

Kaiser Permanente's California Binding Arbitration

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

September 19, 2013

Introduction

McLane Company Attendees:

- ✓ Lisa Scudiero, McLane Company

Arbitration Project Team:

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

Objective

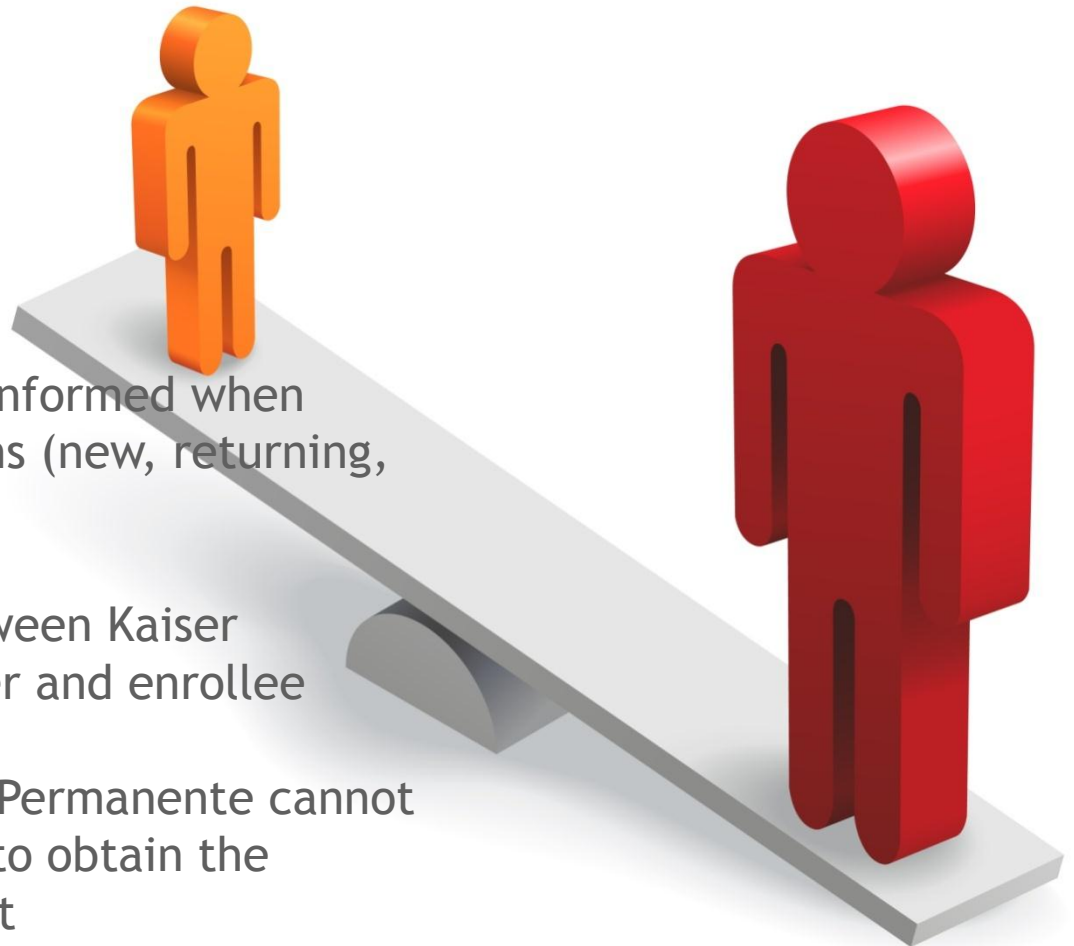
- Introduction to Kaiser's Binding Arbitration
- Provide background information
- Review the California Arbitration Management System (CAMS) tool (prototype)
- Benefits of Web based enrollments
- Next Steps

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)
- ② The agreement is between Kaiser Permanente/subscriber and enrollee
- ③ 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 1



Step 2

1. Enrollee selects Kaiser as a carrier
2. Enrollee select their benefits plans
3. 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)

Step 3

CAMS URL

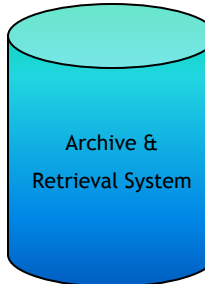
www.kp.org/CAMS

Enrollee does not agree to arbitration

- 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)

Enrollee agrees to arbitration

- CAMS captures agreement
- CAMS will pass information to Archive & Retrieval System
- CAMS will feed Archive & Retrieval System



Archive &
Retrieval System

- Repository
- Store/Retrieve agreed arbitrations
- Push and Pull latest arbitration language to CAMS

Note: Enrollments reported will follow the current process

flow

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

Kaiser Foundation Health Plan, Inc., and Kaiser Permanente Insurance Company Arbitration Agreement*

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.*