

Kaiser Permanente's California Binding Arbitration

California Arbitration Management System (CAMS) tool introduction McLane Company and Kaiser Permanente Meeting

Introduction



McLane Company Attendees:

✓ Lisa Scudiero, McLane Company

Arbitration Project Team:

- ✓ Jason Rosa, KP Customer Service Advisor
- ✓ Terri Davis, KP Associate Account Manager

2



Objective

- Introduction to Kaiser's Binding Arbitration
- Provide background information
- Review the California Arbitration Management System (CAMS) tool (prototype)
- Benefits of Web based enrollments
- Next Steps



Background

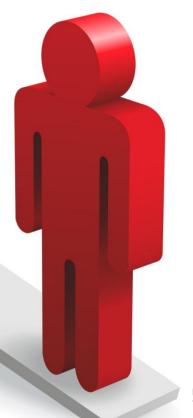
- ➤ Kaiser Permanente has used Binding Arbitration to resolve member dispute since 1971.
- ➤ Kaiser Foundation Health Plan, Inc., uses binding arbitration to settle member disputes. The California Health & Safety Code requires health plans that use binding arbitration to disclose that information to the individual enrollee at the time of enrollment.
- Failure to notify the enrollee and/or failure to obtain their agreement by signature or other acceptable provision would be grounds for a Court to deny a motion by Health Plan to compel arbitration.



Health &Safety Code 1363.1 Requirements for Showing Arbitration Language



- 1 Point of enrollment Informed when selecting benefits plans (new, returning, plan change)
- The agreement is between Kaiser
 Permanente/subscriber and enrollee
- Once enrolled, Kaiser Permanente cannot retroactively go back to obtain the subscriber's agreement



Conceptual Process & Flow California Arbitration Management System (CAMS)



McLane Company



Arbitration Enrollee process

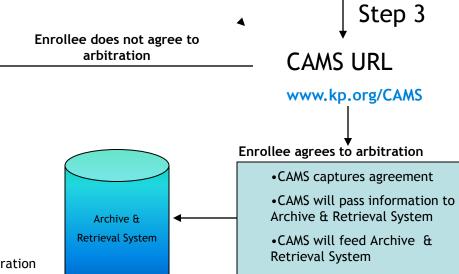
McLane Company instructs the enrollee to enroll through their enrollment website



Step 2

- 1. Enrollee selects Kaiser as a carrier
- 2. Enrollee select their benefits plans
- B. Enrollee confirm their plans
- 4. Enrollee will click on the URL Link, which will direct them to Kaiser Permanente's California Arbitration Management System *(CAMS)

- •Enrollee will be directed to select another health plan carrier
- •Kaiser will not receive this enrollee on the enrollment file from the Administrator (assumption and desired state)
 - Repository
 - Store/Retrieve agreed arbitrations
 - Push and Pull latest arbitration language to CAMS



Note: Enrollments reported will follow the current process

McLane Company Enrollment site to California Arbitration Management System (CAMS) Medical Dental Spending Accounts Life Insurance Accidential Death & Dismemberment Long-Term Disability Coverage Information Maiser Permanente Indicate who you want to cover under the company's medical plan and who is covered Chinese | English | Español EMPLOYEE/DEPENDENT For California employees selecting the Kaiser Permanente Plan Ann Marie Smith John Smith Kaiser Foundation Health Plan Arbitration Agreement: Julie Smith I understand that (except for Small Claims Court cases, claims subject to a Medicare appeals procedure, and, if I am enrolled in a Spousal Surcharge group that is subject to ERISA, certain benefit-related disputes) any dispute between myself, my heirs, relatives, or other associated Is spouse eligible for coverage elsewhere and not enrolled? If they are a DHL emple parties on the one hand and Health Plan, its health care providers, or other associated parties on the other hand, for alleged violation of any duty arising out of or related to membership in Health Plan, including any claim for medical or hospital malpractice (a claim that medical services were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered), for premises liability, or relating to the coverage for, or delivery of, services or items, irrespective of legal theory, must be decided by binding arbitration under Health Assessment Rate: Congratulations the rates below reflect the discou California law and not by lawsuit or resort to court process, except as applicable law provides for judicial review of arbitration **Medical Elections** proceedings. I agree to give up our right to a jury trial and accept the use of binding arbitration. I understand the full arbitration PLAN OPTIONS provision is contained in the Evidence of Coverage. O No Coverage By clicking the Agree button below, I understand that this action will serve as my electronic signature of O HDHP * agreement to the conditions provided in the Kaiser Foundation Health Plan Arbitration Agreement (above) Kaiser and that by law this electronic signature will have the same effect as a signature on a paper form. Health Plan Hawaii HMO * High Deductible Health Plan (HDHP) Birth date Last name First name M.I. Month Male Female If you selected Kaiser, please click here Optional: SSN MRN (for returning member only) to view and agree to arbitration nail agreement. Date: 8/7/2012 Agree Note: If you do not wish to accept the arbitration agreement above you must click on Disagree to go back to Click here will take user to CAMS site select another health plan carrier. Agree takes user to the save or print Disagree screen Disagree takes user back to McLane Company enrollment site to select Note: This is a prototype - it doesn't show the current another carrier.

• Continue will check agreement status

Arbitration Language.



Benefits for McLane Company

- One time setup
- Add CAMS URL on enrollment web page
- Arbitration language will be automatically updated through CAMS
- Will not be responsible to archive agreement

Next Steps



- Schedule a design meeting to discuss the following:
 - Meeting between Kaiser Permanente IT and McLane Company IT
 - Discuss system requirements
 - Discuss user testing schedule alignment



Appendix

Source



California Health & Safety Code (H&SC) Article 4, § 1363.1

1363.1. Any health care service plan that includes terms that require binding arbitration to settle disputes and that restrict, or provide for a waiver of, the right to a jury trial shall include, in clear and understandable language, a disclosure that meets all of the following conditions:

- 1. The disclosure shall clearly state whether the plan uses binding arbitration to settle disputes, including specifically whether the plan uses binding arbitration to settle claims of medical malpractice.
- 2. The disclosure shall appear as a separate article in the agreement issued to the employer group or individual subscriber and shall be prominently displayed on the enrollment form signed by each subscriber or enrollee.
- 3. The disclosure shall clearly state whether the subscriber or enrollee is waiving his or her right to a jury trial for medical malpractice, other disputes relating to the delivery of service under the plan, or both, and shall be substantially expressed in the wording provided in subdivision (a) of Section 1295 of the Code of Civil Procedure.
- 4. In any contract or enrollment agreement for a health care service plan, the disclosure required by this section shall be displayed immediately before the signature line provided for the representative of the group contracting with a health care service plan and immediately before the signature line provided for the individual enrolling in the health care service plan.

Kaiser Permanente's Arbitration Language - Blended



<u>Kaiser Foundation Health Plan, Inc., and Kaiser Permanente Insurance Company Arbitration Agreement*</u>

I understand that (except for Small Claims Court cases, claims subject to a Medicare appeals procedure, and, if I am enrolled in coverage that is subject to the ERISA claims procedure regulation, or any claims that cannot be subject to binding arbitration under governing law) any dispute between myself, my heirs, relatives, or other associated parties on the one hand and Kaiser Foundation Health Plan, Inc. (KFHP), Kaiser Permanente Insurance Company (KPIC)*, any contracted health care providers, administrators, or other associated parties on the other hand, for alleged violation of any duty arising out of or related to membership in KFHP or coverage by KPIC, including any claim for medical or hospital malpractice (a claim that medical services were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered), for premises liability, or relating to the coverage for, or delivery of, services or items, irrespective of legal theory, must be decided by binding arbitration under California law and not by lawsuit or resort to court process, except as applicable law provides for judicial review of arbitration proceedings. I agree to give up our right to a jury trial and accept the use of binding arbitration. I understand that the full arbitration provision is contained in the Evidence of Coverage and in the Certificate of Insurance.

^{*} Disputes arising from any of the following KPIC products are not subject to binding arbitration: 1) Tiers 2 & 3 of the Point of Service (POS) Plans; 2), the Preferred Provider Organization (PPO) and Out of Area Indemnity (OOA) Plans; and 3), the KPIC Dental plans.