it. The Kaiser Foundation Health Plan, Inc. should fund the Independent Administrator.**

Status: Ongoing, largely accomplished. The OIA began accepting claims from Kaiser on March 29, 1999. At that date, almost all arbitration claims were brought under contracts that predated the creation of the OIA. As Kaiser Member Service Agreements renewed throughout the year 2000, they were amended to contain language making the OIA Rules and administration mandatory. Since malpractice claims arise at the date of discovery rather than the date of the incident, some claims still arise under contracts where use of the OIA is not required. We expect this to be so for several years. During 2003, 940 of the 989 demands for arbitration Kaiser forwarded to the OIA were mandatory. Twenty-nine of the 49 claimants who made opt in demands chose to use the OIA. At the end of the 2003, only 42 open cases were opt in. As for funding, since June 2002, the OIA is under contract to and has been paid by the Arbitration Oversight Board (AOB), a group which has control of a trust established by Kaiser in order to meet contractual obligations to the OIA for operation of the system. The OIA is further funded by the \$150 filing fee members pay when they make a demand for arbitration.

- 2. The mission of the Independent Administrator should be to ensure that the Kaiser Permanente process is fair, speedy, cost-effective, and protects the privacy interests of the parties. These goals should be reflected in the contract with the Independent Administrator and made available to all members and employer-purchasers.**

Status: Completed. The *Rules for Kaiser Permanente Member Arbitrations Administered by the Office of the Independent Administrator (Rules)* which are attached as Exhibit C, set out a fair, speedy, cost-effective process. The system's goals are set out in Rule 1 and mirror this

recommendation. Rule 3 provides that the arbitrator and the Independent Administrator shall not divulge information disclosed to them in the course of an arbitration. Rule 3 was amended in 2002 to reflect changes in California law that require information about individual cases be revealed. California Code of Civil Procedure §1281.96 requires posting on the web in computer searchable format. California Ethics Standards, Standard 8 permits web-posting. Beginning January 1, 2003, the OIA has posted data on its website responsive to both sets of requirements. The names of individuals are not disclosed, however.

The goals are also set out in the contract between the AOB and Sharon Oxborough. The contract contains specific provisions related to confidentiality. The entire contract between the Independent Administrator and the AOB is available to anyone who requests it from the OIA.

3. The Independent Administrator selected should not be a provider of neutral arbitrators or mediators.

Status: Completed. The Law Offices of Sharon Oxborough does not provide neutral arbitrators or mediators except those recruited for Kaiser arbitrations. The OIA does not accept payment of any kind from the arbitrators in its panel, including application fees, and does not supply arbitrators other than for Kaiser arbitrations.

B. Advisory Committee

4. Kaiser Permanente should establish, an on-going, volunteer Advisory Committee, comprised of representatives from Kaiser membership, Permanente Group physicians, Kaiser health care personnel, employer-purchasers of Kaiser Permanente services, an appropriate consumer advocacy organization and the plaintiffs' and defense bar involved in medical malpractice in the Kaiser Permanente arbitration system. Kaiser Permanente should consult with the Advisory Committee prior to the selection of the Independent Administrator and at other critical points described later in this report.

Status: Completed. In April 1998, Kaiser announced appointment of the Arbitration Advisory Committee (AAC) and its membership. The AAC participated in the selection of the Independent Administrator, worked closely with Kaiser and the OIA in creating the new system, and its members provided

ongoing comment on, and oversight of, the independently administered system. It also reviewed the first two annual reports.

In April 2001, Kaiser announced the formation of a new oversight board for the arbitration system with its members. The AOB replaced the earlier AAC. The AOB is chaired by David Werdegar, M.D. Dr. Werdegar is the former director of California's Office of Statewide Health Planning and Development and is Professor of Medicine, *Emeritus*, at the University of California, San Francisco, School of Medicine. The Vice-Chair of the AOB is Cornelius Hopper, M.D., Vice President for Health Affairs, *Emeritus*, of the University of California.

The remaining ten members of the AOB are also distinguished. All were originally chosen by Dr. Werdegar. They represent various stakeholders in the system, such as members, doctors, nurses, employers and lawyers. There are also distinguished public members including those who advocate for consumers. No more than four of the complete board of thirteen may be Kaiser affiliated. All will serve staggered terms. They are listed in the report at Section X.A. Their activities are also described there.

C. Goals of a Revised Kaiser Permanente Arbitration System

Time frame for resolution

5. **The Independent Administrator, after consultation with Kaiser Permanente and the Advisory Committee, should establish arbitration process deadlines, which will serve as publicly stated benchmarks for the program.**

Status: Completed. Under the *Rules*, ordinary cases must be resolved within eighteen months of the OIA receiving the claim and the filing fee, or waiving that fee. The *Rules* set out events and deadlines that parties must meet en route to a matter's completion. This helps ensure that target completion dates will be met. The *Rules* also contain provisions for cases that must be completed in more or less time than eighteen months. The measurement against the benchmarks appears in this annual report. The *Rules* and annual reports are available on our website, as well as information about each case we receive after January 1, 2003, pursuant to California Code of Civil Procedure §1281.96.

6. **The Independent Administrator should supervise the progress of each case and should communicate regularly with the neutral arbitrator (and**

the parties, when appropriate) to assure that each case moves as expeditiously as possible. To this end, the Independent Administrator should encourage continuous hearings.

Status: Ongoing, largely accomplished. As described in Section VI of the annual report, the OIA tracks the progress of each case and communicates with the neutral arbitrator and the parties as necessary to ensure that each case moves forward as expeditiously as possible. Rule 25(c)(ii) requires that arbitration hearings be scheduled for consecutive days if more than one day is necessary. Of the 483 cases that have had hearings since the OIA began its work, 414 had continuous hearings. That is 86%. Forty-two of the remaining 69 cases were completed within two weeks. The remaining 27 were completed from 26 to 219 days later. In the case that took 219 days, the hearing dates had been scheduled to be consecutive, but the parties underestimated. Scheduling additional dates was difficult – one attorney had a 12 week trial.

This year, 93 of 121 cases had hearings on consecutive days. That is 77%. Fifteen others were completed within two weeks. The remaining 13 took from 32 to 219 days to complete the hearing.

7. **Although all cases should move as swiftly as possible, special expedited procedures, including those for appointing the neutral arbitrator and setting arbitration hearing dates, should be established for cases in which the member is terminally ill or in other catastrophic circumstances.**

Status: Completed. Rules 33 through 36 set out procedures for expedited cases. There have been a total of 32 cases in the OIA system since it began, less than one percent of the total case load (32 of 4,176). All but one is now closed, and all have closed within their allotted time periods. We handled one from beginning to end in 20 days, when it closed through settlement. Another closed after a hearing, in 39 days, with judgment for respondent.

Documentation and availability of procedures

8. **The Independent Administrator should formalize and make available Kaiser Permanente's new arbitration goals and procedures in writing and take actions, where necessary, to assure all participants are properly informed.**

Status: Completed. The OIA sends a written System Description, the *Rules*, applicable forms and a detailed letter to all claimants or their counsel each time Kaiser forwards a demand for arbitration to the OIA. These items are also available to anyone who requests them from the OIA, and to the public generally through the OIA's website at www.oia-kaiserarb.com. The OIA has done outreach to the plaintiff's bar and the media regarding its goals and procedures. Published accounts have appeared as a consequence of these efforts. In 2003, Ms. Hartmann testified before the National Association of Insurance Commissioners at a hearing on a proposed model arbitration bill. Hard copies of the OIA's four previous annual reports remain available to participants and anyone else who asks and are posted and downloadable from the OIA website. Beginning in 2003, more information about the system appears on the OIA website in computer searchable format, in compliance with the requirements of Standard 8 of the 2003 Ethics Standards and with California Code of Civil Procedure §1281.96.

Establishing a list of qualified arbitrators

- 9. The Independent Administrator should develop the largest possible list of qualified neutral arbitrators.**

Status: Completed. The OIA's panel of neutral arbitrators currently has 287 members, made up of 103 in Northern California, 169 in Southern California and 50 in San Diego. (Thirty-four neutrals belong to more than one regional panel.) The OIA continues to recruit arbitrators, to accept applications from interested parties, and to admit those qualified to the panel. Thirty-one new arbitrators were admitted to the pool in 2003. Thirty-seven percent, or 105 members of the total panel, are retired judges. There are 43 retired judges in the Northern California division, or 42%. There are 55 retired judges in the Southern California division, or 33%. There are 17 retired judges in the San Diego division, or 34%. In comparison with earlier years, the percentage of judges overall and in each division has risen.

- 10. The Independent Administrator should solicit applications from firms and individuals in California who provide neutral arbitration services and who are interested in serving in Kaiser Permanente cases. The qualifications for applicants should be established by the Independent Administrator after discussions with the Advisory Committee and Kaiser Permanente.**

Status: Completed. In a series of meetings held in November and December 1998, and January 1999, the OIA, the AAC, and Kaiser jointly agreed upon the qualifications for neutral arbitrators. The OIA and the AOB revisited the issue in 2003, ultimately keeping the qualifications intact. The OIA advertised widely for neutral arbitrators. The OIA has communicated extensively with JAMS, Alternative Resolution Centers, Action Dispute Resolution Services, Judicate West, and Resolution Remedies. We solicited applications again this year. We have neutral arbitrators from all of these organizations in our panel as well as individuals not affiliated with organizations.

11. **The Independent Administrator should select those applicants who meet standards of qualification and experience and who demonstrate that they will implement the program's goals of fairness, timeliness, low cost and protection of the parties' privacy interests.**

Status: Completed. The OIA reviews each arbitrator's application and makes sure that the applicant meets the published qualifications. When an applicant is rejected, she or he receives a letter citing the specific, numbered requirement which has not been met and is given the opportunity to respond and supplement the application in order to make it acceptable if that is possible.

Prompt selection of the neutral arbitrator

12. **Kaiser Permanente should be required to send the demand for arbitration, or other notice of arbitration, to the Independent Administrator within five (5) business days of receipt.**

Status: Completed as modified. Rule 11 requires that Kaiser Permanente forward Demands for Arbitration to the OIA within ten business days of receipt. Kaiser and the AAC enlarged Blue Ribbon Panel's recommended number in the original discussions and consultations which created the *Rules*. Kaiser has most frequently forwarded new demands to the OIA the day it has received them. The average length of time that Kaiser has taken to submit new Demands for Arbitration to the OIA is eight days. The mode is zero. The median is four days, and the range is from zero to 463 days. Appendix 1, lines 43-46.

13. **The neutral arbitrator should be selected within thirty (30) days of the Independent Administrator's receipt of the arbitration demand.**

Status: Completed. In the majority of cases administered by the OIA (63% or 2,150 cases out of 3,388) the average time to the naming of a neutral arbitrator

is 25 days from receipt of demand and filing fee or granting of waiver. Appendix 2, lines 64-65. This figure excludes cases where parties have obtained postponements and cases where more than one neutral arbitrator has been put into place. It excludes the first because the Blue Ribbon Panel also recommended including the ability to obtain 90 day postponements in the system's rules. See Recommendation 17. The disclosure and disqualification procedure must be allowed for because it is required by California statute. Additionally, we cannot prevent a neutral arbitrator from stepping down from a case.

14. The parties should have a short period within which they may agree upon any neutral arbitrator of their choosing.

Status: Completed. Under Rule 17, the parties may select any neutral arbitrator of their choosing, as long as that person agrees to follow the *Rules*. The parties may make their joint selection during the same 20 days they have for selecting a neutral arbitrator using a randomly generated list of possible arbitrators provided by the OIA. The parties notify the OIA of their first and second joint selections as well as returning their lists with strikes and ranks. In 2,506 out of 3,551 cases, or about 71% of the cases where parties have selected neutral arbitrators, the parties used the list provided by the OIA. In 29% of the cases (1,041 of 3,551), the parties jointly selected a neutral arbitrator instead of using the strike and rank method. In the 1,041 cases where parties have jointly selected a neutral arbitrator, 696 of them (about 67%) have selected an arbitrator who is on the OIA's panel. Appendix 1, lines 17, 18, and 20.

15. If no arbitrator is selected within that period, the Independent Administrator should select the neutral arbitrator by providing a list of names to the parties and giving them ten (10) days to strike some number of those names. The procedure for this striking process should be established by the Independent Administrator.

Status: Completed as modified. Rules 17 and 18 give the parties twenty days to either jointly select a neutral arbitrator or return a strike and rank list provided by the OIA.

16. In creating lists of potential neutral arbitrators, the Independent Administrator should rotate among the qualified neutral arbitrators.

Status: Completed. The OIA creates lists of possible arbitrators by randomly selecting names from its computer data base. The OIA uses an internet-based lottery program to make random selections among the listed neutral arbitrators, each of whom is assigned a number. Ninety-one percent of all neutral arbitrators on the OIA's panel, (260 out of 287), have been selected to serve as neutral arbitrators on Kaiser arbitrations. The average number of selections to serve per neutral is 9. The median is 5 and the mode is 1. Appendix 1, lines 25-27.

- 17. A one-time delay in appointment of up to ninety (90) days may be allowed by the Independent Administrator upon written request of the plaintiff. Counsel requesting a delay should be required to provide a copy of the written request to his or her client.**

Status: Completed as modified. Rule 21 provides for this postponement upon the request of a claimant. Rule 21 does not require counsel requesting a delay to provide a copy of the request to his or her client. In the discussions which created the *Rules*, the ACC felt that this was not necessary.

- 18. The Independent Administrator should be able to grant further continuances in unusual circumstances.**

Status: Completed. See Rule 28. As described in Section V.E.2, the OIA has granted continuances in 64 cases in 2003, extending the time to respond to the List of Possible Arbitrators. Additionally, neutral arbitrators have granted Rule 28 extensions of the 18 month time limit in 184 cases, 77 times in 2003. See also Appendix 1, p. 22.

The OIA *Rules* set a number of deadlines. On 260 occasions, neutrals, OIA staff, or a court have granted continuances of those as well, without extending the overall time period in which the case must be completed. Those continuances were as follows:

Postponement of AMC	93
Court ordered postponement	4
Postponement to submit filing fee	63
Postponement of hearing within time period	79
Postponement of proceedings	21

Appendix 1, line 217

Arbitration management

19. **The neutral arbitrator should promptly convene an arbitration management conference, in person or by phone, to set deadlines for key events, establish the date of the arbitration hearing and assist in resolving any issues that might impede the progress of the case. The neutral arbitrator should hold additional conferences as necessary to assure that the case continues to move expeditiously. The Independent Administrator should monitor the cases and supervise the neutral arbitrators to assure efficient progress.**

Status: Completed. Amended Rule 25 requires that the neutral arbitrator call an arbitration management conference within 60 days of appointment. Items to be discussed at the conference cited in Rule 25(b) and (c) track this Blue Ribbon Panel recommendation. Rule 25(f) provides for additional conferences as the parties and the arbitrator need them. As described in Section VI of the annual report, the OIA monitors each case and ensures that the neutral arbitrator is complying with the deadlines set out in the *Rules*. On December 31, 2003, there were 865 open cases. In 510 of them, or 59%, the parties and neutral arbitrators have held the arbitration management conference. There were only 140 open cases with a neutral arbitrator selected which had not held an AMC.

The OIA has monitored cases to assure efficient progress. Under the *Rules*, most cases must be completed within 18 months of the OIA receiving them. So far, 3,311 cases have closed. Only 18 have not closed within the time allowed by the *Rules*.

Disclosures by potential arbitrators

20. **The Independent Administrator should maintain a list of all qualified neutral arbitrators and arbitration organizations and maintain a file on each. An individual neutral arbitrator's file should contain the history of the arbitrator's rulings in Kaiser arbitrations, written decisions (if any) in those cases, a biography and any additional information necessary to enable parties to screen for bias and possible conflicts of interest.**

Status: Completed. A list of arbitrators on the OIA's panel is available from the OIA and is posted on the OIA's website at www.oia-kaiserarb.com. The OIA maintains a file for each arbitrator. The files contain copies of the arbitrators' lengthy applications, redacted awards that the OIA has received under Rule 39(c), and other documents such as biographies

and resumes. The application includes a question in which arbitrators must set forth any previous involvement in a Kaiser matter within the last five years. The files also contain evaluation forms completed by parties to prior OIA arbitrations. When the OIA sends an LPA to parties, each side receives a copy of the file for each of the 12 randomly selected arbitrators on the list. Any neutral arbitrator selected by the parties must also make disclosures as required by law. See Rule 20.

Effective January 1, 2003, there is even more information available to enable parties to screen neutral arbitrators for bias and conflict issues. Fulfilling its duties under Ethics Standard 8 and California Code of Civil Procedure §1281.96, the OIA has posted on its website the information required about each applicable case in computer searchable format. This includes who the neutral was, who prevailed, the amount of damages awarded if any, who the attorneys were and much more. The OIA has also posted information about its own organization.

21. **These files should be made available to parties and counsel in pending Kaiser Permanente arbitrations. When a list of potential neutral arbitrators is sent to parties and counsel, a summary of the file information on the proposed neutral arbitrators should be included in that mailing.**

Status: Completed. As discussed above, a copy of each arbitrator's file is sent to the parties when an arbitrator's name appears on a list issued by the OIA. To avoid the appearance of altering or shaping information about an arbitrator, the OIA sends copies of actual documents in the file rather than a summary of documents.

Written decisions

22. **Neutral arbitrators should be required to issue brief written decisions to the parties in Kaiser Permanente arbitrations and the Independent Administrator. These decisions should include the name of the prevailing party; the amount and other relevant terms of the award, if any; and reasons for the judgment rendered.**

Status: Completed. See Rule 38. Neutral arbitrators have issued written awards to the parties in all cases decided after a hearing since the OIA began operation.

23. **The Independent Administrator should maintain a complete set of the written decisions in Kaiser Permanente arbitration cases. In addition, a copy of a neutral arbitrator's decision should be kept in that arbitrator's file. These documents should be made available, as described above, to parties and counsel in pending Kaiser Permanente arbitrations.**

Status: See discussion for Recommendations 20 and 21.

Protection of privacy

24. **In developing principles to govern the Independent Administrator and the neutral arbitrators who will serve in Kaiser Permanente cases, Kaiser Permanente and the Advisory Committee should give substantial care to ensure the privacy of members, physicians and Kaiser personnel. Prior to making past awards and written decisions available, as recommended above, the Independent Administrator should remove the names of parties, members, physicians and Kaiser Permanente personnel, as well as the name and location of the Kaiser facility.**

Status: Completed. Rule 39(c) requires Kaiser to provide the OIA with copies of redacted awards. Redacted awards become part of the OIA file for the neutral arbitrator who issued the award. The redacted awards are the same ones which Kaiser is required by statute to prepare for California's Department of Managed Health Care.

Enhancement of settlement opportunities

25. **The Independent Administrator should ensure that the neutral arbitrator schedules, but does not attend, an early meeting between the parties to consider settlement, either through direct negotiations or with the assistance of a mediator.**

Status: Completed. Under Rule 26, the parties must hold a mandatory settlement meeting (MSM) within 6 months of the Arbitration Management Conference. The OIA tracks the scheduling and the holding of the MSM. We have received MSM forms in 145 of the 510 open cases which have held the preliminary management conference, a prerequisite for the MSM. Whether an MSM is held, 46% of our cases settle – many of them early. However, their dates of settlement are not correlated to the holding of the settlement meeting.

- 26. Within twelve (12) months of this report, Kaiser Permanente should consult with the Independent Administrator and the Advisory Committee and begin implementation of a mediation program.**

Status: Not completed. No such program is planned. However, Kaiser and Ms. Hartmann had several discussions about this recommendation. Kaiser believes that its present internal dispute resolution mechanisms, external review, and the statutory changes requiring DMHC intervention in benefits and coverage disputes have met the spirit of this recommendation. Kaiser has significantly reduced its number of open claims by utilizing its present devices. It does not believe that a mediation program as such is needed now and does not plan to start one.

Encouraging use of the sole arbitrator

- 27. If the member requests a single, neutral arbitrator, Kaiser Permanente should consent and pay the full fee of the neutral arbitrator. If Kaiser Permanente insists upon a tripartite panel in these circumstances, it should pay for all fees of the neutral arbitrator as well as its own party arbitrator.**

Status: Completed. Rules 14 and 15 provide these features. In about 42% of the cases the OIA has administered or is administering (1,744 of 4,176 cases), claimants have elected to shift the responsibility for paying the neutral arbitrator's fees and expenses to Kaiser. Based on the information we have about the 97 cases that we received and that closed in 2003, neutral arbitrators report that Kaiser paid their fees and expenses in 81% of the cases which had fees. This sample may or may not be representative – the cases closed quickly. See Sections VIII.C. of the annual report.

Oversight and monitoring

- 28. The Independent Administrator should report annually to Kaiser Permanente and the Advisory Committee. The report should discuss the actions taken to achieve the program's goals and whether those goals are being met. The annual report shall be made available to the Advisory Committee and, upon request, to Kaiser Permanente members, employer/purchasers and the general public.**

Status: Completed. This is the fifth annual report. Each report has reported in detail on the system's goals and its level of success in meeting them. The AAC and now the AOB has reviewed each report before its release and commented

on it in an attached exhibit. Hard copies of the annual report are available to the public without cost from Kaiser and from the OIA. The report, and its predecessors, can also be read or downloaded from the OIA's website at www.oia-kaiserarb.com.

- 29. No less than every five years, an independent audit of the Independent Administrator should be undertaken. This audit shall also be made available to the Advisory Committee and, upon request, to Kaiser Permanente members, employer/purchasers and the general public.**

Status: In progress, not completed. The AOB selected a firm to do the audit and held many discussions about the scope of the audit. It is expected to occur in May 2004.

- 30. Kaiser Permanente should conduct on-going, internal research to assess the extent to which the arbitration system is meeting its stated goals.**

Status: Unknown. This recommendation does not call for the OIA's participation.

D. Improvement of the Pre-arbitration System

- 31. Kaiser Permanente should establish and fund a formal Ombudsperson program to assist members in the complaint and grievance processes.**

Status: Unknown. This recommendation does not call for the OIA's participation.

- 32. The Kaiser Permanente dispute resolution system should be standard across all facilities in California and should be communicated more clearly and directly, in writing, to its members.**

Status: To the extent that this recommendation involves systems other than arbitration, the OIA has no information because it is not involved.

With regard to the OIA, the system is completely standard across the state. The OIA treats each demand for arbitration received from Kaiser in the same fashion, sending a written description of its system and a copy of the *Rules* to all claimants who file demands. All OIA cases are administered in the same manner.

E. Cases Not Involving Medical Malpractice

- 33. Kaiser Permanente should consult with the Advisory Committee and the Independent Administrator to determine whether different arbitration procedures are needed for benefits and coverage cases and matters other than medical malpractice.**

Status: Ongoing, essentially completed. At this point, 91% of the cases in the OIA system (3,786 of 4,176) are medical malpractice. Benefits and coverage cases have constituted 2% of the system (71 of 4,176). Only two of them have requested expedited status. Both closed in 2001 in three to four months. There were none so designated in 2003. Kaiser has forwarded claims of the following types to the OIA: medical malpractice, premises liability, other tort, benefits, and unknown (because the demand does not contain this information). So far, all types of cases are proceeding under a single set of rules.

F. Speed of Implementation

- 34. The Advisory Committee should be appointed no later than February 1, 1998.**

Status: Completed late. The Arbitration Advisory Committee was appointed in April of 1998.

- 35. The Independent Administrator should be selected no later than April 1, 1998.**

Status: Completed late. Kaiser and the Law Offices of Sharon Lybeck Hartmann executed their contract on November 4, 1998.

- 36. Kaiser Permanente should develop and publish an implementation schedule for these recommendations as rapidly as possible.**

Status: The OIA is not aware of a published implementation schedule for the Blue Ribbon Panel's recommendations. However, as noted throughout this exhibit, 32 out of 36 recommendations have been completed or essentially completed. Two recommendations, mediation and the audit of the OIA, have not been done, but the audit will be completed in 2004. We have no information about recommendations 30, and 31 (internal research and the ombudsperson) which do not involve us. However, the AOB may have such information or be able to obtain it.

EXHIBIT C

**Rules for Kaiser Permanente Member
Arbitrations Administered by the
Office of the Independent Administrator,
Amended as of January 1, 2003**

**RULES FOR KAISER PERMANENTE MEMBER
ARBITRATIONS**

ADMINISTERED BY

THE OFFICE OF THE INDEPENDENT ADMINISTRATOR

AMENDED AS OF JANUARY 1, 2003

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A. GENERAL RULES

1. Goal

These Rules are intended to provide an arbitration process that is fair, timely, lower in cost than litigation, and that protects the privacy interests of all Parties.

2. Administration of Arbitration

The arbitrations conducted under these Rules shall be administered by the Office of the Independent Administrator. Arbitrations conducted under these Rules shall be considered to be consumer arbitrations under California law.

3. Confidentiality

Information disclosed to, and documents received by, an Arbitrator or the Independent Administrator by or from the Parties, their representatives, or witnesses in the course of the arbitration shall not be divulged by the Arbitrator or the Independent Administrator. With respect to the Independent Administrator, this Rule shall not apply to communications concerning Arbitrators, disclosures required by law, or statistical information used in its annual reports.

4. Code of Ethics

All Neutral Arbitrators appointed on or after July 1, 2002, shall comply with the Ethics Standards for Neutral Arbitrators in Contractual Arbitration, Division VI of the Appendix to the California Rules of Court ("Ethics Standards.") All other arbitrators shall comply with the AAA Code of Ethics for Arbitrators in Commercial Disputes.

5. Meaning of Arbitrator

The term "Arbitrator" in these Rules refers to the arbitration panel, whether composed of one or more Arbitrators or whether the Arbitrators are Neutral or Party. The term "Party Arbitrator" means an Arbitrator selected by one of the sides to the arbitration. The term "Neutral Arbitrator" means any Arbitrator other than a "Party Arbitrator."

6. Authority of Arbitrators

Once appointed, the Neutral Arbitrator will resolve disputes about the interpretation and applicability of these Rules, including disputes relating to the duties of the Arbitrator and the conduct of the Arbitration Hearing. In cases involving more than one Arbitrator, however, issues that are dispositive with respect to a claim, including summary judgment motions, will be ruled on by all three Arbitrators and decided by a majority of them. Upon commencement of the Arbitration Hearing and thereafter, all substantive decisions shall be made by a majority of the full panel or as otherwise agreed by them.

7. Contents of the Demand for Arbitration

The Demand for Arbitration shall include the basis of the claim against the Respondent(s); the amount of damages the Claimant(s) seeks in the Arbitration; the name, address and telephone number of the Claimant(s) and their attorney, if any; and the name of all Respondent(s). Claimant(s) shall

include all claims against Respondent(s) that are based on the same incident, transaction, or related circumstances in the Demand for Arbitration.

8. Serving Demand for Arbitration

- a. In Northern California, Kaiser Foundation Health Plan, Inc. (“Health Plan”), Kaiser Foundation Hospitals, and/or The Permanente Medical Group, Inc. shall be served with a Demand for Arbitration by mailing the Demand for Arbitration addressed to that Respondent(s) in care of:

Kaiser Foundation Health Plan, Inc. or Legal Department P.O. Box 12916 Oakland, CA 94604	Kaiser Foundation Health Plan, Inc. Legal Department 1950 Franklin Street, 17th Floor Oakland, CA 94612
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Service on that Respondent shall be deemed completed when received.

- b. In Southern California, Health Plan, Kaiser Foundation Hospitals, and/or Southern California Permanente Medical Group, shall be served with a Demand for Arbitration by mailing the Demand for Arbitration to that Respondent(s) in care of:

Kaiser Foundation Health Plan, Inc.
Legal Department
393 East Walnut Street
Pasadena, CA 91188

Service on that Respondent shall be deemed completed when received.

- c. All other Respondent(s), including individuals, must be served as required by the California Code of Civil Procedure for a civil action.
- d. All Respondent(s) served with a Demand for Arbitration in the manner described above shall be Parties to the Arbitration. The Arbitrator shall have jurisdiction only over Respondent(s) actually served. If Claimant(s) serves any Respondent(s) other than an organization affiliated with Kaiser Permanente, the Claimant(s) shall serve a proof of service of that Respondent(s) on the Independent Administrator.

9. Serving Other Documents

- a. Service of other documents required by these Rules will be made on the Parties or Arbitrator at their last known address. If the Party is represented in this arbitration, that counsel shall be served instead of the Party. Service may be made by personal service, Federal Express or other similar services, facsimile transmission, or by U.S. mail.
- b. Parties should only serve the Independent Administrator with those documents specified in these Rules. Unless otherwise directed by the Neutral Arbitrator, the parties should not serve the Independent Administrator with copies of motions or briefs. Service for the Independent Administrator shall be directed to:

Office of the Independent Administrator for the
Kaiser Foundation Health Plan, Inc.
P. O. Box 76587
Los Angeles, California 90076-0587

or

Fax: 213-637-8658.

- c. If a Party or Arbitrator serves the Independent Administrator by fax, the Party or Arbitrator shall call the Independent Administrator's office at 213-637-9847 to confirm receipt or shall retain confirmation of receipt of the faxed document.
- d. Service on the Independent Administrator is effective on the date the Independent Administrator receives the document.

10. Representation

Parties represented by counsel shall not contact the Independent Administrator except through counsel.

B. RULES ON COMMENCEMENT OF ARBITRATION AND SELECTION OF ARBITRATORS

11. Initiation of Arbitration

Demands for Arbitration shall be served in accordance with Rule 8. Whether or not the Claimant(s) has enclosed a filing fee, within ten (10) days of such service upon the Health Plan at the address set forth in Rule 8, Health Plan shall transmit the Demand for Arbitration and the envelope it came in to the Independent Administrator using the Transmission Form. If the Claimant(s) submitted a filing fee with the Demand, the Health Plan shall transmit the filing fee as well. Health Plan shall also serve a copy of the Transmission Form on the Claimant(s).

12. Filing Fee

- a. Claimant(s) seeking arbitration shall pay a single, non-refundable, filing fee of \$150 per arbitration payable to "Arbitration Account" regardless of the number of claims asserted in the Demand for Arbitration or the number of Claimants or Respondents named in the Demand for Arbitration.
- b. **The Independent Administrator will waive the filing fee for Claimant(s) who submit forms that show that the Claimants' gross monthly income is less than 300 percent of the federal poverty guidelines. A copy of this form may be obtained from the Independent Administrator. Claimants should not serve a copy of this form on Respondent(s).**
- c. If Claimant(s) wishes to have both the filing fee and the Neutral Arbitrators' fees waived, the Claimant(s) should follow the procedure set out in Rule 13. If Claimant(s) wishes only to avoid paying the fees for the Neutral Arbitrator,

but can afford the filing fee or has received a waiver under 12.b, the Claimant(s) should follow the procedure set out in Rule 15.

- d. If a Claimant(s) fails to pay the filing fee or obtain a waiver of that fee within seventy-five (75) days of the date of the Transmission Form, the Independent Administrator will not process the Demand and it shall be deemed abandoned.
- e. While the filing fee is normally non-refundable, if Claimant(s) has paid the filing fee with the Demand for Arbitration before receiving notice of the opportunity to have it waived, the Independent Administrator will refund the fee if it receives a completed waiver form within seventy-five (75) days of the date of the Transmission Form and grants the waiver.

13. Waiver of Filing and Neutral Arbitrator Fees

Any Claimant(s) who claims extreme hardship may request that the Independent Administrator waive the filing fee and Neutral Arbitrator's fees and expenses. A Claimant(s) who seeks such a waiver shall complete the Fee Waiver Form and submit it to the Independent Administrator and simultaneously serve it upon Respondent(s). The Fee Waiver Form sets out the criteria for waiving fees and is available from the Independent Administrator or by calling the Kaiser Permanente Member Service Customer Center at 1-800-464-4000. Respondent(s) may submit any response to the Independent Administrator within ten (10) days of the date of Claimant's Fee Waiver Form, and shall simultaneously serve any submission upon Claimant(s). Within fifteen (15) days of receipt of a Fee Waiver Form, the Independent Administrator shall determine whether the fees should be waived and notify the Parties in writing of the decision. In those cases where the Independent Administrator grants the waiver of fees, the Independent Administrator shall waive the filing fee and Health Plan shall pay the Neutral Arbitrator's fees and expenses.

14. Number of Arbitrators

- a. If the Demand for Arbitration seeks total damages of \$200,000 or less, the dispute shall be heard and determined by one Neutral Arbitrator, unless the Parties otherwise agree in writing that the arbitration shall be heard by two Party Arbitrators and a Neutral Arbitrator. The Arbitrators shall not have authority to award monetary damages that are greater than \$200,000.
- b. If the Demand for Arbitration seeks total damages of more than \$200,000, the dispute may be heard and determined by one Neutral Arbitrator and two Party Arbitrators, one appointed by the Claimant(s) and one appointed by the Respondent(s). Parties who are entitled to select a Party Arbitrator under these Rules may agree to waive this right. If both Parties agree, these arbitrations will be heard by a single Neutral Arbitrator.
- c. A Party who is entitled to a Party Arbitrator and decides to waive this right shall sign a Waiver of Party Arbitrator Form and serve a copy of it upon the Independent Administrator, Neutral Arbitrator, and other Party. The Claimant(s) shall serve this form on the Neutral Arbitrator and Respondent(s) no later than the date of the Arbitration Management Conference set out in Rule 25 and shall serve the Independent Administrator no later than five (5) days after serving the other Parties. If a Claimant(s) serves Respondent(s) with a signed Waiver of Party Arbitrator Form, Respondent(s) shall inform Claimant(s) within five (5) days of the date of that Form if Respondent(s) will also waive the Party Arbitrator.

- d. The Blue Ribbon Advisory Panel on Kaiser Permanente Arbitration concluded that Party Arbitrators increase the cost and cause more delay than would occur with a single Neutral Arbitrator. The Independent Administrator therefore encourages Parties to use a single Neutral Arbitrator to decide cases.
- e. The number of Arbitrators may affect the Claimant(s)' responsibility for paying the Neutral Arbitrator's fees and expenses, as set out in Rule 15.

15. Payment of Neutral Arbitrator Fees and Expenses

- a. Respondent shall pay for the fees and expenses incurred by the Neutral Arbitrator if
 - i. Claimant(s) agrees to waive any potential objection arising out of such payment, signs the Waiver of Objection Form, and serves a copy of it on the Independent Administrator and Respondent(s); and
 - ii. either the arbitration has only a single Neutral Arbitrator or the Claimant(s) has served a Waiver of Party Arbitrator Form as set out in Rule 14.c.
- b. In arbitrations where the Independent Administrator has granted Claimant's Fee Waiver request, Respondent shall pay the fees and expenses incurred by the Neutral Arbitrator.
- c. In all other arbitrations, the fees and expenses of the Neutral Arbitrator shall be paid one-half by the Claimant(s) and one-half by the Respondent(s).
- d. Nothing in this Rule shall prohibit an order requiring the payment of the Neutral Arbitrator's fees and expenses which were incurred as a result of conduct which causes the Neutral Arbitrator to incur needless fees and expenses. Such conduct includes, but is not limited to, failure to respond to discovery requests, abusive discovery practices, the filing of frivolous motions of all sorts, and untimely requests for continuances. In the event that such a finding is made by the Neutral Arbitrator, those fees and expenses shall be paid by the responsible Party or counsel. The Neutral Arbitrator shall make such a finding in writing, shall specify what fees and expenses are covered by the order, and shall serve a copy of the finding on the Independent Administrator with the Parties' names redacted.

16. List of Possible Arbitrators

- a. Within three (3) business days after the Independent Administrator has received both the Demand for Arbitration and the filing fee, or has granted a request for waiver of fees, it shall simultaneously send to each Party an identical List of Possible Arbitrators, along with the Application forms of and redacted Awards, if any, by each of the possible Neutral Arbitrators.
- b. The List of Possible Arbitrators shall contain the names of twelve (12) persons. The Independent Administrator will choose the twelve (12) names at random from the Independent Administrator's arbitration panel for San Diego, Southern or Northern California, based on the location where the cause of action arose.

- c. Unless there is a ninety (90) day continuance pursuant to Rule 21, the Parties shall serve the Independent Administrator with their response to the List of Possible Arbitrators on or before the deadline date appearing on the List of Possible Arbitrators. This deadline will be twenty (20) days from the day the Independent Administrator sent the List of Possible Arbitrators. Rules 17 and 18 specify how the Parties may respond.

17. Joint Selection of the Neutral Arbitrator

- a. The Parties may all agree upon a person listed on the List of Possible Arbitrators. If they do, the Parties and counsel shall sign the Joint Selection of Neutral Arbitrator Form. Unless there is a ninety (90) day continuance pursuant to Rule 21, the Parties shall serve the form on the Independent Administrator by the deadline set out in Rule 16.c.
- b. Rather than selecting a Neutral Arbitrator from the List of Possible Arbitrators, the Parties may agree to select another person to serve as Neutral Arbitrator, provided that the person agrees in writing to comply with these Rules. If the Parties collectively select a person not on the List of Possible Arbitrators, all the Parties and counsel shall complete and sign the Joint Selection of Neutral Arbitrator Form. Unless there is a ninety (90) day continuance pursuant to Rule 21, the Parties shall serve the form on the Independent Administrator by the deadline set out in Rule 16.c.
- c. The Independent Administrator encourages Parties, if possible, to make more than one joint selection and requires the Claimant and Respondent to individually submit the List of Possible Arbitrators under Rule 18. If the person the Parties have jointly selected is unable to serve, the Independent Administrator will then first use other joint selection(s). If only one joint Selection was submitted, the Independent Administrator will then use the strike and ranked List(s) of Possible Arbitrators. If no such List was submitted, Rule 18.c shall apply, and the Independent Administrator will randomly select a possible Neutral Arbitrator from the List of Possible Arbitrators.
- d. After the Independent Administrator has received these forms, it will send a Letter Confirming Service to the person who has agreed to act as Neutral Arbitrator, with a copy to the Parties.

18. Selection of the Neutral Arbitrator When the Parties Do Not Agree

- a. If the Parties do not collectively agree upon a Neutral Arbitrator, the Neutral Arbitrator shall be selected from the List of Possible Arbitrators in the following manner. Claimant(s) and Respondent(s) may each strike up to four (4) names to which the Party objects and shall rank the remaining names in order of preference with "1" being the strongest preference. No name should be left blank. Unless there is a ninety (90) day continuance pursuant to Rule 21, the Parties shall serve their preferences on the Independent Administrator by the deadline set out in Rule 16.c.
- b. Regardless of the number of Claimants or Respondents, the Claimant(s) shall return only one list of preferences and the Respondent(s) shall return only one list of preferences. If they do not, Rule 18.c will apply.
- c. Unless there is a ninety (90) day continuance pursuant to Rule 21, if a Party does not serve the Independent Administrator with a response by the deadline set out in Rule 16.c, all persons named on the List of Possible

Arbitrators shall be deemed equally acceptable Neutral Arbitrators to that Party.

- d. At any time before the Party's response is due, a Party or representative may request to review further information, if any, which the Independent Administrator has in its files about the persons named on the List of Possible Arbitrators. Parties and their representatives may call the Independent Administrator at 213-637-9847 to request such information. The Parties and their representatives may review the information by going to the Independent Administrator's office. If requested, the Independent Administrator will also send the information to the Party or attorney by mail or fax. Parties who request that further information be sent to them shall be responsible for the Independent Administrator's cost of providing it, with no charge made for duplication of the first twenty-five (25) pages. Time spent requesting or waiting for the additional information shall not extend the time to respond to the List of Possible Arbitrators.
- e. Working from the returned Lists of Possible Arbitrators it has timely received, the Independent Administrator shall invite a person to serve as the Neutral Arbitrator, asking first the person with the lowest combined rank whose name has not been stricken by either Party. If the person with the lowest combined rank is not available, the Independent Administrator will ask the second lowest ranked person who was not stricken by either party, and will continue until a person whose name was not stricken agrees to serve. When the Independent Administrator contacts the persons, it shall inform them of the names of the Parties and their counsel and ask them not to accept if they know of any conflict of interest. If there is a tie in ranking, the Independent Administrator shall select a person at random from those choices who are tied.
- f. If, for any reason, a Neutral Arbitrator cannot be obtained from the first List of Possible Arbitrators, the Independent Administrator shall send a second List of Possible Arbitrators to the Parties. The procedure and timing in that case shall be the same as that for the first List of Possible Arbitrators. If, for any reason, a Neutral Arbitrator cannot be obtained from the second List of Possible Arbitrators, the Independent Administrator shall randomly select a Neutral Arbitrator from the other members on the panel who have not been named on either prior List of Possible Arbitrators.
- g. If a Neutral Arbitrator should die, become incapacitated, be disqualified, or otherwise become unable or unwilling to proceed with the arbitration after appointment, the Independent Administrator shall serve the Parties with a new List of Possible Arbitrators and the selection process as set out in Rules 16 through 18 shall begin again.

19. Acceptance by the Neutral Arbitrator

- a. If a person in the Independent Administrator's pool is appointed as the Neutral Arbitrator in a case and either served a notice saying no further work by the Parties or the attorneys would be accepted during the pendency of the case, or failed to serve any Standard 12(b) disclosure, the person shall be removed from the pool until the case is closed.
- b. When a person agrees to act as a Neutral Arbitrator under Rule 18, the Independent Administrator shall send the person a copy of these Rules and a Letter Confirming Service. The Independent Administrator shall also serve the Parties with a copy of the Letter Confirming Service.

20. Disclosure and Challenge

- a. The person who has agreed to serve as Neutral Arbitrator shall make disclosures as required by law, including California Code of Civil Procedure Section 1281.9 or its successor statute and the Ethics Standards simultaneously upon the Parties and the Independent Administrator. Party responses, if any, shall be in accordance with the Code, with a copy served to the Independent Administrator. After the time for any response has passed, the Independent Administrator will deem that the Neutral Arbitrator has been appointed if no timely objection is received.
- b. The Neutral Arbitrator shall make all further disclosures as required by law, including California Code of Civil Procedure Section 1281.9 or its successor statute and the Ethics Standards simultaneously upon the Parties and the Independent Administrator. Party responses, if any, shall be in accordance with the code, with a copy served to the Independent Administrator.

21. Postponement of Selection of Neutral Arbitrator

- a. The Claimant(s) may obtain a single postponement of up to ninety (90) days for the appointment of the Neutral Arbitrator by serving a written request for postponement on the Independent Administrator on or before the date that the response to the List of the Possible Arbitrators is due under Rule 16. Claimant(s) shall serve a copy of this request for postponement on the Respondent(s). Regardless of the number of Claimants, Claimant(s) is entitled to only a single ninety (90) day postponement of the appointment of the Neutral Arbitrator.
- b. If the Claimant(s) agrees in writing, Respondent(s) may obtain a single ninety (90) day postponement for the appointment of the Neutral Arbitrator. Respondent(s) shall serve a written request for postponement on the Independent Administrator before the date that the response to the List of the Possible Arbitrators is due under Rule 16.c.
- c. There shall be only one postponement whether made by either Claimant(s) or Respondent(s) pursuant to this Rule in any arbitration.

22. Selection of the Party Arbitrator

- a. If the Parties are entitled to a Party Arbitrator and have not waived that right, the Claimant(s) and the Respondent(s) shall each select a Party Arbitrator and notify the Independent Administrator and the Neutral Arbitrator of the Party Arbitrator's name, address, and telephone and fax numbers. Each Party Arbitrator shall sign the Agreement to Serve, and submit it to the Independent Administrator before serving in the arbitration.
- b. If possible, the Parties should select the Party Arbitrators before the Arbitration Management Conference that is set forth in Rule 25. Any Party Arbitrator who is selected after the Arbitration Management Conference shall conform to any arbitration schedule established prior to his or her selection. Notwithstanding any other Rule, if a Party Arbitrator has not been selected, or has not signed the Agreement to serve, or does not attend a hearing, conference or meeting set by the Neutral Arbitrator of which the Party Arbitrator or Party had notice, the remaining Arbitrators may act in the absence of such Party Arbitrator.

- c. Regardless of the number of Claimants or Respondents, all of the Claimant(s) are entitled to only one Party Arbitrator and all of the Respondent(s) are entitled to only one Party Arbitrator.
- d. No Claimant, Respondent, or attorney may act as Party Arbitrator in an arbitration in which he or she is participating in any other manner.

23. Appointment of Chairperson

In cases involving more than one Arbitrator, the Neutral Arbitrator will chair the arbitration panel. Absent objection by any Party, the Neutral Arbitrator shall have the authority to decide all discovery and procedural matters, but may not decide dispositive issues without the Party Arbitrators. Dispositive issues shall be decided by a majority of the Arbitrators. The Neutral Arbitrator will also set the time and location of hearings and be responsible for submitting all necessary forms to the Independent Administrator. Upon commencement of the Arbitration Hearing and thereafter, all substantive decisions shall be made by a majority of the Arbitrators or as otherwise agreed by them.

C. RULES FOR REGULAR PROCEDURES

24. Deadline for Disposing of Arbitrations

- a. Unless Rule 24.b, 24.c, or 33 applies, the Neutral Arbitrator shall serve an Award on the Parties and the Independent Administrator, or the arbitration shall be otherwise concluded, within eighteen (18) months of the Independent Administrator receiving the Demand for Arbitration and filing fee or granting the fee waiver. The Parties and Arbitrator are encouraged to complete the arbitration in less time than the maximums set forth in the Rules, if that is consistent with a just and fair result.
- b. If all of the Parties and their counsel agree that the claim is a complex case and the Neutral Arbitrator agrees, the Neutral Arbitrator shall serve an Award on the Parties and the Independent Administrator, or the arbitration shall be otherwise concluded, within twenty-four (24) to thirty (30) months of the Independent Administrator receiving the Demand for Arbitration and filing fee or granting the fee waiver. The Parties, counsel, and the Neutral Arbitrator shall sign and serve the Designation of Complex Arbitration Form upon the Independent Administrator.
- c. There may be some small number of extraordinary cases which cannot be disposed of within thirty (30) months, such as those where the damages or injuries cannot be ascertained within that time. If all the Parties, counsel, and Neutral Arbitrator agree, the Neutral Arbitrator may select a later date for disposition of the case. The Parties, counsel, and the Neutral Arbitrator shall sign and serve the Designation of Extraordinary Arbitration Form upon the Independent Administrator. This form will set forth the reason for this designation and the target disposition date.
- d. It is the Neutral Arbitrator's responsibility to set a hearing date and to ensure that the arbitration proceeds within the time limits set out in these Rules. Failure by the Parties, counsel, or Neutral Arbitrator to comply with this Rule may subject them to sanction, removal as Neutral Arbitrator, or removal from the pool of Neutral Arbitrators. However, this Rule is not a basis to dismiss an arbitration or a claim. Nothing in this paragraph affects the remedies otherwise available under law for violation of any other Rule.

25. Arbitration Management Conference

- a. The Neutral Arbitrator shall hold an Arbitration Management Conference with the attorneys representing the Parties, or the Claimant in pro per and the attorney(s) representing Respondent(s) within sixty (60) days of the date of the Letter Confirming Service of the Neutral Arbitrator. The Neutral Arbitrator shall give notice to the Parties of the time and location at least ten (10) days in advance. The Arbitration Management Conference may be conducted by telephone or by video conference if such facilities are available.
- b. The Neutral Arbitrator shall discuss, but is not limited to, the following topics:
 - i. the status of the Parties, claims, and defenses;
 - ii. a realistic assessment of the case;
 - iii. any pending or intended motions;
 - iv. completed and intended discovery;
 - v. the procedures to be followed, including any written submissions the Neutral Arbitrator requires or permits; and
 - vi. if appropriate, whether the Parties have or will waive any Party Arbitrator.
- c. At the Arbitration Management Conference, the Arbitrator shall establish:
 - i. the schedule for motions and the mandatory settlement meeting and
 - ii. the dates of the Arbitration Hearing. The Arbitrator and the Parties shall schedule the Arbitration Hearing for consecutive days if more than one day is necessary. If the Arbitrator permits post-Arbitration briefs, the dates for the Arbitration Hearing must be set early enough to ensure that it will be closed within the deadlines established in Rule 24.
- d. If any of the Parties is not represented by counsel, the Neutral Arbitrator should explain the process to be followed at the Arbitration Hearing, use of motions, need for expert witnesses, costs, etc.
- e. The Neutral Arbitrator shall record all deadlines established by the Neutral Arbitrator during the Arbitration Management Conference on the Arbitration Management Conference Form. The Neutral Arbitrator shall serve the Arbitration Management Conference Form on the Parties and the Independent Administrator within five (5) days of the Arbitration Management Conference. The Neutral Arbitrator shall also serve a copy of the Arbitration Management Conference Form on the Party Arbitrators if and when they are named.
- f. At any time after the Arbitration Management Conference, the Neutral Arbitrator may require, or the Parties may request, additional conferences to discuss administrative, procedural, or substantive matters and to assure that the case continues to move expeditiously. Neutral Arbitrators are encouraged to conduct such conferences by telephone or video conference if facilities are available.

26. Mandatory Settlement Meeting

- a. No later than six (6) months after the Arbitration Management Conference, attorneys representing the parties, or the claimant in pro per and the attorneys representing the respondents shall conduct a mandatory settlement meeting. Represented parties are not required to attend, but if they choose not to do so, either their attorneys must be fully authorized to settle the matter, or the parties not present must be immediately available by phone for consultation with their attorneys while the meeting is in progress. The Parties shall jointly agree on the form these settlement discussions shall take, which may include a conference by telephone, a video-conference, an in-person meeting or any other format they shall agree upon. This Rule does not require that a neutral third party oversee the mandatory settlement meeting; nor does it preclude the presence of such a person. The Neutral Arbitrator shall not take part in the mandatory settlement meeting. Within five (5) days after the mandatory settlement meeting, the Parties and their counsel shall sign the Mandatory Settlement Meeting Form and serve a copy on the Independent Administrator to confirm that the meeting occurred. If the Parties have settled the claim, they shall give notice as required in Rule 40.
- b. This Rule sets a deadline for the Parties to conduct a mandatory settlement meeting. The Parties are encouraged to engage in settlement discussions at an earlier date.

27. Discovery

- a. Discovery may commence as soon as the Health Plan serves Claimant(s) with a copy of the Transmission Form, unless some Party objects in writing. If a Party objects, discovery may commence as soon as the Neutral Arbitrator is appointed. Discovery shall be conducted as if the matter were in California state court. Any extension of time for completion of discovery shall not affect the date of the Arbitration Hearing.
- b. The Parties should address problems stemming from the discovery process to the Neutral Arbitrator for rulings. The time for serving any discovery motions shall commence as required by the California Code of Civil Procedure or upon the appointment of the Neutral Arbitrator, whichever is later.
- c. If the Claimant(s) requests and at the Claimant's expense, Health Plan or the affiliated entities that are named as Respondent(s) shall serve a copy of that portion of Claimant's medical records requested on the Claimant(s) within thirty (30) days of Claimant's request.
- d. At the request of the Parties and as would be permitted in state court, the Neutral Arbitrator may issue orders to protect the confidentiality of proprietary information, trade secrets, or other sensitive or private information.

28. Postponements

- a. Any postponement of dates other than that set out in Rule 21 shall be requested in writing from the Neutral Arbitrator if one has been appointed or from the Independent Administrator if the Neutral Arbitrator has not been appointed or has become incapacitated. The request shall set out good cause for the postponement and whether the other Party agrees.

Postponements, absent extraordinary circumstances, shall not prevent the Arbitration Award from being served within the time periods specified in Rule 24. Failure of the parties to prepare for a scheduled hearing or to keep the hearing dates free from other commitments does not constitute extraordinary circumstances.

- b. Whenever a Party requests a postponement of an Arbitration Hearing, the request must be in the form of a written motion to the Neutral Arbitrator, with a copy served on the Parties.
 - i. The motion must state the reasons for the request.
 - ii. The Neutral Arbitrator must issue a written order that either denies or grants the motion for postponement, states who made the motion, and gives the reason for the decision. The order must be served on the parties and the Independent Administrator. If the Neutral Arbitrator grants the motion, the order must state the date to which the hearing has been postponed.
 - iii. If the motion for a postponement is granted, the Neutral Arbitrator has the discretion to enter an order requiring that the Neutral Arbitrator's costs and fees associated with the postponement of an Arbitration Hearing be paid by the party requesting the postponement

29. Failure to Appear

- a. The arbitration may proceed in the absence of a Party, a Party's attorney, or a Party Arbitrator who, after due notice of the date, time, and location of the Arbitration Hearing, or any other conference or hearing, fails to be present and failed to obtain a postponement. If the date of the Arbitration Hearing has not been changed, service of the Arbitration Management Conference Form on a Party shall constitute due notice.
- b. An Award shall not be made solely on the default of a Party. The Arbitrator may require each Party who attends to submit such evidence as the Arbitrator requires for the making of an Award.

30. Securing Witnesses for the Arbitration Hearing

The Party's attorney, the Neutral Arbitrator, or other entity authorized by law may issue subpoenas for the attendance of witnesses or the production of documents. The Independent Administrator shall not.

31. Close of Hearing or Proceeding

- a. When the Parties have rested, the Neutral Arbitrator shall declare the Arbitration Hearing closed.
- b. The Neutral Arbitrator may defer the closing of the Arbitration Hearing until a date agreed upon by the Neutral Arbitrator and the Parties, to permit the Parties to submit post-Hearing papers. The date for the post-Hearing submissions shall not be more than fifteen (15) days after the Parties have rested. If post-Hearing papers are to be submitted, the Arbitration Hearing will be deemed closed on the date set for the submission. If a Party fails to submit the papers by the closing date, the Neutral Arbitrator need not accept or consider them.
- c. The time limit under Rule 37 for the Neutral Arbitrator to make the Award shall begin to run upon the closing of the Arbitration Hearing or proceeding. The late filing of a post-hearing paper shall not affect the deadline for making the Award.

32. Documents

After making the Award, the Neutral Arbitrator has no obligation to preserve copies of the exhibits or documents the Neutral Arbitrator has previously received.

D. RULES FOR EXPEDITED PROCEDURES

33. Expedited Procedures

- a. Expedited Procedures are available in an arbitration where the Claimant(s) requires an Award in less time than that set out in Rule 24.a. The need for the Expedited Procedures shall be based upon any of the following:
 - i. a Claimant or member suffers from an illness or condition raising substantial medical doubt of survival until the time set for an Award according to Rule 24.a; or
 - ii. a Claimant or member seeks a determination that he or she is entitled to a drug or medical procedure that the Claimant or member has not yet received; or
 - iii. other good cause.
- b. The Claimant(s) and Respondent(s) may submit evidence, including declarations by physicians or others, to establish any of these criteria.
- c. If either the Independent Administrator or the Neutral Arbitrator decide that Expedited Procedures are required, the arbitration shall be disposed of within the time set out in that order. No extension of that time is allowed.

- d. Except when inconsistent with orders made by the Neutral Arbitrator to meet the deadline for the disposition of the case, the other Rules shall apply to cases with Expedited Procedures.

34. Seeking Expedited Procedures from the Independent Administrator

- a. If Claimant(s) believes that Expedited Procedures are required and a Neutral Arbitrator has not yet been appointed, the Claimant(s) may serve a written request, with a brief statement of the reason for request for Expedited Procedures and the length of time in which an Award is required, on the Independent Administrator, with a copy to Respondent(s). Respondent(s) shall provide written opposition to the request for Expedited Procedures, if any, within seven (7) days of the date of the request. The Independent Administrator shall decide the request and inform the Parties of the decision no later than five (5) days after any opposition by Respondent(s) is due.
- b. Should the Independent Administrator determine that Expedited Procedures are necessary, the selection procedures set out in Section B of these Rules shall be followed except that no ninety (90) day continuance shall be allowed and the Independent Administrator shall require that the Neutral Arbitrator agree to render an Award within the period required.
- c. After the Neutral Arbitrator is appointed, he or she shall promptly confer with the Parties to decide what schedule, actions, or modifications of these Rules will be needed to meet the deadline. The Neutral Arbitrator shall issue any additional orders that are necessary to assure compliance with that deadline and serve the Independent Administrator with a copy of such orders. The orders may require, by way of example and without limitation, shortening the length of time for discovery responses or motions.

35. Seeking Expedited Procedures from the Neutral Arbitrator

If a Neutral Arbitrator has been appointed, the Party seeking Expedited Procedures may, at any time, petition the Neutral Arbitrator to proceed on an expedited basis. If the Neutral Arbitrator issues an order to proceed on an expedited basis, he or she shall issue any additional orders that are necessary to assure compliance with that decision. The orders may require, by way of example and without limitation, shortening the length of time for discovery responses or motions. The Neutral Arbitrator shall serve a copy of any such orders on the Independent Administrator, including the date by which such Award shall be served.

36. Telephonic Notice

When Expedited Procedures apply, the Parties shall accept all notices, process, and other communications (other than the List of Possible Arbitrators) from the Independent Administrator and Arbitrator by telephone. The Independent Administrator and the Arbitrator shall promptly confirm any such oral notices, process, and other communications, in writing to the Parties.

E. RULES ON AWARD AND ENFORCEMENT

37. Time of Award

The Neutral Arbitrator shall serve the Award on the Parties and the Independent Administrator promptly. Unless otherwise specified by law, the Neutral Arbitrator shall serve the Award in Extraordinary and Complex cases, no later than thirty (30) business days after the closing of the Arbitration hearing, and in all other cases, no later than fifteen (15) business days after the date of the closing of the Arbitration Hearing. If post arbitration briefs are submitted, the Arbitration Hearing is closed on the date the briefs are due.

38. Form of Award

- a. A majority of the Arbitrators shall sign the Award. The Award shall specify the prevailing Party, the amount and terms of the relief, if any, and the reasons for the decision. The reasons for the decision will not become part of the Award nor be admissible in any judicial proceeding to enforce or vacate the Award. The Arbitrator may use the Arbitration Award Form. The Neutral Arbitrator shall be responsible for preparing the written Award.
- b. As required by California regulation, all written decisions must contain the following language in bold, twelve (12) point type,

“Nothing in this arbitration decision prohibits or restricts the enrollee from discussing or reporting the underlying facts, results, terms and conditions of this decision to the Department of Managed Health Care.”

39. Delivery of the Award

- a. The Neutral Arbitrator shall serve a copy of the Award on the Parties and Independent Administrator by mail.
- b. Respondent(s) shall redact the Award by eliminating the names of the enrollees, the plan, witnesses, providers, health plan employees, and health facilities.
- c. Respondent(s) shall serve the redacted Award on the Independent Administrator and Claimant(s). The redacted version of the Award will become part of the Neutral Arbitrator’s file.

40. Notice after Settlement or Withdrawal

- a. At any point in the proceedings, if the Parties reach a settlement, they shall promptly inform the Neutral Arbitrator and the Independent Administrator in writing. Upon receiving such notice, the Independent Administrator shall deem the arbitration terminated.
- b. If a Claimant decides to withdraw a demand, the Claimant or the Claimant’s attorney shall serve a notice of withdrawal upon Respondent, the Neutral Arbitrator, and the Independent Administrator.
- c. Except in cases in which the Independent Administrator receives a decision from the Neutral Arbitrator, the Neutral Arbitrator’s appointment is terminated

on the date the Independent Administrator receives written notice under Rule 40.a or 40.b. No further Neutral Arbitrator will be appointed.

41. Sanctions

The Neutral Arbitrator may order appropriate sanctions for failure of any Party to comply with its obligations under any of these rules or applicable law. These sanctions may include any sanction available under applicable law, as well as payment of all or a portion of the other Party's expenses for its Party Arbitrator or the Neutral Arbitrator's fees and expenses.

42. Release of Documents for Judicial Proceedings

The Independent Administrator shall, upon the written request of and payment by a Party, furnish to the Party, at the Party's expense, copies of any papers, notices, process or other documents in the possession of the Independent Administrator that may be required in judicial proceedings relating to that Party's arbitration.

F. RULES OF ADMINISTRATION

43. Counting of Days

- a. Unless a Rule specifies otherwise, "days" mean calendar days. Thus, all days, including holidays, Saturdays and Sundays are to be counted when counting the number of days. In determining the date an action is required, the date of the event or document that triggers the action is not included, but the date by which the action must occur is included.
- b. If a Rule refers to "business days," federal holidays, Saturdays, and Sundays are excluded when counting the number of days.
- c. If the date on which some action is to be taken, or a notice, process, or other communication would otherwise be required to be sent or a period would otherwise expire, falls on a holiday, a Saturday, or a Sunday, the date is extended to the next succeeding business day.

44. No Limit on Immunity

Nothing in these Rules limits any statutory or common law immunity that the Independent Administrator or Neutral Arbitrator may otherwise possess.

45. Neutral Arbitrator Fees

- a. If the Neutral Arbitrator was selected from the List of Possible Arbitrators, the Neutral Arbitrator's compensation for an arbitration shall accord with the fees and terms sent out to the Parties by the Independent Administrator with the List of Possible Arbitrators.
- b. The Independent Administrator is not responsible for, or involved in the collection of, the Neutral Arbitrator's fees.

46. Expenses

The expenses of witnesses for any Party shall be paid by the Party producing them. The fees and expenses of the Party Arbitrator shall be paid by the Party who selected that Party Arbitrator.

47. Forms

The Parties and the Neutral Arbitrator may request blank copies of any forms mentioned in these Rules from the Independent Administrator.

48. Questionnaire

- a. At the conclusion of the arbitration, the Neutral Arbitrator shall complete and timely return the arbitration questionnaire supplied by the Independent Administrator. This information may be used by the Independent Administrator and the Arbitration Oversight Board (“AOB”) in evaluating the arbitration system.
- b. If the Independent Administrator received the Demand for Arbitration on or after January 1, 2003, at the conclusion of the arbitration, the Neutral Arbitrator shall inform the Independent Administrator of the total fee and the percentage of fee allocated to each party. This information will be used by the Independent Administrator to comply with the disclosure requirements of California law.

49. Evaluation

At the conclusion of the arbitration, each Party shall complete and timely return the evaluation form supplied by the Independent Administrator.

50. Amendment of Rules

- a. The AOB may amend these Rules in consultation with the Independent Administrator and Health Plan. The Rules in effect on the date the Independent Administrator receives the Demand for Arbitration will apply to that arbitration throughout unless the Parties agree in writing that another version of the Rules applies. The Parties shall serve a copy of that agreement on the Independent Administrator.
- b. If the relevant law changes or an event occurs which is not contemplated by these Rules, the Arbitration Oversight Board may adopt a new Rule(s) to deal adequately with that event. New Rule(s) shall apply to all pending arbitrations if the AOB deems such a change necessary notwithstanding Rule 50.a. Any such new Rule(s) shall be created in consultation with the Independent Administrator and Health Plan and shall not be inconsistent with existing Rules unless the Independent Administrator agrees to the change. The Independent Administrator shall serve all Parties and Arbitrators in pending arbitrations with a copy of any such new Rule(s) and it shall be binding upon the Parties and Arbitrators.
- c. In the event of an urgent condition that in the judgment of the Independent Administrator threatens the orderly administration of the arbitration system, with the concurrence of the Chair or Vice-Chair of the AOB, the Independent Administrator shall adopt such temporary rules as it deems necessary to preserve the orderly administration of the arbitration system.

51. Conflict with Law

If any of these Rules, or a modification of these Rules agreed on by the Parties, is discovered to be in conflict with a mandatory provision of applicable law, the provision of law will govern, and no other Rule will be affected.

52. Acknowledgment of No Warranty

The Independent Administrator makes no representation about, or warranty with respect to, the accuracy, or completeness of any information furnished or required to be furnished in any Application Form or with respect to the competence or training of any Neutral Arbitrator. Information is supplied to allow Parties to conduct their own inquiries.

53. Public Reporting

Annually, the Independent Administrator will report in a collective fashion the lengths of times it took to complete various tasks in the process of adjudicating the claims, how the arbitrations were disposed of, and the choices made by the Parties and Arbitrators. This report may be available to the public. The Independent Administrator will also post on its website disclosures required by statute or the Ethics Standards.

54. Legal Advice

While the Independent Administrator will try to answer questions about these Rules, it cannot give legal advice to Parties or their counsel or provide them with referrals. The following “Information for Claimants Who Do Not Have Attorneys” may answer some of the most commonly asked questions.

Information for Claimants Who Do Not Have Attorneys

Lawyers say that a claimant who represents him or herself in a legal action without an attorney’s help is acting *in propria persona*, or “in pro per.” The Office of the Independent Administrator provides the following information to assist claimants who are acting in pro per. We make this offer in order to help pro pers understand our system and its procedures. However, we can never provide legal advice because we do not take sides in any case.

What is the Office of the Independent Administrator?

The Office of the Independent Administrator, or OIA, is a neutral, independent body that oversees arbitrations brought by Kaiser members under the Health Plan’s contracts with its members and their employers. These arbitrations are controlled by the *Rules for Kaiser Permanente Member Arbitrations Overseen by the Office of the Independent Administrator*. Claimants acting in pro per should carefully and thoroughly read these Rules. The OIA will answer questions about these Rules at any time. Just call us at the number which appears below. However, we do not give legal advice. This means that we will tell you what our Rules mean and how to follow them, but we will not advise you on how they might affect your specific case.

What is arbitration?

Arbitration is a legal process. An arbitration hearing is like a court hearing. You and the other side present witnesses, including medical experts, and other evidence. Unlike many court trials, there is no jury. Throughout the process, a neutral arbitrator acts as a judge, or neutral fact finder. The neutral arbitrator cannot give legal advice to you or to the other party. The neutral arbitrator decides the case based on his or her interpretation of the law, as it applies to the evidence presented by the parties. The decisions of the neutral arbitrator are final, legally binding and enforceable in court. Only very rare exceptions allow the decision to be changed.

Are arbitration and mediation different?

Yes. Arbitration is not mediation. Mediation is a process where the people involved in a dispute attempt to solve their problem with the help of a neutral person, called “the mediator.” Unlike an arbitrator, a mediator has no authority to impose a decision on the parties.

Is a medical expert always necessary to prove a claim of medical malpractice?

Under California law, testimony from a medical expert is nearly always required to prove medical malpractice. This is true in both arbitration and in court. Almost always, if you do not have a medical expert, you will lose your claim. Neither the neutral arbitrator nor the OIA can assist any party in locating or hiring a medical expert.

What is summary judgment and why is it important to my claim of medical malpractice?

If you do not have a medical expert, the respondent (Kaiser) will almost always bring a motion for summary judgment, and the arbitrator will almost always grant this motion because the law requires it. Summary judgment motions can also be brought on other bases. The case is over if summary judgment is granted. This means that, at a hearing on a motion for summary judgment, if a claimant does not offer expert medical testimony, or otherwise offer effective legal reasons in opposition to the motion, the arbitrator must grant the motion and close the case. Summary judgment is a decision on the law alone, and no facts are involved. Please note that when a case ends in this fashion, there will be no hearing on the facts, and no opportunity to present witnesses and other evidence. Cases heard in court also end in summary judgment.

Are any other expert witnesses needed during the arbitration process?

Sometimes there are. For example, claimants seeking damages for lost wages may need the testimony of an economist. Other experts may be needed depending on the nature of the claim.

May I ask a friend or relative for assistance in presenting my case?

You may not be represented by someone who is not an attorney. This means that you may not ask a friend or relative to help you present your case at a hearing or conference, unless that person is an attorney representing you in the matter.

What is *ex parte* communication?

Ex parte communication occurs when one party (claimant or respondent) talks or writes to the neutral arbitrator or judge without giving the other party a chance to participate or respond. *Ex parte* communication is prohibited, unless it concerns the schedule or location of a hearing or conference. If you need to contact the neutral arbitrator for any other reason, you should write a letter to the neutral arbitrator and send a copy of the letter to the respondent. You may also request a conference call with the neutral arbitrator and respondent.

What are my responsibilities when I decide to proceed without a lawyer?

Both in court and in arbitration, people may represent themselves and do not have to hire attorneys. However, in doing so, the person assumes all the responsibilities of a lawyer. That means, for example, that the person must learn the California law that applies to the case, meet deadlines, locate and subpoena witnesses where that is necessary, and identify, hire and pay expert witnesses where they are needed. Some of these tasks take time, are complicated, are expensive and must be prepared for some time in advance. If the person's lawyer would normally have done a task, the claimant representing him or herself must do that task both in arbitration and in court. If this sounds like a lot of work, it is. It is difficult, and an arbitrator is not supposed to make the requirements any easier to meet because a person has chosen to represent him or herself. We encourage people to retain attorneys for arbitration. However, a quarter of the OIA case load is individuals acting in pro per. We help them to understand our Rules and procedures as much as we can. However, we stress that neither the OIA nor the neutral arbitrator can help parties by giving them legal advice or by assisting them on factual matters such as how to locate an expert witness.

Are there any other resources to help claimants acting in pro per?

There are useful books written for claimants acting in pro per. Please check your local library or bookstore. If you need help finding a lawyer, call the State Bar or local County Bar Association.

If you have any questions, please call the OIA at (213) 637-9847. You may obtain extra copies of the Rules, our forms and other helpful items at our website: www.oia-kaiserarb.com.

EXHIBIT D

OIA

Organizational Disclosure Information

ORGANIZATIONAL DISCLOSURE FORM

In your Agreement to Serve, you asked the Office of Independent Administrator to provide you with information to meet your obligations under Standard 8 of the Ethics Standards. As you know, this Standard became effective January 1, 2003. The OIA is providing this information to you. Please give a copy of this form, the reports that accompany this form, and your Agreement to Serve, to the parties in your case as part of your disclosure.

1. At www.oia-kaiserarb.com/oia/Disclosures%20Relationships.htm the OIA has posted disclosures relating to its relationships with parties, lawyers and neutral arbitrators. (See Ethics Standard 8(b)(1) and 8(c).)
2. At www.oia-kaiserarb.com/oia/Disclosures%20Closed.htm, the OIA has posted the names of the attorneys, the prevailing party, the date of disposition, and the amount of awards in cases that were closed due to action by the neutral arbitrator since July 1, 2002. All cases the OIA administers are arbitrations. (See Ethics Standard 8(b)(2).)
3. Reports of the number of pending and prior cases the parties and the lawyers in your present case have had with the OIA, including the number in which each of the parties and the attorneys was, or represented, the prevailing party are included with this letter. (See Ethics Standards 8(b)(2) and 8(b)(3).) Each page reports the number of cases for the different attorneys and for Kaiser. There is only one case for the claimant.

Standard 8 - Resp. Atty
Summary

	<u>Pending</u>	<u>Closed on or after 7/1/02</u>	<u>Respondent Attorney Prevailed</u>
*** Grand Totals ***			
Number of Matters: 21	6	15	4

Standard 8 - Claim Atty
Summary

	<u>Pending</u>	<u>Closed on or after 7/1/02</u>	<u>Claimant Attorney Prevailed</u>
*** Grand Totals ***	2	8	2
Number of Matters: 10			

Standard 8
Summary - Kaiser

	<u>Pending</u>	<u>Closed on or after 7/1/02</u>	<u>Kaiser Prevailed</u>
*** Grand Totals ***			
Number of Matters: 2508	886	1622	302

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Disclosures by the Office of the Independent Administrator

You can find different types of disclosures from this page by clicking on one of the numbered items below. California law or California's Ethics Standards for Neutral Arbitrators require these disclosures in consumer arbitrations.

Item one provides a table that contains information about arbitration demands that we have, or the prior OIA, received since January 1, 2003. It complies with Section 1281.96 of the California Code of Civil Procedure. We will update this information quarterly.

Item two provides information about our contractual relationships with parties and the neutral arbitrators in our pool. It responds to Standard 8 (b) (1) and 8 (c) of the Ethics Standards.

Item three provides certain information about arbitrations that have closed on or after July 1, 2002 because of action by the neutral arbitrator. It responds to a part of Standard 8 (b) (2) (c) of the Ethics Standards. We will update it weekly. Like item one, it contains information about arbitrations that have been administered by us or the prior OIA.

The first and third items provide information about individual arbitrations. Consistent with the statute and the Ethics Standards, we have not listed the names of individuals. The different tables deal with different groups of the arbitrations the OIA has administered. The [annual reports](#) discuss all of the arbitrations, though collectively, not individually. Reports for each year the OIA has existed are posted on our website.

If you have questions, comments or suggestions about these tables, please feel free to contact us at ويا@ويا-كaiserarb.com

1. [Disclosures about Arbitrations Received on or after January 1, 2003](#)
 2. [Disclosures about OIA Relationships with Parties, Lawyers, and Neutral Arbitrators](#)
 3. [Disclosures about Arbitrations Closed on or after July 1, 2002 by a Neutral Arbitrator](#)
-

How to View and Print the Following Documents:

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After downloading, install the program by following the instructions outlined in the Adobe® website.

Step 2: Once you have Adobe® Acrobat® installed, click any document above to view and print it. When done, click the "Back" button to come back to this page and view another document.

**Downloading times may vary from several to 30 minutes. If unable to download the program see your Network Administrator, your ISP or Adobe's technical support.*

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Section 1281.96 of the California Code of Civil Procedure requires that organizations such as ours provide specific types of information about consumer arbitrations the organization has received on or after January 1, 2003. All of the arbitrations in our system are considered consumer arbitrations because Kaiser Foundation Health Plan's member contracts require that all disputes be arbitrated. Since March 29, 2003, this office has administered these arbitrations. The Law Offices of Sharon Lybeck Hartmann acted as the OIA before that.

The information required by Section 1281.96 is set out in a table, and each box describes a different arbitration. This table contains information about all arbitrations received by the OIA since January 1, 2003, regardless of the entity acting as the OIA. The same type of information is found in the same place of each box. In arbitrations now open, much of the information will not yet exist and so the space in the box will be blank. We obtain most of the information in the table from records we maintain. We obtain some of the information, however, from the demand for arbitration or it is reported to us by the neutral arbitrator at the conclusion of a case. An entry reading "Unknown" means either that the demand for arbitration did not specify that information, or that the neutral arbitrator did not give us that information.

The first item below will take you to the table itself, the second will take you to an explanation of the contents of the table, and the third will explain how to search for information on the table.

1. [Disclosure Table](#)
 2. [Explanation of the Contents of the Table](#)
 3. [How to Search the Table](#)
-

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page and view another document.

**Downloading times may vary from several to 30 minutes. If unable to download the program see your Network Administrator, your ISP or Adobe's technical support.*

**Disclosures Required by CCP Section 1281.96
For the Office of the Independent Administrator
Arbitration Demands Received On or After Jan. 1, 2003**

ID #	Type of Dispute	Amount of Claim	Rep by Atty	OIA Rec'd Demand	Application Completed	Date of Disposition	Disposition	Prevaling Party	NA's Fees	Allocation of Fees	Amount of Award
4073	Med mal	\$750K	Yes	01/02/03	01/02/03	/ /					
	Respondent										
	Respondent										
	Respondent										
	Neutral arbitrator										
	Neutral appointed										
4074	Med mal	Unknown	Yes	01/02/03	01/02/03	02/03/03	Parties Settled	Not Applicable	\$2640.00	100% NC	
	Respondent										
	Respondent										
	Respondent										
	Neutral arbitrator										
	Neutral appointed										
4075	Benefits	\$12,000	Yes	01/02/03	01/02/03	10/22/03	Claim Withdrawn	Not Applicable	\$0.00	NO FEES	
	Respondent										
	Neutral arbitrator										
	Neutral appointed										
4076	PremLiab	\$200K	Yes	01/02/03	01/02/03	11/24/03	Parties Settled	Not Applicable	\$960.00	100% NC	
	Respondent										
	Neutral arbitrator										
	Neutral appointed										
4077	Med mal	Unknown	Yes	01/02/03	02/11/03	12/01/03	Claim Withdrawn	Not Applicable	\$400.00	50% C / 50% NC	

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Explanation of the Contents of the Table

Each box of the table contains information about a separate arbitration. The arbitration may be either pending or closed. Not all of the categories of information are relevant to each arbitration, which means that the space will be blank where they are not. Most of the information is contained in a row along the top of each box. Underneath this row, you can find the names of the Respondents, the name of the neutral arbitrator, and the date the neutral arbitrator was appointed. In the lower, left-hand corner of each page is the date that we updated this table. The information is current as of that date.

First, going from Left to Right, along the top:

Type of Dispute: This information is taken from the demand for arbitration. The options are Benefits, Lien, Med mal (medical malpractice), OT (other tort), PremLiab (premises liability) or Unknown. Unknown means that the demand for arbitration did not specify the basis of the claim.

Amount of Claim: This information is taken from the demand for arbitration. Unknown means that the demand for arbitration did not specify the amount of the claim.

Rep by Atty: Whether an attorney currently represents the Consumer, or Claimant, or did when the case closed. The options are Yes (the Claimant does have an attorney), No (the Claimant does not have an attorney), or Mixed (some of the Claimants in a case have an attorney and some do not).

OIA Rec'd Demand: The date that we received the demand from Kaiser Permanente pursuant to Rule 11.

Application Completed: Often this date will be the same as the previous one. Where the date is different it can be caused by several things. After the OIA receives the demand, the Claimant must either pay the arbitration fee of \$150 or submit a form and receive a waiver of the arbitration fee. In cases where the Claimant's member contract with Kaiser requires arbitration but does not name the OIA, the Claimant must "opt into" the OIA system before the OIA can begin. Claimants also sometimes seek extensions of the time they have to accomplish these tasks.

Date of Disposition: This is the date the case closed because the neutral arbitrator issued the decision, the parties settled the claim, the Claimant withdrew the claim, the OIA closed the claim because the Claimant did not obtain a waiver or pay the arbitration fee, or the OIA returned the claim to Kaiser because the Claimant did not, in a case requiring consent, agree to "opt into" the OIA system.

Disposition: Options are Abandoned-No Fee, Award after Hearing, Case Consolidated, Claim Withdrawn, Dismissed by NA (Neutral Arbitrator), Returned to Kaiser, Parties Settled, Split Results (case had multiple claimants,

who achieved different results), Summary Judgment, or blank (the case is pending).

Prevailing Party: Options are Consumer (Claimant), Non-Consumer (Respondent), Not Applicable (the case was abandoned, consolidated, withdrawn, returned to Kaiser, or settled), Mixed (Split Result), or blank (the case is pending).

NA's Fees: In pending cases, this will be blank. Neutral arbitrators will report the amount of their fees after cases have closed. Unknown means that the neutral arbitrator did not provide this information to this office.

Allocation of Fees: Options are 50% C/50% NC (fees split evenly between the parties), 100% NC (fees paid by Non-Consumer party, or Respondent), blank (case is pending), other (other arrangements between parties, amount specified), or unknown (the neutral arbitrator failed to inform this office).

Amount of Award: The amount of money listed on the award, if any, and any other relief granted.

Second, below this line of information and going from top to bottom, each box lists the name of the Respondents, the neutral arbitrator, and the date the neutral was appointed.

Respondent: This is taken from the demand for arbitration and the written decision by the neutral arbitrator, if there was one. We have not listed names of individual people, only organizational Respondents. In a very few number of cases, a Kaiser entity made the demand for arbitration. In those cases, we still list the Kaiser entity as the Respondent. Because we largely derive this information from the demand for arbitration, we do not know whether Claimants served all of the Respondents or participated in the arbitration process. In Lien Cases, KPHP has sued a member. The name of the member is not listed, and the non-consumer party is KPHP.

Neutral Arbitrator: This is the name of the neutral arbitrator. A case may have more than one neutral arbitrator when an arbitrator is replaced for some reason. In such cases we list the current or final arbitrator.

Neutral appointed: This is the date that the time to disqualify the neutral arbitrator ended. If the date is after the date the information was posted, that means that the NA has been selected, but not yet appointed.

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Disclosures about OIA Relationships with Parties, Lawyers, and Neutral Arbitrators

This page provides information required to be disclosed by Standard 8 (b) (1) and 8 (c) of the Ethics Standards. It will be updated as needed.

1. The Law Offices of Sharon Oxborough ("LOSO") does not have a financial interest in any party. The Office of the Independent Administrator ("OIA") is contained within the LOSO.

No party, lawyer in the arbitration, or law firm with which a lawyer in the arbitration is currently associated is a member of or has a financial interest in the LOSO.

No party, lawyer in the arbitration, or law firm with which a lawyer in the arbitration is currently associated has given a gift, bequest, or favor to the LOSO.

Sharon Oxborough has a contract with the Kaiser Foundation Health Plan Arbitration Oversight Board to independently administer the mandatory arbitration of disputes between Kaiser Permanente and its members, beginning March 29, 2003. (Prior to that, the Law Offices of Sharon Lybeck Hartmann had a contract to act as the OIA.)

The Arbitration Oversight Board is an unincorporated association, funded by a trust that was established by Kaiser Permanente. The Arbitration Oversight Board consists of thirteen individuals, and is chaired by David Werdegar, M.D., Professor of Family of Community Medicine, Emeritus, UCSF School of Medicine, and vice-chaired by Cornelius L. Hopper, M.D., Vice President for Health Affairs, Emeritus, University of California System. According to its bylaws, no more than four members may be Kaiser-affiliated. The Arbitration Oversight Board was created to ensure that the OIA would be independent from Kaiser Permanente.

2. The LOSO has no financial relationship with any person in its pool of possible neutral arbitrators.

Arbitrators are recruited and added to the pool continuously. Arbitrators who wish to be added to the pool of possible arbitrators complete and submit an [application](#). The OIA, acting alone, reviews the applications and selects arbitrators for its pool based upon the [published qualifications](#) which are posted on the internet. Any individual who applies will either be admitted to the panel or cited to the specific qualification which the person failed to meet and given an opportunity to show that he or she actually meets the requirement. The OIA provides arbitrators in its pool with

information about new statutory and regulatory requirements regarding consumer and health care arbitration, such as the Ethics Standards.

Neutral arbitrators are selected for a specific case in the following way. The List of Possible Arbitrators given to the parties in any given case contains twelve names and is generated randomly through a computer program. The names are drawn from the OIA's three geographic pools of possible arbitrators – Northern California, Southern California, and San Diego. When the OIA sends a list to the parties, it is accompanied by background information about the arbitrators named on the list, as well as copies of prior awards and anonymous party evaluations the OIA has received for the arbitrators. The parties in a case may, within the confines of the Ethics Standards and OIA Rules, jointly select any neutral arbitrator. If they do not, the OIA uses the lists that the parties return to determine which neutral arbitrator the parties have selected. Each side may strike up to four names and rank the remaining names. That selection is still subject to California's statutory disclosure and disqualification procedure.

If the OIA receives a party's timely notice of disqualification following the statutory disclosure by a neutral arbitrator, or following the failure of a neutral arbitrator to send such a disclosure, the neutral arbitrator is disqualified and another neutral arbitrator is selected pursuant to OIA Rules.

The OIA complies with any court orders addressing either appointment or disqualification of neutral arbitrators.

OFFICE OF THE INDEPENDENT ADMINISTRATOR

located in the
LAW OFFICES OF SHARON OXBOROUGH

HOME

**Rules and
Information**

Forms for Parties

**Forms for Neutral
Arbitrators**

**Names of Neutral
Arbitrators**

Annual Reports

**Disclosures by the
OIA**

**Materials Related
to California's
Ethics Standards for
Neutral Arbitrators**

**Comments and
Suggestions / OIA
Contact
Information**

Disclosures about Arbitrations Closed on or after July 1, 2002 by a Neutral Arbitrator

Standard 8 (b) (2) (c) of the Ethics Standards requires the disclosure of specific types of information about individual arbitrations. The table you can find from this page sets out certain information about cases that were closed on or after July 1, 2002, in which the neutral arbitrator prepared a decision. This table sets out the date of decision, the prevailing party, the names of the parties' attorneys, and the amount of the monetary damages awarded, if any, in all cases that closed on or after July 1, 2002 in which the neutral arbitrator prepared a decision. All the cases were arbitrations. The table includes cases that were administered by the Law Offices of Sharon Lybeck Hartman, when it was serving as the OIA.

1. [Disclosure Table](#)
 2. [Explanation of the Contents of the Table](#)
 3. [How to Search the Table](#)
-

How to View and Print the Following Documents:

Step 1: If you already have Adobe® Acrobat® on your computer skip to step 2. Otherwise, download Adobe® Acrobat® on your computer by clicking on this button*:



After downloading, install the program by following the instructions outlined in the Adobe® website.

Step 2: Once you have Adobe® Acrobat® installed, click any document above to view and print it. When done, click the "Back" button to come back to this page and view another document.

**Downloading times may vary from several to 30 minutes. If unable to download the program see your Network Administrator, your ISP or Adobe's technical support.*

Ethics Standard 8 (b) (2) (c)
Updated 3/15/04

<u>ID #</u>	<u>Date of Disposition</u>	<u>Prevailing Party</u>	<u>Amount of Award</u>
1074 Names: Consumer Attorney Non-Consumer Attorney	03/21/03	Non-Consumer Maricic, George Marshall, Christopher	
1282 Names: Consumer Attorney Non-Consumer Attorney	07/20/02	Consumer Allard, Bernard Anthony, Steven	\$150,000.00
1393 Names: Non-Consumer Attorney Consumer Attorney	03/27/03	Non-Consumer Preovolos, Michael Weaver, Paula	
1540 Names: Non-Consumer Attorney Non-Consumer Attorney Consumer Attorney	06/11/03	Non-Consumer Ounjian, Robert Taylor, N. Denise Wasserman, Benjamin	
1605 Names: Consumer Attorney Consumer Attorney Non-Consumer Attorney	08/26/02	Consumer Halkides, G. Kelly, John Simonson, John	\$35,000.00
1624 Names: Non-Consumer Attorney Consumer Attorney	02/07/03	Consumer Knudtson, Gigi Tabak, Stewart	\$158,625.99
1705 Names: Non-Consumer Attorney Consumer Attorney	10/10/02	Non-Consumer Hoffman, Brian Wolf, Marvin	
1762 Names: Non-Consumer Attorney Consumer Attorney	09/13/02	Non-Consumer Simonson, John Wood, Weldon	
1827 Names: Consumer Attorney Non-Consumer Attorney	03/27/03	Non-Consumer Cohn, Steven DeMarco, Julianne	
1838	03/21/03	Consumer	\$450,000.00

OFFICE OF THE INDEPENDENT ADMINISTRATOR

located in the
LAW OFFICES OF SHARON OXBOROUGH

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Information**

Explanation of the Contents of the Table

Each box of the table contains information about a separate arbitration. These arbitrations closed on or after July 1, 2002, as a result of a decision by the neutral arbitrator dismissing the claim, granting summary judgment, or issuing an award after a hearing. Most of the information is contained in a row along the top of each box. The names of the attorneys are found underneath this row.

First, going from left to right, along the top:

Date of Disposition: The date of the neutral arbitrator's decision.

Prevailing Party: The options are Consumer (Claimant) or Non -Consumer (Respondent).

Amount of Award: The amount of monetary damages, if any, awarded to the Consumer or Claimant.

Second, below this line, the names of the attorneys are listed in alphabetical order. Each person is described as either the Respondent attorney or the Claimant attorney. The names are based on the names listed on the demands for arbitration, the returned List of Possible Arbitrators, and any letters sent to our office by the attorneys in a case. In cases where the Claimants never had attorneys and chose to represent themselves, we list only the names of the Respondent's attorneys. We do not list the name of the Claimant.

EXHIBIT E

Application for Neutral Arbitrators And 2003 Update

**Neutral Arbitrator Application
Kaiser Permanente Arbitration System**

Answer each of the following questions completely. Type or clearly print your responses. Attach additional answer sheets as necessary. You may attach your resume, but please do not reference your resume in your answers unless a question specifically permits you to do so. Copies of your application will be provided to participants in Kaiser's arbitration system.

I. PROFILE

Name: _____

Title Preference: _____

Business or Firm Name: _____

Business or Firm Address: _____

Business Telephone: _____ Business Fax: _____

Business E-mail Address: _____

II. ADMISSIONS AND AFFILIATIONS

Date admitted to the California Bar: _____ Bar No: _____

Active: ___ Inactive: ___ Date First Inactive (if judge, date of resignation): _____

Other state bars to which you are admitted (include states, dates of admission and bar numbers):

Memberships and positions held in bar, ADR professional or other panels, boards, agencies and associations relevant to arbitration, health care, or medical malpractice law:

Courts or organizations for which you serve as a neutral arbitrator (list court/organization and program):

III. LANGUAGES List any languages other than English which you speak and understand and in which you would be willing to conduct arbitrations:

IV. KAISER MEMBERSHIP

I _____ am/ _____ am not currently a member of Kaiser Foundation Health Plan

I _____ have/ _____ have not been a member of Kaiser Foundation Health Plan within the last five years.

V. EDUCATION (College and Graduate) List all schools attended, degrees and years received:

VI. EMPLOYMENT Set forth all employment (without omissions) for the last ten years. Provide employer, primary occupation, and dates of employment. _____

VII. LEGAL EXPERIENCE Summarize your legal experience (including teaching) since admission to the bar, particularly in the past ten years. _____

Percentage of practice in the last ten years representing: plaintiff _____ % defense _____ %

Percentage of federal or state court practice in the last ten years: federal _____ % state _____ %

Number of years in the last ten years in which litigation occupied more than 50% of your time: _____

I have had at least three civil trials or arbitrations within the past five years in which I have served as _____ the lead attorney for one of the parties or _____ an arbitrator.

VIII. CURRENT PRACTICE State the percentages of your current practice in the following roles:

As a neutral arbitrator, judge, or hearing officer: _____ %

As a defense party arbitrator: _____ % As a plaintiff's party arbitrator: _____ %

As a defense attorney: _____ % As a plaintiff's attorney: _____ %

As an expert: _____ % As an _____ : _____ %
(list other role)

In descending order, list the subject areas of law in which you are currently most active.

Area of Law	Percentage of Practice
a. _____	_____
b. _____	_____
c. _____	_____
d. _____	_____

IX. ARBITRATION EXPERIENCE Summarize your arbitration experience in the last ten years. Include your role or roles (e.g., neutral arbitrator, party arbitrator, hearing officer, plaintiff’s counsel, defense counsel, expert, etc.), number of years in each role, approximate number of cases in which you have participated in each role, and whether you are currently serving in any of these roles. _____

Have your actions as an arbitrator figured in a published legal opinion? If so, please provide the citation. _____

X. ARBITRATION TRAINING

Describe any arbitration training you have received. For each training, list the training provider’s name, length of training, dates of training, and a brief description of the training. You may reference a specific section of your resume that sets out your training related to arbitration. _____

XI. MEDICAL MALPRACTICE EXPERIENCE

Have you been involved in any medical malpractice case within the past ten years? If so, set forth the years of your involvement, your role (e.g., plaintiff’s counsel, defense counsel, neutral arbitrator, party arbitrator, hearing officer, expert, litigant, etc.), and the approximate number of cases in each role. _____

XII. OTHER RELEVANT EXPERIENCE

Describe any other relevant experience. _____

XIII. PREVIOUS INVOLVEMENT IN KAISER CASES Set forth your involvement, if any, in any case involving Kaiser Permanente or any affiliated entity or individual within the past five years. For each case, identify your role (e.g., neutral arbitrator, plaintiff/claimant party arbitrator, defense party arbitrator, judge, hearing officer, plaintiff/claimant counsel, defense counsel, expert, litigant etc.), whether the case went to verdict and, if so, for which side the verdict was rendered (plaintiff or defense), and the amount of the award, if any. _____

To the best of your recollection, were you involved in any Kaiser case prior to five years ago? If so, to the best of your recollection, state your role or roles. State the approximate number of cases in which you were involved. Be as specific as your records or recollection will permit.

XIV. EXPEDITED HEARINGS Are you willing to act as a neutral arbitrator for expedited claims that must be completed within five months or less of the date you are appointed?

Yes _____ No _____

XV. PRO PER CASES Are you willing to act as a neutral arbitrator for cases in which one or both parties are not represented by counsel?

Yes _____ No _____

XVI. INSURANCE Do you carry insurance that covers your activities as a neutral arbitrator?

Yes _____ No _____ If no, do you intend to obtain such insurance before working on arbitrations administered by the Office of the Independent Administrator?

Yes _____ No _____

XVII. CONVICTIONS, SANCTIONS AND DISCIPLINE Answer each question:

Have you ever been convicted of a crime? Yes _____ No _____

If so, attach an explanation.

Have you ever been sanctioned by a court for \$1,000 or more? Yes _____ No _____

If so, attach an explanation.

Have you ever been disciplined by any court, administrative agency, bar association, or other professional group? Yes _____ No _____

If so, attach an explanation.

XVIII. REFERENCES

I am providing references for my work (check your role(s) and provide references as set forth below):

_____ as an arbitrator. List the name, addresses, and telephone numbers of counsel for the plaintiff and the defense **in the last five** arbitrations or civil trials for which you served as a neutral arbitrator, judge or hearing officer. Provide a total of ten contacts.

_____ as an attorney. List the name, addresses, and telephone numbers of opposing counsel and neutral arbitrators, judges, or hearing officers **for the last five** arbitrations or civil trials in which you participated. Provide a total of ten contacts.

_____ as a _____. (Other - please describe.) List the names addresses, and telephone numbers of counsel and/or arbitrators, judges, or hearing officers **in the last five** arbitrations or civil trials in which you participated. These references must reflect different sides in the arbitration or civil trials and must be able to provide a report of how you handled yourself in an arbitration or civil trial:

You may provide references for yourself in different roles (e.g., two references for your work as an arbitrator and three references for your work as an attorney).

Matter #1. My role _____

Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #2. My role _____

Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #3. My role _____

Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #4. My role _____

Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #5. My role _____

Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

XIX. TRAVEL Complete the following.

Check one. ___ I am applying to conduct arbitrations in Northern California.

Northern California includes Alameda, Contra Costa, Marin, San Francisco, San Mateo, Sonoma, Napa, Solano, Sacramento, Yolo, San Joaquin, Santa Clara, Stanislaus, Placer and Fresno counties.

___ I am applying to conduct arbitrations in Southern California.

Southern California includes, Kern, Ventura, Los Angeles, Orange, San Bernardino, Riverside and San Diego counties.

Are you willing to travel anywhere within the half of the state you check above to hear arbitration cases? Yes _____ No _____

Check all that apply. I am willing to travel to the following counties without charging for travel time or travel expenses:

Northern California: Alameda County ___ Contra Costa County ___ Marin County ___

San Francisco County ___ San Mateo County ___ Sonoma County ___ Napa County ___

Solano County ___ Sacramento County ___ Yolo County ___ San Joaquin County ___

Santa Clara County ___ Stanislaus County ___ Placer County ___ Fresno County ___

Southern California: Kern County ___ Ventura County ___ Los Angeles County ___

Orange County ___ San Bernardino County ___ Riverside County ___ San Diego County ___

Indicate your terms and charges, if any, for time spent in transit. _____

Indicate your terms and charges, if any, for transportation costs. _____

XX. AFFIRMATION

My signature on this form affirms that the foregoing statements and all attached information are true and correct to the best of my knowledge. I understand that any misrepresentation, or any failure on my part to supply information requested by the Office of the Independent Administrator may constitute a basis for my disqualification or withdrawal of my name as an arbitrator for Kaiser Permanente matters. I understand that if I am selected as a member of the Office of the Independent Administrator's panel of neutral arbitrators, copies of this application and all information I attach to it will be available to claimants, their attorneys, Kaiser Permanente, its attorneys, the Office of the Independent Administrator, and Kaiser Permanente's Arbitration Advisory Committee. I also understand that the Independent Administrator may attempt to verify any of the information contained in it. I consent to that process.

Signature

Date

Schedule of Fees and Costs

Answer each of the following questions completely. Type or clearly print your responses. Attach additional answer sheets as necessary. Copies of this form will be provided to participants in Kaiser's arbitration program.

Arbitrator's Name _____

1. State the fees and charges for your services.

a. Hearing fees: _____ per hour or _____ per day

If daily, what are your charges for partial days? _____

b. Meeting fees: _____ per hour or _____ per day

If daily, what are your charges for partial days?

c. Fees for study or document review: _____ per hour or _____ per day

If daily, what are your charges for partial days? _____

d. Do you charge for travel time? Yes ___ No ___

If so, what do you charge? _____

e. Do you charge for expenses? Yes ___ No ___

If so, for what expenses, and how much? _____

f. Do you charge for any postponed or canceled proceedings (conference, telephone call, meeting, hearing, etc.) during the course of an arbitration? Yes ___ No ___

If so, what are the terms and charges? _____

g. Do you charge a cancellation fee if a case settles before the hearing date?

Yes ___ No ___ If so, describe the terms and charges in this situation. _____

h. Describe any requirements you have regarding the timing of payments. _____

2. Can you provide space for any or all of the arbitration proceedings? Yes ___ No ___
If so, set forth the location of the space and any applicable charges. Also, please state
whether you require the use of such space. _____

3. Set forth any other fees, terms or conditions you require in the event that you are selected to sit
as a neutral arbitrator for an arbitration administered by the Office of the Independent
Administrator. Include a copy of any forms, stipulations or other agreements that you require
be signed by the parties in order for you to serve as a neutral arbitrator in any such matter. ____

4. My signature on this form affirms that the foregoing statements and all attached
information is true and correct to the best of my knowledge. I understand that I may not
change the fees I charge for arbitrations administered by the Office of the Independent
Administrator during my first year of service, but may do so annually thereafter. I understand
that any misrepresentation, or any failure on my part to supply information
requested by the Office of the Independent Administrator may constitute a basis for my
disqualification or withdrawal of my name as an arbitrator for matters administered by the
Office of the Independent Administrator.

Signature

Date

Certificate of Veracity, Consent and Understanding

The information contained in my application, and any attachments thereto, is true and accurate to the best of my knowledge, information and belief. In addition, I consent to and understand the following:

1. I understand that if my application is accepted, I will not be an employee or agent of the Office of the Independent Administrator. I understand that, if selected, I will become a member of the Neutral Arbitrator Panel organized and maintained by the Office of the Independent Administrator. The Office of the Independent Administrator may include my name on lists of neutral arbitrators from which claimants, their counsel, Kaiser Permanente, and its counsel will select one arbitrator.
2. I understand that submission of an application for the Neutral Arbitrator Panel does not guarantee that I will be accepted on the panel and that the Office of the Independent Administrator has complete discretion to make additions, changes and deletions to the composition of the Neutral Arbitrator Panel at any time.
3. I understand that my acceptance as a member of the Neutral Arbitrator Panel does not obligate the Office of the Independent Administrator to propose me for appointment as a neutral in any case, nor guarantee that I will be selected by the parties to serve as a neutral arbitrator. Further, I recognize that I am under no obligation to accept appointments.
4. I consent to disclosure of the information contained in my application to parties and their counsel, the Office of the Independent Administrator and the Arbitration Oversight Board. I further consent that either may attempt to verify the information in this application.
5. I understand that the Office of the Independent Administrator will undertake to update information contained in my application at least once per year. I consent to provide such updated information. Notwithstanding the annual update, I agree to promptly notify the Office of the Independent Administrator if there is any material change in the information provided in my application. I agree to notify the Office of the Independent Administrator and parties in any proceedings administered by it of any change of address, telephone number, or fax number within five days.
6. I understand and agree that I am responsible for billing and collecting fees and expenses directly from the parties to any arbitration. I understand that compensation that may become due me for services as a neutral arbitrator is the sole and direct obligation of the parties to the dispute and that the Office of the Independent Administrator has no liability to me for billing or payment.

7. I understand that I may not change the fees I charge for arbitrations administered by the Office of the Independent Administrator during my first year of service. Further, I understand that changes in the terms of my compensation, following my first year of acceptance to the panel, may be made once per year as part of the application update process conducted by the Office of the Independent Administrator. Finally, I understand that the fees I charge for any given arbitration may not change from the fee schedule in place when I was appointed.

8. I understand that when being considered as a neutral arbitrator by prospective parties, I will be required to disclose any potential conflicts of interest either I or my firm or my employer may have. I understand that these conflicts may result in my disqualification by one or more of the parties.

Print Name _____

Signature _____ Date _____

**Update
October 2003**

Arbitrator's Name: _____

Since I submitted my application, or the Statement of Annual Update May 2001, I
1) have not been involved in any case involving Kaiser Permanente or any affiliated entity or
individual, 2) have not been involved with any arbitrations or civil trials, and 3) do not need to
make any other changes or additions to my application. (Skip Sections I, II, and III, and sign and
date Section IV.)

I. Previous Involvement in Kaiser Cases. Set forth your involvement, if any, in any case
involving Kaiser Permanente or any affiliated entity or individual, since you submitted your
application or the Statement of Annual Update May 2001. For each case, identify your role,
whether there was an award or verdict and, if so, for which side the award or verdict was
rendered, and the amount of the award or verdict, if any.

II. References. Provide references as set forth below for the most recent five arbitrations or civil
trials in which you have participated since you submitted your application or Statement of Annual
Update May 2001. If you have participated in less than five arbitrations or trials since you
submitted your application or Statement of Annual Update May 2001, provide as many references
as you have. You may provide references for yourself in different roles (e.g., two references for
your work as an arbitrator and three references for your work as an attorney).

I am providing references for my work (check your role(s) and provide references as set forth
below):

____ as an neutral. List the names, addresses, and telephone numbers of counsel for the plaintiff
and the defense **in the last five** arbitrations or civil trials for which you served as a neutral
arbitrator, judge or hearing officer. Provide a total of ten contacts.

____ as an attorney. List the names, addresses, and telephone numbers of opposing counsel and
neutral arbitrators, judges, or hearing officers **for the last five** arbitrations or civil trials in which
you participated. Provide a total of ten contacts.

____ as a _____. (Other - please describe.) List the names, addresses, and telephone
numbers of counsel and/or arbitrators, judges, or hearing officers **in the last five** arbitrations or
civil trials in which you participated. These references must reflect different sides in the
arbitration or civil trial and must be able to provide a report of how you handled yourself in the
arbitration or civil trial.

Matter #1. My role _____
Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #2. My role _____
Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #3. My role _____
Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #4. My role _____
Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

Matter #5. My role _____
Reference's role _____ Reference's name, address and telephone number:

Reference's role _____ Reference's name, address and telephone number:

III. Other Information. Provide any other information necessary to update your application. If you attach an updated resume or profile, we will delete the earlier one.

IV. Affirmation. My signature on this form provides the same affirmation of the information contained herein as the affirmation provided by my signature in Section XX of my application to serve as a neutral arbitrator with the Office of the Independent Administrator.

Signature

Date

**Schedule of Fees and Costs
October 2003**

Answer each of the following questions completely. Type or clearly print your responses. Attach additional answer sheets as necessary. Copies of this form will be provided to participants in Kaiser's arbitration program.

Arbitrator's Name _____

1. State the fees and charges for your services.

a. Hearing fees: _____per hour or _____per day

If daily, what are your charges for partial days? _____

b. Meeting fees: _____per hour or _____per day

If daily, what are your charges for partial days?

c. Fee for study or document review: _____per hour or _____per day

If daily, what are your charges for partial days? _____

d. Do you charge for travel time? Yes ___ No ___

If yes, what do you charge? _____

e. Do you charge for expenses? Yes ___ No ___

If yes, for what expenses, and how much? _____

f. Do you charge for any postponed or canceled proceedings (conference, telephone call, meeting, hearing, etc.) during the course of an arbitration? Yes ___ No ___

If yes, what are the terms and charges? _____

g. Do you charge a cancellation fee if a case settles before the hearing date?

Yes ___ No ___ If yes, describe the terms and charges. _____

h. Describe any requirements you have regarding the timing of payments (such as advance deposits, forfeiture provisions, etc.) _____

2. Can you provide space for any or all of the arbitration proceedings? Yes ___ No ___
If yes, set forth the location of the space and any applicable charges. Also, please state whether you require the use of such space. _____

3. Set forth any other fees, terms or conditions you require in the event that you are selected to sit as a neutral arbitrator for an arbitration administered by the Office of the Independent Administrator. Include a copy of any forms, stipulations or other agreements that you require be signed by the parties in order for you to serve as a neutral arbitrator in any such matter. ____

4. My signature on this form affirms that the foregoing statements and all attached information are true and correct to the best of my knowledge. I understand that I may not change the fees I charge for arbitrations administered by the Office of the Independent Administrator during the coming year of service, but will be given the opportunity to do so next year. However, the Fee Schedule sent to the parties by the OIA will remain in the effect for the entire time that their case is before me. I understand that any misrepresentation or any failure to supply information requested by the OIA may constitute a reason for the OIA to remove me from its pool of neutral arbitrators.

Signature

Date

EXHIBIT F

List of Neutral Arbitrators On The OIA Panel as of December 31, 2003

EXHIBIT

OIA Panel of Neutral Arbitrators

Northern California

Justice Nat Anthony Agliano
Judge Demetrios P. Agretelis, (Ret.)
Judge Paul J. Aiello, (Ret.)
Mr. Roger F. Allen, Esq.
Justice Carl West Anderson, (Ret.)
Ms. Karen G. Andres, Esq.
Judge Michael E. Ballachey, (Ret.)
Ms. Eileen Barker, Esq.
Judge Michael J. Berger
Mr. Daniel V. Blackstock, Esq.
Judge Allan J. Bollhoffer
Ms. Barri Kaplan Bonapart, Esq.
Judge Cecily Bond, (Ret.)
Mr. Robert J. Brockman, Esq.
Mr. Fred D. Butler, Esq.
Judge Robert K. Byers
Judge Victor Campilongo
Judge Alfred G. Chiantelli
Mr. Harve Eliot Citrin, Esq.
Mr. Casey Clow, Esq.
Mr. Thomas A. Cohen, Esq.
Mr. James S. Crawford, Esq.
Judge Thomas Dandurand
Judge Benjamin A. Diaz, (Ret.)
Mr. Thomas H. R. Denver, Esq.
Mr. Paul J. Dubow, Esq.
Judge James Duvaras
Judge Mark L. Eaton
Mr. Joseph Elie, Esq.
Mr. Eric S. Emanuels, Esq.
Mr. Douglas L. Field, Esq.
Judge John A. Flaherty, (Ret.)
Mr. Kenneth D. Gack, Esq.
Judge John J. Gallagher
Judge Wm. R. Giffen, (Ret.)
Mr. Stephen B. Gorman, Esq.

Judge Arnold Greenberg, (Ret.)
Judge Sheldon H. Grossfeld
Judge Ina Levin Gyemant, (Ret.)
Mr. Arnold B. Haims, Esq.
Judge Zerne P. Haning
Mr. Michael G. Harper, Esq.
Ms. Catherine C. Harris, Esq.
Judge Richard A. Hodge, (Ret.)
Mr. Douglas W. Holt, Esq.
Mr. Darryl J. Horowitz, Esq.
Mr. Garry J.D. Hubert, Esq.
Ms. Nancy Hutt, Esq.
Mr. Ralph L. Jacobson, Esq.
Judge Ellen Sickles James
Mr. Thomas A. Johnson, Esq.
Justice Robert F. Kane, (Ret.)
Judge Ken M. Kawaichi, (Ret.)
Mr. John P. Kelly, Esq.
Mr. Donald H. Kincaid, Esq.
Mr. Alfred P. Knoll, Esq.
Mr. Martin David Koczanowicz, Esq.
Ms. Barbara Kong-Brown, Esq.
Mr. Ernest B. Lageson, Esq.
Judge Henry B. Lasky
Judge David C. Lee, (Ret.)
Mr. Stewart I. Lenox, Esq.
Mr. B. Scott Levine, Esq.
Judge Darrel Lewis, (Ret.)
Justice Harry W. Low
Mr. Nicholas R. Marchi, Esq.
Judge John A. Marlo
Mr. James S. Martin, Esq.
Mr. Allan J. Mayer, Esq.
Mr. John J. McCauley, Esq.
Mr. Brick E. McIntosh, Esq.
Mr. Mel McKinney, Esq.
Mr. David J. Meadows, Esq.
Mr. Carl Meyer, Esq.
Mr. Robert A. Murray, Esq.
Mr. Jeffrey Scott Nelson, Esq.
Mr. William J. O'Connor, Esq.
Judge George E. Paras
Judge Richard L. Patsey, (Ret.)

Judge Irving H. Perluss
Ms. Andrea M. Ponticello, Esq.
Justice Robert K. Puglia
Mr. Thomas D. Reese, Esq.
Mr. Alan R. Rothstein, Esq.
Mr. Geoffrey E. Russell, Esq.
Mr. Lucien Salem, Esq.
Mr. William Samsel, Esq.
Judge Rex Sater
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Mr. Gary A. Weiner, Esq.
Judge Rebecca Westerfield
Mr. Barry S. Willdorf, Esq.
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OIA Panel of Neutral Arbitrators

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Judge David M. Rothman

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Mr. Michael F. Saydah, Esq.
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Mr. Steven A. Schneider, Esq.
Judge Thomas Schneider, (Ret.)
Judge R. William Schoettler
Judge Robert L. Schouweiler
Judge Philip E. Schwab
Mr. Herbert E. Selwyn, Esq.
Mr. C. David Serena, Esq.
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Mr. Robert M. Shafton, Esq.
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Justice William L. Todd
Mr. Peter C. Tornay, Esq.
Judge Don A. Turner
Mr. Jack A. Weichman, Esq.
Mr. Bernard L. Weiner, Esq.
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Judge Andrew J. Weisz, (Ret.)
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Mr. Alan E. Wisotsky, Esq.
Ms. Deborah Z. Wissley, Esq.
Mr. Gary Wittenberg, Esq.
Mr. William R. Wolanow, Esq.
Judge Leonard S. Wolf
Judge Delbert E. Wong
Mr. Robert K. Wrede, Esq.
Judge Eric E. Younger
Mr. John Zanghi, Esq.
Mr. Shep Alan Zebberman, Esq.

OIA Panel of Neutral Arbitrators

San Diego, California

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Ms. Nancy T. Beardsley, Esq.
Judge Victor Bianchini
Ms. Marianne P. Borselle, Esq.
Ms. Randi R. Bradstreet, Esq.
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Mr. Richard R. Castillo, Esq.
Mr. John B. Cobb, Esq.
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Mr. John E. Edwards, Esq.
Mr. Alfred G. Ferris, Esq.
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Mr. Michael F. Saydah, Esq.
Ms. Cathy R. Schiff, Esq.
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Judge Tully H. Seymour
Judge Julius M. Title
Justice William L. Todd
Mr. William J. Tucker, Esq.

EXHIBIT G

Qualifications for Neutral Arbitrators

**Qualifications for Neutral Arbitrators
for Kaiser Permanente's Mandatory Arbitration System**

1. Neutral arbitrators shall be members of the State Bar of California, members of the state bar of another state with extensive practice in California during the past five years, or retired state or federal judges.
2. Neutral arbitrators shall not have received public discipline or censure from the state bar of California or any other state bar in the past five years. In the case of former judges, they shall not have received public discipline or censure from any government body that has authority to discipline judges in the past five years.
3. Neutral arbitrators shall
 - (a) have been admitted to practice for at least ten years, with substantial litigation experience; AND
 - (b) have had at least three civil trials or arbitrations within the past five years in which they have served as either (i) the lead attorney for one of the parties or (ii) an arbitrator; OR
 - (c) have been a state or federal judge; OR
 - (d) have completed within the last five years a program designed specifically for the training of arbitrators.
4. Neutral arbitrators shall provide satisfactory evidence of ability to act as an arbitrator based upon judicial, trial, or legal experience.
5. Neutral arbitrators shall not have served as party arbitrators on any matter involving Kaiser Permanente, or any affiliated organization or individual, within the last five years.
6. Neutral arbitrators shall not presently serve as attorney of record or an expert witness or a consultant for or against Kaiser Permanente, or any organization or individual affiliated with Kaiser Permanente, or have had any such matters at anytime within the past five years.
7. Neutral arbitrators shall successfully complete an application provided by the Independent Administrator.
8. Neutral arbitrators shall follow applicable arbitration statutes, substantive law of the issues addressed, and procedures of the Independent Administrator.
9. Neutral arbitrators shall comply with the provisions of code of ethics selected by the Office of the Independent Administrator.
10. Neutral arbitrators shall administer Kaiser arbitrations in a fair and efficient manner.

EXHIBIT H

Standard 12 Disclosure Form

Standard 12(b) Disclosure Requirement

Arbitrator's Name _____

Please check the sentence that applies to you.

_____ If selected as a neutral arbitrator, I **will** entertain offers of permitted employment or new professional relationships -- for example, as a neutral arbitrator or mediator -- from parties, attorneys, or law firms involved in a case while that case is pending.

_____ If selected as a neutral arbitrator, I **will not** entertain offers of permitted employment or new professional relationships -- for example, as a neutral arbitrator or mediator -- from parties, attorneys, or law firms involved in a case while that case is pending.

Comments (optional):

Signature

Date

EXHIBIT I

Explanation of Waivers, Forms, And Instructions

Explanation of Waivers

Payment of the \$150 Filing Fee and/or 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, however, provide ways for the claimants to shift that obligation, as well as the requirement that they pay the \$150 filing fee. These methods are discussed below.

- A. **Waiver of the \$150 Filing Fee:** Claimants whose gross monthly income is less than 300 percent of the national poverty guidelines can have the filing fee waived. To obtain the waiver, claimants must submit the attached form to the OIA within 75 days of the OIA receiving the demand for arbitration. It does not affect the neutral arbitrator's fees. See Rule 12.

- B. **Waiver of the \$150 Filing Fee and the Neutral Arbitrator's Fees and Expenses:** Claimants who submit the attached form that contains information about their income and expenses may receive this waiver if they meet the qualifications. This form is given to the respondents, who may object. If granted, it can waive both the filing fee and the neutral arbitrator's fees and expenses. See Rule 13.

- C. **Waiver of the Neutral Arbitrator's Fees and Expenses:** Claimants who sign the enclosed form(s) in which they agree not to object if Kaiser pays all the neutral arbitrator's fees and expenses, and a form in which they agree not to use a party arbitrator¹, do not have to pay the neutral arbitrator's fees. No financial information is required. Claimants should send a copy of the forms to the OIA, Kaiser's attorney, and the neutral arbitrator. See Rule 15.

¹Under California law, claimants who seek less than \$200,000 have their claims heard by a single neutral arbitrator. Therefore, these claimants do not have to sign the second waiver. Claimants who waive their right to a party arbitrator can seek damages that are greater than \$200,000. While it has never happened, if claimants were to waive a party arbitrator and Kaiser failed to also do so, claimants could proceed with a party arbitrator.

Claimant's Request for Waiver of \$150 Arbitration Filing Fee

Instructions: If you seek a waiver of the \$150 arbitration filing fee, please complete and sign the following form and return it to the address below. Claimants who have a gross monthly income that is less than 300 percent of the federal poverty guidelines are entitled to have this fee waived. This waiver will not affect your obligation to pay one half of the neutral arbitrator's fees and expenses. The last section of the System Description explains the different methods for obtaining waivers in our system. The form must be sent to the OIA within 75 days of the OIA receiving your demand for arbitration. Return this form to the address below. **This form is confidential – do not serve a copy on Respondents.** The OIA will notify you if you are not eligible for the waiver, in which case you must either pay the \$150 filing fee or obtain a waiver based upon extreme hardship, as described in Rule 13.

Office of the Independent Administrator
P.O. Box 76587
Los Angeles, California 90076-0587
Fax: 213-637-8658

Name of Arbitration _____ Arbitration Number _____

I declare under oath that my gross monthly income is _____. The number of persons living in my household is _____.

Signature of Claimant

Date

Signature of Claimant

Date

Signature of Claimant

Date

Signature of Claimant

Date

Signature of Claimant

Date

**INFORMATION SHEET AND INSTRUCTIONS FOR WAIVER OF FILING FEE
AND FEES AND EXPENSES OF THE NEUTRAL ARBITRATOR**

Criteria: If you wish to arbitrate a claim in this system but cannot afford to pay the filing fee or the fees and expenses of the Neutral Arbitrator, you may not have to pay them if you establish:

EITHER

1. You are receiving financial assistance under any of the following programs:
 - SSI and SSP (Supplemental Security Income and State Supplemental Payments Programs)
 - CalWORKs (California Work Opportunity and Responsibility to Kids Act, implementing TANF (Temporary Assistance for Needy Families))
 - The Food Stamps Program
 - County Relief, General Relief (G.R.) or General Assistance (G.A.)

If you are claiming eligibility for a waiver of these fees because you receive financial assistance under one or more of these programs, you must produce *either* a letter confirming benefits from a public assistance agency *or* one of the following documents:

Program	Verification
SSI/SSP	MediCal Card <i>or</i> Notice of Planned Action <i>or</i> SS Computer Generated Printout <i>or</i> "Passport to Services"
CalWORKs/TANF (formerly known as AFDC)	MediCal Card <i>or</i> Notice of Action <i>or</i> Income and Eligibility Verification Form <i>or</i> Monthly Reporting Form <i>or</i> Electronic Benefit Transfer Card <i>or</i> "Passport to Services"
Food Stamp Program	Notice of Action <i>or</i> Food Stamp ID Card <i>or</i> "Passport to Services"
General Relief /General Assistance	Notice of Action <i>or</i> copy of check stub <i>or</i> County voucher

OR

2. Your total gross monthly household income is less than the following amounts:

Number in Family	Family Income		Number in Family	Family Income		Number in Family	Family Income
One	\$ 935.42		Four	\$1,916.67		Seven	\$2,897.92
Two	\$1,262.50		Five	\$2,243.75		Eight	\$3,225.00
Three	\$1,589.58		Six	\$2,570.83		Each Add'l Person	\$ 327.08

OR

3. Your income is not enough to pay for the common necessities of life for yourself and the people you support and also to pay arbitration fees and costs.

Instructions: To apply, fill out the “Request Form for Waiver of Filing Fees and Fees and Expenses of the Neutral Arbitrator” (“Fee Waiver Form”). A copy of the Fee Waiver Form can be obtained by calling the Kaiser Permanente Member Service Call Center at 1-800-464-4000 or the office of the Independent Administrator at 213-637-9847.

1. All of the Claimants must fill out a Fee Waiver Form, include copies of the necessary documents, sign it, and return a copy to the Independent Administrator at:

Office of the Independent Administrator
P.O. Box 76587
Los Angeles, CA 90076-0587
Fax: 213-637-8658

2. If you seek a fee waiver because you are receiving financial assistance, you will need to fill out items 1-3 on the Fee Waiver Form.
If you seek a fee waiver because of the number of persons in your family and your family’s gross monthly income, you will need to fill out items 1, 2, 4, 6, and 7 on the Fee Waiver Form.
If you seek a fee waiver because your income is not enough to pay for the common necessities of life and the fees of the arbitration, you will need to fill out items 1-2, and 5-10 on the Fee Waiver Form.
3. When you return a copy of the Fee Waiver Form to the Independent Administrator, also serve a copy on the Respondent(s). Send it to the same address you used to serve your “Demand for Arbitration.” The Independent Administrator, Respondent(s), and counsel shall keep the information provided on the Fee Waiver Form confidential.
4. Health Plan is entitled to file a response to your request for a fee waiver. The Independent Administrator will make a decision about your request for a fee waiver within fifteen days of the date you sent your Fee Waiver Form and notify both you and the Respondent(s).

Note: If your request for a fee waiver is denied, you will be required to pay the filing fee or your “Demand for Arbitration” will be deemed abandoned. If you waive your right to a Party Arbitrator, you will not be required to pay the Neutral Arbitrator’s fees and expenses. If your request for a fee waiver is granted, you will be required to pay any attorney’s fees and Party Arbitrator fees.

If you have any questions and cannot afford an attorney, you may wish to consult the legal aid office, legal service office, or lawyer referral service in your county. (These services may be listed in the yellow pages of your telephone book under “Attorneys.”)

Request Form for Waiver of Filing Fee and Fees and Expenses of Neutral Arbitrator

All information on this form is kept confidential.

My Name _____

Arbitration Name _____

Arbitration Number _____ Date _____

I request an order by the Independent Administrator indicating that I do not have to pay the \$150 filing fee or the fees and expenses of the Neutral Arbitrator.

1. a. My current street or mailing address is: (Please include apartment number, if any, city, and zip code.) _____

b. My attorney's name, address and phone number is: _____

2. a. My occupation, employer, and employer's address is: _____

b. My spouse's occupation, employer, and employer's address is: _____

3. I am receiving financial assistance under one or more of the following programs:

____ **SSI and SSP:** Supplemental Security Income and State Supplemental Payments Programs.

____ **CalWORKs:** California Work Opportunity and Responsibility to Kids Act, implementing TANF, Temporary Assistance for Need Families, (formerly AFDC.)

____ **Food Stamps:** The Food Stamps program.

____ **County Relief:** General Relief (G.R.), or General Assistance (G.A.).

For each line checked above, attach copies of documents to verify receipt of each benefit (the "Information Sheet and Instructions for Waiver of Filing Fee and Fees and Expenses of the Neutral Arbitrator" explains the acceptable documents), and sign the next page.

4. ____ My total gross monthly household income is less than the amount shown on the “Information Sheet and Instructions for Waiver of Filing Fee and Fees and Expenses of the Neutral Arbitrator” form.

Note: *If you checked line 4 above, skip item 5, complete items 6 and 7, and sign below.*

5. ____ My family income is not enough to pay for the common necessities of life for me and the people in my family, plus also paying for the filing fee and the fees and expenses of the Neutral Arbitrator.

Note: *If you checked line 5 above, complete the rest of this form and sign below.*

I declare under penalty of perjury, under the laws of the State of California that the information provided on this form and all attachments are complete, true and correct.

I waive any claim I may have based on Kaiser Foundation Health Plan, Inc., paying the Neutral Arbitrator’s fees.

Type or Print Name	Signature	Date
---------------------------	------------------	-------------

6. ____ My pay changes considerably from month to month.

Note: *If you check this line, each of the amounts reported in item 10 should be your average for the past 12 months.*

7. Monthly Income

a. My gross monthly pay is: \$_____.

b. My payroll deductions are: (specify purpose and amount.)

- i. _____ \$_____
- ii. _____ \$_____
- iii. _____ \$_____
- iv. _____ \$_____
- v. _____ \$_____
- vi. _____ \$_____

c. My total Net Income is: (a. minus the total of b.) \$_____

d. Other money I receive each month is: (indicate source and amount)

- i. _____ \$ _____
- ii. _____ \$ _____
- iii. _____ \$ _____
- iv. _____ \$ _____

Total of other money received each month is: \$ _____

e. My total Monthly Income is: (add c. + d.) \$ _____

f. Number of persons living in my home: _____

List all the persons living in your home, depending on you for support, or on whom you depend for support:

Name	Age	Relationship	Gross Monthly Income

Total amount of money earned by all the persons living in your home is: \$ _____

g. The Total Gross Monthly Household Income is: \$ _____
(add items a., d., and f. for this total)

8. I own or have an interest in the following:

a. Cash \$ _____

b. Checking, savings, and credit union accounts (list the banks):

- i. _____ \$ _____
- ii _____ \$ _____
- iii _____ \$ _____

c. Cars and other vehicles; boats and RVs (make, year, fair market value, and loan balance on each):

Property	Fair Market Value	Loan balance
1.		
2.		

d. Real estate (list address, full market value, and loan balance):

Property	Full Market Value	Loan Balance
1.		
2.		
3.		

e. Other personal property, such as jewelry, furniture, furs, stocks, bonds, etc.:

Property	Full Market Value	Loan Balance
1.		
2.		
3.		
4.		

9. My monthly expenses not already listed in item 7., b. are the following:

- a. Rent or house payment and maintenance \$ _____
 - b. Food and household supplies \$ _____
 - c. Utilities and telephone \$ _____
 - d. Clothing \$ _____
 - e. Laundry and cleaning \$ _____
 - f. Medical and dental payments \$ _____
 - g. Insurance (life, health, accident, etc.) \$ _____
 - h. School, child care \$ _____
 - i. Child, spousal support (prior marriage) \$ _____
 - j. Transportation and auto expenses (insurance, gas, repairs) \$ _____
 - k. Monthly installment payments: (indicate purpose & amount)
 - 1. _____ \$ _____
 - 2. _____ \$ _____
 - 3. _____ \$ _____
- Total amount of all monthly installment payments is: \$ _____

l. Amount deducted for wage assignments and earning withholding orders:
\$ _____

m. Other expenses (specify):

1.	\$
2.	\$
3.	\$

n. My Total Monthly Expenses are: \$ _____
(add 9.a. through 9.m.)

10. Other facts that support this application:

Describe unusual medical needs, expenses for recent family emergencies, or other unusual circumstances or expenses to help the Independent Administrator understand your budget. (If more space is needed, please add another page and label it "Attachment to Item 10.")

Waiver of Objection to Payment of Fees

Instructions: Health Plan will only pay Claimant's share of the Neutral Arbitrator's fees and expenses if this form is completed and returned to the Independent Administrator and a copy served on Respondents. **All Claimants and their counsel must sign this form.** If Claimants seek damages of more than \$200,000, they must also sign and return the Waiver of Party Arbitrator Form to be entitled to Health Plan's payment of the Neutral Arbitrator's fees. See Arbitration Rule 15.a. Return this form to

Office of the Independent Administrator
P.O. Box 76587
Los Angeles, California 90076-0587
Fax: 213-637-8658

Name of Arbitration _____ Arbitration number _____

Normally, the fees and expenses of a Neutral Arbitrator are divided between the Claimants and Respondents. I/We, the Claimant(s) in the arbitration listed above, agree that I/we will waive any or all claims, present or future, I/we may have based on Kaiser Foundation Health Plan' payment of the fees and expenses incurred by the Neutral Arbitrator. In exchange for waiving any such claims and waiving any right to a Party Arbitrator, Kaiser Foundation Health Plan will pay the fees and expenses incurred by the Neutral Arbitrator.

I/We make this decision voluntarily and after the opportunity to discuss the decision with counsel.

Signature of Claimant

Date

Signature of Claimant

Date

Signature of Claimant

Date

Signature of Claimant's Counsel

Date

Waiver of Party Arbitrator — Claimants

Note: Party Arbitrators will be used in arbitrations seeking damages of more than \$200,000 unless both sides agree to waive them. If the Claimants seek damages of more than \$200,000, the Parties may waive their right to a Party Arbitrator. While the waiver is optional, if a Party chooses to do this, she or he must use this form.

Instructions: If the Claimants decide to waive the right to a Party Arbitrator, they must serve the Respondents and the Neutral Arbitrator with this Form no later than the date of the Arbitration Management Conference and return a copy of this Form to the Independent Administrator at the address below no later than five days after serving the other Parties. **To be effective, all of the Claimants and his/her/their counsel must sign this Form.** See Arbitration Rules 14 and 15.

Office of the Independent Administrator
P.O. Box 76587
Los Angeles, California 90076-0587
Fax: 213-637-8658

Name of Arbitration _____ Arbitration number _____

I/We, the Claimant(s) in the arbitration listed above, agree that I/we will waive my/our right to a Party Arbitrator. In exchange for waiving the right to an arbitrator, we understand that the Health Plan will pay the Neutral Arbitrator's fees and expenses.

I/We have had the opportunity to discuss this decision with counsel and make this decision voluntarily.

Signature of Claimant

Date

Signature of Claimant

Date

Signature of Claimant

Date

Signature of Counsel

Date

SYSTEM DESCRIPTION

Kaiser Permanente Member Arbitrations Administered By The Office of the Independent Administrator

I. Introduction

The Office of the Independent Administrator is the neutral entity that administers arbitrations brought pursuant to Kaiser Foundation Health Plan, Inc.'s contracts with its members. 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." The rules are available from Kaiser Permanente at 1-800-464-4000 or from the Office of the Independent Administrator at 213-637-9847 or 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 Independent Administrator receives a claimant's demand for arbitration and \$150.00 filing fee or has been granted a waiver of this fee.¹ Under the system's rules, the Health Plan forwards demands and any filing fee to the Independent Administrator within ten days of receiving them. After the Independent Administrator has the demand and fee or fee waiver, key events take place very quickly. Within **three days**, the Independent Administrator sends the parties a list of arbitrators to choose from. Parties then have **twenty days** to return their responses to that list. Once appointed, the neutral arbitrator holds an arbitration management conference within **sixty days**. At that 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 Independent Administrator received notice of the demand and the filing fee. Our rules contain more information about these important time deadlines, and provide a detailed description of each event 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 use when a case needs to be resolved faster than eighteen months. Rules 33-36 explain how to request expedited procedures. Some cases may be designated complex or extraordinary, and need more time than eighteen months to be resolved. Rule 24b and 24c provide information about those types of cases. Parties can acquire the forms needed to obtain these designations from the Independent Administrator or our website. Postponements may also be available under some circumstances. Rule 21 and Rule 28 contain information about postponements.

¹The last section of this memo discusses how Claimants may request waivers of filing fees.

IV. Panel of Neutral Arbitrators

The Office of the Independent Administrator maintains a panel of neutral arbitrators available to hear cases in this system. Within three days of receiving a demand for arbitration and the required filing fee or waiver, the Independent Administrator will send each party a randomly generated list of twelve arbitrators from its panel. The Independent Administrator will provide copies of the arbitrators' application materials, including names of references, and copies of the arbitrators' previous Kaiser decisions, if available. Parties then have twenty days to strike four names from the list and rank the remaining eight arbitrators in order of preference. The Independent Administrator then selects an arbitrator to serve on the case using the parties' selections. Rule 16 and Rules 18-19 provide more information about selecting an arbitrator. This system allows parties to jointly select any neutral arbitrator of their choosing, -- subject to the restrictions of California's new Ethics Standards for Neutral Arbitrators in Contractual Arbitration -- as long as that arbitrator agrees to follow the system's Rules. See Rule 17 for more information about joint selection of a neutral arbitrator.

V. Payment of the \$150 Filing Fee and/or 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, however, provide ways for the claimants to shift that obligation, as well as the requirement that they pay the \$150 filing fee. These methods are discussed below.

- A. **Waiver of the \$150 Filing Fee:** Claimants whose gross monthly income is less than 300 percent of the national poverty guidelines can have the filing fee waived. To obtain the waiver, claimants must submit a form to the OIA within 75 days of the OIA receiving the demand for arbitration. It does not affect the neutral arbitrator's fees. See Rule 12.
- B. **Waiver of the \$150 Filing Fee and the Neutral Arbitrator's Fees and Expenses:** Claimants who submit a form that contains information about their income and expenses may receive this waiver if they meet the qualifications. This form is given to the respondents, who may object. If granted, it can waive both the filing fee and the neutral arbitrator's fees and expenses. See Rule 13.
- C. **Waiver of the Neutral Arbitrator's Fees and Expenses:** Claimants who sign a form in which they agree not to object if Kaiser pays all the neutral arbitrator's fees and expenses, and a form in which they agree not to use a party arbitrator², do not have to pay the neutral arbitrator's fees. No financial information is required. Claimants should send a copy of the forms to the OIA, Kaiser's attorney, and the neutral arbitrator. See Rule 15.

²Under California law, claimants who seek less than \$200,000 have their claims heard by a single neutral arbitrator. Therefore, these claimants do not have to sign the second waiver. Claimants who waive their right to a party arbitrator can seek damages that are greater than \$200,000. While it has never happened, if claimants were to waive a party arbitrator and Kaiser failed to also do so, claimants could proceed with a party arbitrator.

EXHIBIT J

Lists of All Awards to Claimants (Redacted)

List of All Awards to Claimants (Redacted)

Case Number (not actual OIA case number)	Amount of Awards	Month/Year
1	\$12,500.00	10/99
2	\$6,560.00	12/99
3	\$30,000.00	02/00
4	\$102,740.00	03/00
5	\$175,000.00	03/00
6	\$17,706.76	03/00
7	\$10,000.00	04/00
8	\$109,773.06	04/00
9	\$25,000.00	05/00
10	\$125,000.00	05/00
11	\$5,594,605.00	06/00
12	\$20,202.58	06/00
13	\$125,000.00	06/00
14	\$96,000.00	06/00
15	\$176,500.00	06/00
16	\$17,000.00	07/00
17	\$75,627.00	07/00
18	\$427,110.00	07/00
19	\$442,400.00	07/00
20	\$200,000.00	08/00
21	\$201,572.00	08/00
22	\$28,900.00	09/00
23	\$25,000.00	09/00
24	\$37,950.00	09/00
25	\$311,362.39	09/00
26	\$200,000.00	10/00
27	\$40,000.00	10/00
28	\$110,738.00	10/00
29	\$165,832.00	10/00
30	\$59,817.25	11/00
31	\$8,120.00	11/00
32	\$30,975.00	11/00
33	\$251,440.00	11/00
34	\$175,000.00	12/00
35	\$271,000.00	12/00
36	\$340,000.00	12/00
37	\$53,500.00	12/00
38	\$160,000.00	12/00
39	\$375,000.00	01/01
40	\$2,850.00	01/01
41	\$11,163.00	01/01
42	\$61,489.00	01/01

List of All Awards to Claimants (Redacted)

Case Number (not actual OIA case number)	Amount of Awards	Month/Year
43	\$250,000.00	02/01
44	\$2,500.00	02/01
45	\$79,000.00	02/01
46	\$303,884.00	02/01
47	\$79,047.60	02/01
48	\$175,000.00	03/01
49	\$316,338.00	03/01
50	\$96,560.00	03/01
51	\$8,000.00	03/01
52	\$1,100,000.00	03/01
53	\$50,000.00	03/01
54	\$25,000.00	04/01
55	\$7,052.00	05/01
56	\$45,000.00	05/01
57	\$58,646.00	05/01
58	\$72,000.00	05/01
59	\$175,000.00	06/01
60	\$85,000.00	06/01
61	\$95,000.00	06/01
62	\$80,842.00	07/01
63	\$2,700.00	07/01
64	\$70,000.00	08/01
65	\$996,100.00	08/01
66	\$29,165.00	08/01
67	\$80,000.00	08/01
68	\$3,841.00	09/01
69	\$8,524.32	10/01
70	\$2,750.00	10/01
71	\$504,309.72	10/01
72	\$100,000.00	10/01
73	\$175,000.00	10/01
74	\$50,000.00	10/01
75	\$22,500.00	11/01
76	\$261,916.00	11/01
77	\$22,500.00	11/01
78	\$75,000.00	11/01
79	\$250,000.00	11/01
80	\$375,000.00	12/01
81	\$194,000.00	12/01
82	\$479,794.98	12/01
83	\$17,000.00	12/01
84	\$186,939.92	12/01

List of All Awards to Claimants (Redacted)

Case Number (not actual OIA case number)	Amount of Awards	Month/Year
85	\$10,000.00	12/01
86	\$30,000.00	12/01
87	\$87,170.07	12/01
88	\$450,000.00	01/02
89	\$30,000.00	01/02
90	\$21,300.00	01/02
91	\$75,000.00	01/02
92	\$275,000.00	03/02
93	\$500,000.00	03/02
94	\$45,069.00	04/02
95	\$167,972.00	04/02
96	\$16,667.00	04/02
97	\$6,500.00	04/02
98	\$306,000.00	05/02
99	\$2,261.00	05/02
100	\$59,898.00	05/02
101	\$250,000.00	05/02
102	\$273,333.34	05/02
103	\$100,000.00	05/02
104	\$200,000.00	05/02
105	\$5,000.00	05/02
106	\$1,173,107.00	06/02
107	\$7,575.00	06/02
108	\$3,837,529.00	06/02
109	\$215,700.00	06/02
110	\$365,192.00	06/02
111	\$272,154.00	06/02
112	\$500.00	07/02
113	\$92,978.17	07/02
114	\$150,000.00	07/02
115	\$7,000.00	07/02
116	\$100,000.00	07/02
117	\$490,604.00	08/02
118	\$100,530.00	08/02
119	\$35,000.00	08/02
120	\$875,000.00	08/02
121	\$2,700,000.00	08/02
122	\$41,832.00	09/02
123	\$259,224.80	09/02
124	\$30,000.00	09/02
125	\$65,000.00	10/02
126	\$229,684.00	10/02

List of All Awards to Claimants (Redacted)

Case Number (not actual OIA case number)	Amount of Awards	Month/Year
127	\$125,000.00	10/02
128	\$350,642.00	10/02
129	\$998,000.00	10/02
130	\$623,668.00	10/02
131	\$82,872.00	11/02
132	\$1,182,389.20	11/02
133	\$300,000.00	11/02
134	\$1,561,480.00	11/02
135	\$9,460.00	12/02
136	\$2,500.00	12/02
137	\$253,786.00	12/02
138	\$1,051,731.00	12/02
139	\$150,000.00	01/03
140	\$157,500.00	01/03
141	\$1,250.00	01/03
142	\$250,700.00	01/03
143	\$36,773.00	01/03
144	\$11,000.00	02/03
145	\$158,625.99	02/03
146	\$27,186.39	02/03
147	\$250,000.00	02/03
148	\$97,971.00	02/03
149	\$913,852.00	03/03
150	\$121,680.95	03/03
151	\$443,448.69	03/03
152	\$450,000.00	03/03
153	\$525,962.00	03/03
154	\$883,828.00	04/03
155	\$15,000.00	04/03
156	\$1,300.00	04/03
157	\$371,600.00	04/03
158	\$10,000.00	05/03
159	\$366,528.00	05/03
160	\$245,000.00	06/03
161	\$1.00	06/03
162	\$1,318,618.50	06/03
163	\$765,599.00	06/03
164	\$105,732.00	07/03
165	\$451,550.00	08/03
166	\$60,000.00	08/03
167	\$210,305.14	08/03
168	\$75,000.00	09/03

List of All Awards to Claimants (Redacted)

Case Number (not actual OIA case number)	Amount of Awards	Month/Year
169	\$346,308.06	09/03
170	\$280,000.00	09/03
171	\$172,274.89	09/03
172	\$139,200.00	10/03
173	\$558,386.00	10/03
174	\$282,156.00	10/03
175	\$750,348.00	10/03
176	\$87,500.00	11/03
177	\$7,265.70	11/03
178	\$9,362.50	12/03
179	\$15,000.00	12/03
180	\$800,000.00	12/03
181	\$69,320.00	12/03
182	\$100,000.00	12/03
183	\$159,750.00	12/03
184	\$165,000.00	12/03
185	\$411,834.00	12/03

EXHIBIT K

Party and Attorney Evaluations of Neutral Arbitrators

7. The neutral arbitrator understood the facts of my case.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

8. The neutral arbitrator served his/her decision within a reasonable time.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

9. The fees billed by the neutral arbitrator were consistent with those described in his/her application materials which I received from the OIA at the beginning of case.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

10. The fees charged by the neutral arbitrator were reasonable given the work performed.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

11. I would recommend this arbitrator to another person or another lawyer with a case like mine.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

OIA - Party Evaluation / Total Counts

Report Date Range: 1/1/03 through 12/31/03

General Counts

	<u>Sent</u>	<u>Received</u>	
Cnt Evaluations	1,438	633	(21 of these are Blank)
Cnt of Pro Pers	144	35	
Cnt of Claimant Counsel	575	199	
Cnt of Respondents	719	376	
Cnt Anonymous		23	

Counts of Received

Blanks

Cnt Blank	21
Cnt Blank and Settled or Withdrawn Early	3

By Disposition

Cnt Disp Withdrawn	76	Cnt Disp Hearing Claimant	44
Cnt Disp Settled	273	Cnt Disp Hearing Respondent	72
Cnt Disp Dismissed by NA	20	Cnt Disp Hearing	4
Cnt Disp MSJ	68	Cnt Disp Other	6

By Method Chosen

Cnt JOINT	201
Cnt STRIKE	358

Claimant and Attorney Evaluations of Neutrals; Statistical Summary of 2003 Responses

As of 12/31/03

Claimant or Respondent?	Evals Rec'd	Fair Q1	Respectful Q2	Timely Q3	Response Q4	Explained Q5	Knew Law Q6	Knew Facts Q7	Decision Q8	Fees Q9	Fees Q10	Recommend Q11	Cnt/Avg
Unidentified Count	23	16	17	17	17	17	16	18	17	17	15	15	
Unidentified Average		4.1	4.2	4.4	4.4	4.3	3.5	3.5	4.4	3.8	4.2	3.6	4.0
Unidentified Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Unidentified Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Claimant Attorney Count	199	177	178	178	178	177	177	167	167	158	159	171	
Claimant Attorney Average		4.5	4.7	4.7	4.7	4.4	4.5	4.2	4.5	4.8	4.3	4.2	4.5
Claimant Attorney Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Claimant Attorney Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Pro Per Count	35	33	34	34	34	33	32	32	32	28	26	26	
Pro Per Average		3.7	4.2	4.1	4.2	4.1	3.8	3.5	3.9	3.7	3.1	3.8	3.8
Pro Per Median		5.0	5.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	3.5	5.0	4.8
Pro Per Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Respondent Count	376	368	362	362	362	359	359	359	359	346	345	355	
Respondent Average		4.8	4.9	4.7	4.8	4.8	4.8	4.7	4.7	4.9	4.8	4.7	4.8
Respondent Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Respondent Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Count	633	594	591	591	591	586	584	576	575	549	545	567	
Total Average		4.7	4.8	4.6	4.7	4.6	4.6	4.5	4.6	4.8	4.6	4.5	4.6
Total Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

OIA - Party Evaluation / Total Counts

Report Date Range: 1/1/00 through 12/31/03

General Counts

	<u>Sent</u>	<u>Received</u>	
Cnt Evaluations	4,468	2,066	(169 of these are Blank)
Cnt of Pro Pers	587	119	
Cnt of Claimant Counsel	1,647	611	
Cnt of Respondents	2,234	1,262	
Cnt Anonymous		74	

Counts of Received

<u>Blanks</u>		<u>By Disposition</u>			
Cnt Blank	169	Cnt Disp Withdrawn	277	Cnt Disp Hearing Claimant	182
Cnt Blank and Settled or Withdrawn Early	76	Cnt Disp Settled	797	Cnt Disp Hearing Respondent	279
		Cnt Disp Dismissed by NA	63	Cnt Disp Hearing	9
		Cnt Disp MSJ	258	Cnt Disp Other	13

By Method Chosen

Cnt JOINT	631
Cnt STRIKE	1,125

Claimant and Attorney Evaluations of Neutrals; Statistical Summary of Total Responses

As of 12/31/02

Claimant or Respondent?	Evals Rec'd	Fair Q1	Respectful Q2	Timely Q3	Response Q4	Explained Q5	Knew Law Q6	Knew Facts Q7	Decision Q8	Fees Q9	Fees Q10	Recommend Q11	Cnt/Avg
Unidentified Count	74	46	48	48	48	48	46	48	47	46	44	45	
Unidentified Average		4.1	4.4	4.5	4.5	4.3	3.9	4.0	4.4	4.5	4.5	3.9	4.3
Unidentified Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Unidentified Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Claimant Attorney Count	611	539	541	539	537	535	529	512	514	486	486	520	
Claimant Attorney Average		4.4	4.7	4.7	4.7	4.4	4.4	4.3	4.5	4.6	4.4	4.2	4.5
Claimant Attorney Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Claimant Attorney Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Pro Per Count	119	109	108	108	109	108	101	102	102	89	85	92	
Pro Per Average		3.4	4.0	4.2	4.2	3.9	3.7	3.5	3.9	4.1	3.5	3.4	3.8
Pro Per Median		5.0	5.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	5.0	5.0	4.9
Pro Per Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Respondent Count	1262	1191	1182	1179	1178	1177	1175	1165	1167	1131	1126	1147	
Respondent Average		4.7	4.9	4.7	4.8	4.7	4.7	4.6	4.7	4.8	4.7	4.6	4.7
Respondent Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Respondent Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Count	2066	1885	1879	1874	1872	1868	1851	1827	1830	1752	1741	1804	
Total Average		4.6	4.8	4.6	4.7	4.6	4.5	4.5	4.6	4.7	4.6	4.4	4.6
Total Median		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Mode		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

EXHIBIT L

Neutral Arbitrators Evaluation of OIA Procedures and Rules

Questionnaire for Neutral Arbitrators

Instructions: In accordance with Rule 48 of the *Rules for Kaiser Permanente Member Arbitrations Administered by the Office of Independent Administrator*, we ask that you complete the enclosed questionnaire about the arbitration named below. Your answers will be used to evaluate and make changes in the OIA system. We ask for comments and are glad to receive any that you have to offer. Please feel free to add sheets if you need additional space. A stamped, self-addressed envelope is enclosed for your convenience. Please send the returned form to the address below in the enclosed self-addressed, stamped envelope. Thanks for your help.

Office of Independent Administrator
P.O. Box 76587
Los Angeles, California 90076-0587

Arbitration Name:

Arbitration Number:

This claim was:

- Withdrawn
- Settled
- Dismissed by the Neutral Arbitrator
- Decided After a Motion for Summary Judgment
- Decided After a Hearing

On the scale below, please rank your experiences in this matter. Please circle the number that applies. If the statement does not apply to your case, please circle the "N/A" which appears at the right-hand side. We ask for your comments where you have time and inclination.

1. In this case, I thought the procedures set out in the *Rules for Kaiser Permanente Members Arbitrations Administered by the Office of Independent Administrator* worked well.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

2. Based on my experience in this case, I would participate in another arbitration in the system administered by the Office of Independent Administrator.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

3. In this case, the Office of Independent Administrator accommodated my questions and concerns.

5	4	3	2	1	N/A
Agree				Disagree	

Please comment: _____

4. Based on my experience in this case, I found the that the following characteristics of the system **worked well**. (Check all that apply):

- | | |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> manner of neutral arbitrator's appointment | <input type="checkbox"/> the system's rules overall |
| <input type="checkbox"/> early management conference | <input type="checkbox"/> hearing within 18 months |
| <input type="checkbox"/> availability of expedited procedures | <input type="checkbox"/> availability of complex/extraordinary procedures |
| <input type="checkbox"/> award within 15 days of hearing | <input type="checkbox"/> other (please describe): _____ |
| <input type="checkbox"/> claimant's ability to have respondent pay cost of neutral arbitrator | |

Please comment: _____

5. Based on my experience in this case, I found that the following characteristics of the system **need change or improvement**. (Check all that apply):

- | | |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> manner of neutral arbitrator's appointment | <input type="checkbox"/> the system's rules overall |
| <input type="checkbox"/> early management conference | <input type="checkbox"/> hearing within 18 months |
| <input type="checkbox"/> availability of expedited procedures | <input type="checkbox"/> availability of complex/extraordinary procedures |
| <input type="checkbox"/> award within 15 days of hearing | <input type="checkbox"/> other (please describe): _____ |
| <input type="checkbox"/> claimant's ability to have respondent pay cost of neutral arbitrator | |

Please comment: _____

6. Have you had experience with a similar case in Superior Court? Yes No
If yes, what was your role? _____
If yes, was your experience in this system with this case:
 better worse about the same?

Please comment: _____

7. Please give us any suggestions you may have for improving the communications with our office.

8. Please set forth any suggestions for improving the system administered by this office.

9. Please set forth any suggestions for improvement or change in the rules.

NA Questionnaire / Count by Disposition - 2003 Responses

Disposition	Count
Decided After Hearing	98
Decided After MSJ	75
Dismissed by NA	17
Settled	298
Withdrawn	76
Unidentified	12
No Questions Answered	23
Total Returned	599
Total Mailed	719

Neutral Arbitrator Questionnaire - Responses to Questions 1 thru 3 - 2003 Responses

Count	Disposition	Procedures Worked Well	Would Participate Again	OIA Accommodated Questions/Concerns
		Q1	Q2	Q3
98	Decided After Hearing Count	97	97	97
	Decided After Hearing Average	4.7	4.8	4.8
	Decided After Hearing Median	5.0	5.0	5.0
	Decided After Hearing Mode	5.0	5.0	5.0
	Decided After Hearing Min	3.0	3.0	3.0
	Decided After Hearing Max	5.0	5.0	5.0
76	Decided After MSJ Count	74	74	73
	Decided After MSJ Average	4.8	5.0	4.9
	Decided After MSJ Median	5.0	5.0	5.0
	Decided After MSJ Mode	5.0	5.0	5.0
	Decided After MSJ Min	3.0	4.0	3.0
	Decided After MSJ Max	5.0	5.0	5.0
17	Dismissed by NA Count	17	17	17
	Dismissed by NA Average	4.8	4.8	4.9
	Dismissed by NA Median	5.0	5.0	5.0
	Dismissed by NA Mode	5.0	5.0	5.0
	Dismissed by NA Min	3.0	1.0	4.0
	Dismissed by NA Max	5.0	5.0	5.0
313	Settled Count	291	290	284
	Settled Average	4.8	4.9	4.9
	Settled Median	5.0	5.0	5.0
	Settled Mode	5.0	5.0	5.0
	Settled Min	1.0	1.0	3.0
	Settled Max	5.0	5.0	5.0
80	Withdrawn Count	74	72	73
	Withdrawn Average	4.7	4.8	4.9
	Withdrawn Median	5.0	5.0	5.0
	Withdrawn Mode	5.0	5.0	5.0
	Withdrawn Min	3.0	1.0	3.0
	Withdrawn Max	5.0	5.0	5.0
15	BLANK Count	12	12	12
	BLANK Average	4.7	4.9	4.9
	BLANK Median	5.0	5.0	5.0
	BLANK Mode	5.0	5.0	5.0
	BLANK Min	4.0	4.0	4.0
	BLANK Max	5.0	5.0	5.0
599	Total Count	565	562	556
	Total Average	4.8	4.9	4.9
	Total Median	5.0	5.0	5.0
	Total Mode	5.0	5.0	5.0
	Total Min	1.0	1.0	3.0
	Total Max	5.0	5.0	5.0

NA Questionnaire / Count of Questions 4-5

4. I found that the following characteristics of the system **worked well**. (Check all that apply):

5. I found that the following characteristics of the system **need change or improvement**. (Check all that apply):

Report Date Range: 1/1/2003 through 12/31/2003

		4. Worked Well	5. Needs Change/ Improvement
a.)	manner of neutral arbitrator's appointment	424	9
b.)	early management conference	425	6
c.)	availability of expedited procedures	127	5
d.)	award within 10 days of hearing	103	15
e.)	claimant's ability to have respondent pay cost of neutral arbitrator	192	19
f.)	the system's rules overall	340	10
g.)	hearing within 18 months	181	15
h.)	availability of complex/extraordinary procedures	47	3
Other)		3	7
COMMENTS:	Positive	17	12
	Negative	3	16
	Both	4	7

NA Questionnaire / Results of Question 6

6. Have you had experience with a similar case in Superior Court?

If yes, what was your role?

If yes, was your experience in this system with this case Better, Worse, or About the Same?

Report Date Range:
1/1/2003 through 12/31/2003

<u>Role</u>	<u>CntQ6a is Yes</u>	<u>Cnt Better</u>	<u>Cnt Worse</u>	<u>Cnt Same</u>	<u>Cnt BLANK</u>
	45	7	2	18	18
<i>6b BLANK</i>	0	0	0	0	0
<i>Attorney</i>	62	20	4	32	6
<i>Judge</i>	236	78	3	133	22
<i>Mediator</i>	9	2	1	4	2
<i>Neutral Arbitrator</i>	26	6	0	18	2
<i>Party Arbitrator</i>	3	1	0	2	0
TOTALS	381	114	10	207	50

NA Questionnaire / Count by Disposition - Total Responses

Disposition	Count
Decided After Hearing	403
Decided After MSJ	293
Dismissed by NA	57
Settled	806
Withdrawn	265
Unidentified	28
No Questions Answered	130
Total Returned	1982
Total Mailed	2234

Neutral Arbitrator Questionnaire - Responses to Questions 1 thru 3 - Total Responses

Count	Disposition	Procedures Worked Well	Would Participate Again	OIA Accommodated Questions/Concerns
		Q1	Q2	Q3
405	Decided After Hearing Count	400	400	393
	Decided After Hearing Average	4.7	4.8	4.9
	Decided After Hearing Median	5.0	5.0	5.0
	Decided After Hearing Mode	5.0	5.0	5.0
	Decided After Hearing Min	1.0	1.0	3.0
	Decided After Hearing Max	5.0	5.0	5.0
298	Decided After MSJ Count	288	289	280
	Decided After MSJ Average	4.7	4.9	4.9
	Decided After MSJ Median	5.0	5.0	5.0
	Decided After MSJ Mode	5.0	5.0	5.0
	Decided After MSJ Min	1.0	2.0	1.0
	Decided After MSJ Max	5.0	5.0	5.0
62	Dismissed by NA Count	56	55	56
	Dismissed by NA Average	4.8	4.8	5.0
	Dismissed by NA Median	5.0	5.0	5.0
	Dismissed by NA Mode	5.0	5.0	5.0
	Dismissed by NA Min	3.0	1.0	4.0
	Dismissed by NA Max	5.0	5.0	5.0
867	Settled Count	785	781	762
	Settled Average	4.8	4.9	4.9
	Settled Median	5.0	5.0	5.0
	Settled Mode	5.0	5.0	5.0
	Settled Min	1.0	1.0	1.0
	Settled Max	5.0	5.0	5.0
297	Withdrawn Count	249	249	243
	Withdrawn Average	4.8	4.9	4.9
	Withdrawn Median	5.0	5.0	5.0
	Withdrawn Mode	5.0	5.0	5.0
	Withdrawn Min	2.0	1.0	3.0
	Withdrawn Max	5.0	5.0	5.0
53	BLANK Count	25	25	25
	BLANK Average	4.6	4.9	4.8
	BLANK Median	5.0	5.0	5.0
	BLANK Mode	5.0	5.0	5.0
	BLANK Min	3.0	4.0	4.0
	BLANK Max	5.0	5.0	5.0
1982	Total Count	1803	1799	1759
	Total Average	4.7	4.9	4.9
	Total Median	5.0	5.0	5.0
	Total Mode	5.0	5.0	5.0
	Total Min	1.0	1.0	1.0
	Total Max	5.0	5.0	5.0

NA Questionnaire / Count of Questions 4-5

4. I found that the following characteristics of the system **worked well**. (Check all that apply):

5. I found that the following characteristics of the system **need change or improvement**. (Check all that apply):

Report Date Range: 1/1/2000 through 12/31/2003

		4. Worked Well	5. Needs Change/ Improvement
a.)	manner of neutral arbitrator's appointment	1359	31
b.)	early management conference	1413	34
c.)	availability of expedited procedures	478	12
d.)	award within 10 days of hearing	388	108
e.)	claimant's ability to have respondent pay cost of neutral arbitrator	667	50
f.)	the system's rules overall	1129	37
g.)	hearing within 18 months	622	43
h.)	availability of complex/extraordinary procedures	133	14
Other)		11	36
COMMENTS:	Positive	86	63
	Negative	37	114
	Both	19	25

NA Questionnaire / Results of Question 6

6. Have you had experience with a similar case in Superior Court?

If yes, what was your role?

If yes, was your experience in this system with this case Better, Worse, or About the Same?

Report Date Range:
1/1/2000 through 12/31/2003

<u>Role</u>	<u>CntQ6a is Yes</u>	<u>Cnt Better</u>	<u>Cnt Worse</u>	<u>Cnt Same</u>	<u>Cnt BLANK</u>
	69	16	3	29	24
<i>6b BLANK</i>	32	15	1	13	3
<i>Attorney</i>	232	103	12	96	21
<i>Judge</i>	764	240	8	431	86
<i>Mediator</i>	26	8	1	14	3
<i>Neutral Arbitrator</i>	116	43	1	66	6
<i>Party Arbitrator</i>	5	2	0	3	0
<i>Referee</i>	1	0	0	1	0
TOTALS	1245	427	26	653	143

EXHIBIT M

Kaiser Arbitration Oversight Board Report Reviews

Kaiser Arbitration Oversight Board

Comments on the Fifth Annual Report

The Kaiser Arbitration Oversight Board reviewed the annual report of the Independent Administrator at its quarterly meeting in March. Consideration of the report's presentation and findings was the main agenda item of the meeting. The following comments reflect the Board's observations about the report and the year's accomplishments.

The Fifth Annual Report is an impressive document that provides the Board, all interested parties and the public-at-large with a richly detailed picture of the operation of the Kaiser arbitration system. In its new format as a true annual report, the principal focus is on the administration of the arbitration system during the 2003 calendar year, for which it provides a comprehensive accounting. A Report Summary, at the beginning of the document, provides a useful, concise distillation of the information contained in the body of the report.

While a section of the narrative offers brief comparisons with previous years and identifies noteworthy variances, the report also includes (in Appendix 1) a highly detailed tabulation of pertinent data for 2003 alongside these data items for previous years. The Appendix thereby gives an overall record of key metrics by which to monitor performance of the system over time. It permits one to inspect and compare adherence to deadlines, utilization of arbitrators, disposition of cases, and other important performance bench marks, and to discern any significant trends.

The past year was eventful in many respects for the Office of the Independent Administrator and for the Oversight Board. It was the Board's responsibility to select a new Independent Administrator to succeed Sharon Hartmann on her retirement. Ms. Hartmann had served with distinction since November 1998 when Kaiser first turned over its arbitration system to independent administration, following recommendations of a Blue Ribbon Advisory Panel. After careful consideration, the Board selected Sharon Oxborough, Esq. Ms. Oxborough, who had been a close associate of Ms. Hartmann, was highly regarded both for her professional accomplishments and her thorough familiarity with the functions and responsibilities of the Office of the Independent Administrator.

Ms. Oxborough has managed the transition in administration skillfully. The office's location, key staff, computer support, telephones, records, files, website

information and other operating systems remained in place and have continued without interruption. The Board notes with great satisfaction the competence, efficiency, sense of mission and standards of excellence that have characterized the office under Ms. Oxborough's leadership.

In 2003 important new statutory requirements and Judicial Council ethics standards for consumer arbitration went into effect, with the objective of more complete disclosures about arbitrators' cases and organizations providing arbitrators' services. The Rules of the Kaiser arbitration system were amended by the Oversight Board in late 2002, on recommendation of the Independent Administrator, to be in conformity with all the new requirements. In the Board's view, the Office has done an outstanding job of implementing the new rules: educating arbitrators about the new and complex requirements, assuring their compliance, and systematically posting all called-for public disclosure information on the Office's website.

Expeditious handling of cases was a foremost expectation of the independently administered arbitration system. A number of the original Blue Ribbon Panel recommendations were directed toward achieving this objective, and remedying past problems of protracted delays. They called for: prompt submission of demands for arbitration, incentives to choose a single neutral arbitrator, speedy selection of arbitrators, established deadlines for each step in the arbitration process and close monitoring of the progress of each case.

How well the system is working, in terms of timeliness, is therefore reviewed at each Board meeting. Much of the quantitative data contained in the Fifth Annual Report addresses the matter. In the Board's view, the Office of the Independent Administrator has been highly successful in meeting expectations for an expeditious arbitration process — one in which appropriate deadlines are respected. While the process has lengthened somewhat over the past several years, owing to increases in allowable postponements and arbitrator disqualifications, the system operates well within recommended time frames, as documented in the Annual Report.

An ideal arbitration system will depend critically on the availability of well-qualified and fair-minded arbitrators and a process for arbitrator selection that is perceived by the parties to be fair and as free of potential bias as possible. Developing and maintaining a pool of qualified arbitrators and administering a fair selection process are, therefore, major responsibilities of the Office of the Independent Administrator and a priority concern of the Oversight Board.

There is no simple formula to determine the optimal size of the pool of arbitrators needed. It should be sufficiently large to allow a broad opportunity for selection, and to avoid the potential bias of “repeat business.” But, it should not be so large that arbitrators are so infrequently called that they lose interest and drop out. Trial and error has thus far suggested an overall pool of at least 300, with appropriate allocations to northern California, to southern California (LA and environs) and to San Diego. There may be need of a pool serving the Central Valley, if demands from that region continue to increase. When the number of available arbitrators dips, the OIA places advertisements to recruit new arbitrator candidates. At the urging of the Board, the advertisements reach out to professional associations of women and minority attorneys in continual effort to broaden the ethnic and gender composition of the arbitrator pool.

It was gratifying to note that a high percentage (70%) of the arbitrators in the system served on at least one case during the year; that the average number of cases for each was modest (2.9); and that award decisions were widely distributed among the arbitrators. Moreover, it was reassuring that analyses of the arbitrator pool showed an even balance between those with plaintiff’s side experience and those with defendant’s side experience.

The arbitrator selection process continues to work well. Parties either jointly select the neutral arbitrator or choose from a computer-randomized list supplied by the OIA, using a strike and rank method. There is increasing use of the OIA pool of arbitrators in instances of joint selection and increasing use of the strike/rank selection method, suggesting increasing comfort with the OIA’s procedures. The office is meticulous about supplying parties with disclosure files for each arbitrator that include information from the arbitrator’s application, parties served, past decisions, evaluations and other relevant materials to aid a well-informed selection.

Anonymous evaluations of neutral arbitrators, obtained from both parties at the end of cases, continue to be very positive. Also, it should be noted, neutral arbitrators give high marks to the Office of the Independent Administrator in their anonymous evaluations of the Kaiser arbitration system.

The independently administered arbitration system has probably been in place too few years to permit statistically valid year-to-year comparisons of key metrics. Nonetheless, certain trends are discernible. The proportion of cases closed through settlements appears to be increasing; those closed by action of the neutral arbitrator (dismissed, summary judgment, or award) appears to be decreasing; the number of cases with claimants *in pro per* appears to be declining. The number of demands referred by Kaiser to the OIA has remained rather stable at about 1000; actually slightly less (989) in 2003. It is perhaps still too early to speculate about these trends or the likelihood that they will continue. Nonetheless, we are at least assured that the record-keeping system is in place to permit comparisons as time goes by.

The most conspicuous change in the Kaiser arbitration system over the last five years is the degree to which it has become transformed along the lines proposed in the Blue Ribbon Advisory Panel's report of January 1998. As the Panel recommended, the arbitration system is now administered independently and with public-interest oversight. The Office of the Independent Administrator and the Oversight Board are charged with the mission "to ensure that Kaiser Permanente arbitration process is fair, speedy, cost-effective and protects the interest of the parties." Specific recommendations of the Advisory Panel furnished a road map for improved operation of the arbitration system. The extraordinary progress in following up and implementing those recommendations is readily surmised from the "Status Report on Blue Ribbon Recommendations" found in Exhibit B of the Annual Report. At this juncture, essentially all of the Blue Ribbon recommendations have been implemented. "Exhibit B" actually best tells the story of the accomplishments in the Kaiser arbitration system over the past five years.

The Board has on many occasions expressed interest in other programs of Kaiser Permanente that might have a relationship to the arbitration process. For example, the Board has frequently asked about "pre-arbitration" mechanisms for dispute resolution — activities closer to the actual settings of patient care that might encourage constructive communication between health plan member and staff when concerns or disagreements arise. The Board was therefore gratified to learn, from a presentation at one of its meetings during the year, that Kaiser had initiated an Ombudsperson program at a number of sites, on a pilot basis, and the early indications were that the programs were very successful, and plans for expansion were underway.

Similarly, the Board arranged for presentations on Kaiser programs pertaining to cultural and language competency in patient care and client communications; patient safety initiatives; quality assurance; automated medical

records; and health plan benefits. These presentations and discussions have been very helpful in allowing the Board to view its responsibilities in arbitration system oversight in the broader context of Kaiser's health care endeavors.

The Board is well aware that the cases referred to the Office of the Independent Administrator represent only a tiny fraction of the Kaiser health plan membership. This past year, fewer than 1000 demands for arbitration were received by the Office; and of those, almost one-fourth were withdrawn for one reason or another. Considering that the Kaiser Permanente system serves over 6 million people in California, with millions of doctor visits, millions of diagnostic tests, and millions more patient care interactions in the hospital, the number seeking dispute resolution through arbitration appears remarkably finite.

The Oversight Board frequently refers to the Blue Ribbon Advisory Panel Report of 1998, which has been an invaluable guide for constructive development of the Kaiser arbitration system. The Blue Ribbon Report stated: "Many of our recommendations would put Kaiser Permanente once again in the forefront of change in American healthcareKaiser Permanente has led the field of health-care for many years; there is no reason it should not do the same in the area of arbitration." It is in this spirit that the Board pursues its oversight function and seeks, through continuous improvement, a model arbitration system.

The Board commends the Independent Administrator and her staff for an excellent annual report. The report provides a thorough accounting of its work in the year 2003 and valuable insight into the continued development of Kaiser's independently administered arbitration system.