STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

In the Matter of **Kaiser Foundation Health Plan of the Northwest**	)	**STIPULATION** and **FINAL ORDER**
	)	Case No. INS 07-08-019

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Kaiser Foundation Health Plan of the Northwest (Kaiser).

Kaiser desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

Kaiser waives all rights relative to an administrative hearing and judicial review thereof.

Kaiser stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

Kaiser has been licensed in Oregon as a domestic health care service contractor since 12/30/81. Kaiser's last recorded principal business address is located in Portland, Oregon.

Failed to Timely Pay or Deny Clean Health Claims

Kaiser is subject to enforcement action pursuant to ORS 743.866(1) because of the following circumstances. ORS 743.866(1) requires an insurer that issues a health benefit plan, as defined in ORS 743.730(18), and receives a clean claim, as defined in OAR 836-080-0080(1), from a provider, as defined in ORS 743.801(13), on behalf of a person insured under the plan, to pay or deny the claim within 30 days after receiving the claim. ORS 750.055(1)(e) makes ORS 743.866(1) applicable to health care service contractors like Kaiser. At all relevant times, Kaiser had issued

group health benefit plans insuring persons who resided in Oregon, and received clean claims from providers on behalf of insureds. From 6/1/05 to 10/31/06, Kaiser paid 120,519 clean claims more than 30 days after receiving them.

Action

Pursuant to ORS 731.988, Kaiser is assessed a civil penalty of $10,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Room 440 (4th Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be *received* by the Insurance Division by the date of the final order.

Dated September 14, 2007

/s/ Andrew McCullock
[Signature of Representative]
Andrew McCullock
[Printed Name of Representative]
Regional President
[Printed Title of Representative]
Kaiser Foundation Health Plan of the Northwest

FINAL ORDER

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated October 12, 2007

/s/ Cory Streisinger
Cory Streisinger
Director
Department of Consumer and Business Services

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