

SYSTEM DESCRIPTION

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

I. Introduction

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

II. Timeline to Complete Cases

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

Not all cases can be resolved within the eighteen month time frame. Some cases may be designated complex or extraordinary because they need more than eighteen months to be resolved. Rules 24b and 24c provide information about those designations. Postponements of the eighteen month deadline may also be available when cases are not complex or extraordinary. Rule 28 provides information about these postponements.

The system also has expedited procedures for cases that need to be resolved faster than eighteen months. Rules 33-36 explain how to request expedited procedures.

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

The *Rules* allow waiver of the \$150 filing fee for claimants who cannot afford it. Copies of the fee waiver applications are available from the OIA or on its website. Rules 12 and 13 provide information about the fee waiver applications.

Under California law, the fees and expenses of the neutral arbitrator are divided between the claimants and the respondents. The *Rules* provide two ways for claimants to shift that obligation to Kaiser. First, if the Fee Waiver Form discussed in Rule 13 is granted, the obligation is shifted to Kaiser. Second, regardless of income, waiver forms are available to shift the obligation to Kaiser. Rule 15 provides information about these waiver forms. Copies of the waiver forms are available from the OIA or on its website.

(CONTINUED ON REVERSE)

IV. Selecting the Neutral Arbitrator

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

The OIA provides the parties with password-protected access to information about the neutral arbitrators named on the LPA. The information includes the arbitrators’ application materials, decisions made within the last five years, and evaluations from parties in cases where the arbitrators served within the last five years and issued a decision.

Parties then have twenty days to strike four names on the LPA and rank the remaining eight names in order of preference. Under Rule 21, claimants, or respondents with agreement from claimants, may request and receive a ninety day postponement of this deadline. The OIA then selects a neutral arbitrator to serve on the case using the parties’ selections. Rules 16, 18, and 19 provide more information about selecting a neutral arbitrator.

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

V. After the Neutral Arbitrator is Selected

The neutral arbitrator has to make disclosures required by California law. Parties have an opportunity to disqualify the neutral arbitrator. Rule 20 provides information about disclosures and disqualification. If the neutral arbitrator is not disqualified within the statutory deadline, he or she is appointed on the case.

The neutral arbitrator holds an Arbitration Management Conference (“AMC”) within sixty days of selection. At the AMC, the neutral arbitrator and the parties set dates and deadlines for remaining events, including the Mandatory Settlement Meeting (“MSM”) and the arbitration hearing date. Rules 25 and 26 provide information about the AMC and MSM.