

ANNUAL REPORT

of the

OFFICE OF THE INDEPENDENT ADMINISTRATOR

of the

**KAISER FOUNDATION HEALTH PLAN, INC.
MANDATORY ARBITRATION SYSTEM**

for

DISPUTES WITH HEALTH PLAN MEMBERS

January 1, 2025 - December 31, 2025

Table of Contents

	Page
Report Summary	i
I. INTRODUCTION & OVERVIEW	1
A. Goals of the Arbitration System	3
B. Format of This Report	3
II. DEVELOPMENT AND CHANGES IN THE SYSTEM	3
A. Change in Membership of the AOB	3
B. AOB Reconvened the Nominating Committee	4
C. OIA Audit	4
D. Mandatory Update for OIA Neutral Arbitrators	4
E. AOB Convened Sub-Committee to Explore Methods to Improve Parties’ Response Rates to the OIA and Neutral Arbitrator Evaluations	4
F. Senate Bill Regarding Consumer Arbitration	5
G. Process Arbitrator Panel for Mass Arbitrations	5
III. PANEL OF NEUTRAL ARBITRATORS	6
A. Turnover and Panel Size	6
B. Practice Background of Neutral Arbitrators	7
C. Participation of All Neutral Arbitrators	7
1. Number of Arbitrators Named on a List of Possible Arbitrators	8
2. Number of Arbitrators Who Served	8
3. Number of Arbitrators Who Wrote Awards	8
4. Number of Arbitrators Who Have Served After Making a Large Award	8
5. Comparison of Cases Closed by Neutral Arbitrators Selected Ten or More Times with Cases Closed by All Other Neutral Arbitrators	9

IV.	DEMANDS FOR ARBITRATION	10
A.	Types of Claims	10
B.	Length of Time Kaiser Takes to Submit Demands to the OIA.	11
C.	Claimants With and Without Attorneys	11
V.	SELECTION OF THE NEUTRAL ARBITRATORS	12
A.	How Neutral Arbitrators are Selected.	12
B.	Joint Selections vs. Strike and Rank Selections	13
C.	Status of Cases with Postponements.	14
D.	Status of Cases with Disqualifications	15
E.	Length of Time to Select a Neutral Arbitrator	17
1.	Cases without Delays	18
2.	Cases with Postponements	18
3.	Cases with Disqualifications.	18
4.	Cases with Postponements and Disqualifications.	18
F.	Average Time for All Cases	19
G.	Cases with Party Arbitrators.	19
VI.	MAINTAINING THE CASE TIMETABLE	19
A.	Neutral Arbitrator’s Disclosure Statement	20
B.	Arbitration Management Conference	20
C.	Mandatory Settlement Meeting	20
D.	Hearing and Award.	21
E.	Neutral Arbitrator Fees and Questionnaire.	21
F.	Status of Open Cases	21
VII.	CASES THAT CLOSED	22

A.	How Cases Closed	23
1.	Settlements – 57% of Closures	23
2.	Withdrawn Cases – 20% of Closures	23
3.	Dismissed Cases – 5% of Closures	23
4.	Summary Judgment – 14% of Closures	24
5.	Cases Decided After Hearing – 4% of Closures	24
a.	Who Won	24
b.	Amounts Awarded to Claimants	24
c.	How Long it Took	25
6.	How Hearings were Held	25
7.	Average Days to Close	26
B.	Procedures to Expedite or Extend Cases	26
1.	Expedited Procedures	26
2.	Complex Procedures	27
3.	Extraordinary Procedures	27
4.	Rule 28 Extensions	27
VIII.	COST OF ARBITRATION	28
A.	OIA Arbitration Fees	28
B.	Options Claimants Have to Waive Fees	29
1.	Waiving the \$150 Arbitration Filing Fee	29
2.	Waiving the Arbitration Filing Fee and the Neutral Arbitrator’s Fees and Expenses	29
3.	Waiving the Neutral Arbitrator’s Fees and Expenses	29
C.	Number of Cases in Which Claimants Have Waived Their Fees	30

1.	Arbitration Filing Fee	30
2.	Arbitration Filing Fee and the Neutral Arbitrator's Fees and Expenses	30
3.	Neutral Arbitrators' Fee Allocation	30
D.	Fees Charged by Neutral Arbitrators	31
IX.	EVALUATIONS OF NEUTRAL ARBITRATORS AND THE OIA SYSTEM.....	31
A.	Parties Evaluate the Neutral Arbitrators.....	32
B.	Neutral Arbitrators Evaluate the OIA System	33
C.	Parties Evaluate the OIA System	36
X.	ROLE OF THE ARBITRATION OVERSIGHT BOARD.....	38
A.	Membership	38
B.	Activities.....	40
XI.	TRENDS AND DATA OVER THE YEARS OF OPERATION.....	40
A.	Number of Demands for Arbitration.....	41
B.	Number of Neutral Arbitrators	41
C.	Number of Arbitrators Who Served	41
D.	Number of Arbitrators Who Wrote Awards	42
E.	Number of Arbitrators Who Have Served After Making a Large Award	42
F.	Types of Claims	43
G.	Claimants Without Attorneys	43
H.	Joint Selections vs. Strike and Rank Selections	44
I.	Parties' Use of Options During the Selection of Neutral Arbitrator	44
J.	How Cases Closed	45
K.	Awards for Claimants.....	46

L.	Average Days to Close Cases	46
M.	Cases Older than 18 Months	47
N.	Payment of Neutral Arbitrator’s Fees	48
O.	Evaluations of Neutral Arbitrators and the OIA System	49
P.	Conclusion	49

Exhibits

Exhibit A:	Description of OIA Staff	E-1
Exhibit B:	<i>Rules for Kaiser Permanente Member Arbitrations Administered by the Office of the Independent Administrator, Amended as of February 14, 2025</i>	E-4
Exhibit C:	Status of Blue Ribbon Panel Recommendations	E-31
Exhibit D:	Resume of René Rambo-Rodgers	E-41
Exhibit E:	Audit Results	E-44
Exhibit F:	Survey Analysis and Response Rate Improvement	E-49
Exhibit G:	<i>Supplemental Rules Governing Mass Arbitrations Administered by the Office of the Independent Administrator, Effective as of February 14, 2025</i>	E-66
Exhibit H:	Qualifications for Process Arbitrators	E-77
Exhibit I:	Qualifications for Neutral Arbitrators	E-79
Exhibit J:	OIA Panel of Process Arbitrators	E-81
Exhibit K:	OIA Panel of Neutral Arbitrators	E-83
Exhibit L:	List of Awards to Claimants	E-92
Exhibit M:	Fee Waiver Explanation and Waiver Forms	E-94
Exhibit N:	Party or Attorney Evaluation of Neutral Arbitrator	E-104
Exhibit O:	Questionnaire for Neutral Arbitrators	E-109

Exhibit P:	Party or Attorney Evaluation of Arbitration System	E-112
Exhibit Q:	Kaiser Arbitration Oversight Board Comments on the Annual Report	E-114

Charts And Tables

Table 1	Number of Neutral Arbitrators by Region	6
Table 2	Percentage of Practice Spent as a Neutral Arbitrator	7
Table 3	Comparison of Cases Closed with Neutral Arbitrators Selected Ten or More Times vs. Cases Closed with Remaining Neutral Arbitrators	9
Chart 1	Types of Claims	10
Chart 2	Claimants With and Without Attorneys	11
Chart 3	How Neutral Arbitrators were Chosen	14
Chart 4	Status of Cases with Postponements.	15
Chart 5	Status of Cases with Disqualifications	16
Chart 6	Parties' Use of Options During Selection.	17
Chart 7	Status of Open Cases	22
Chart 8	How Cases Closed	25
Chart 9	Average Days for Cases to Close, by Manner of Disposition	26
Chart 10	Length of Time in Days to Close Cases by Type of Procedure	28
Chart 11	Neutral Arbitrators' Fee Allocation	31
Table 4	Parties' Evaluations of Neutral Arbitrators	32
Chart 12	Parties Would Recommend Their Arbitrator to Another Person	33
Table 5	Neutral Arbitrators' Opinions Regarding the OIA System	34
Chart 13	Neutrals Compare Cases in OIA & in Superior Court	35
Table 6	Parties' Evaluations of the OIA System	36
Chart 14	Parties Compare Cases in OIA & in Superior Court	37

Table 7	Parties Compare the OIA System & Superior Court	37
Chart 15	Year to Year Comparison of Number of Demands Received by the OIA.	41
Chart 16	Subsequent Service of NAs Who Made Large Awards	43
Table 8	Year to Year Comparison of No Delay vs. Delays: Percentage and Average Number of Days to Select Neutral Arbitrators	45
Table 9	Year to Year Comparison of How Cases Closed	46
Table 10	Year to Year Comparison of Average Number of Days to Close, by Disposition	47
Chart 17	Open Cases Over 18 Months	48

REPORT SUMMARY

This is the annual report for the Office of the Independent Administrator (OIA) for 2025. The OIA administers the arbitration system between Kaiser Foundation Health Plan, Inc., or its affiliates (Kaiser) and its members.¹ From the data and analyses in this report, readers may gauge how well the OIA system meets its goals of providing a fair, timely, and low cost arbitration process that protects the privacy of the parties.

Status of Arbitration Demands

1. **Number of Demands for Arbitration.** The OIA received 690 demands, 114 more than last year. See pages 10 and 41.
2. **Types of Claims.** Ninety percent (90%) of the cases involved allegations of medical malpractice. Less than one percent (<1%) presented benefit and coverage allegations. The remaining cases (8%) were based on allegations of premises liability (4%) and other torts (4%). See page 10.
3. **Thirty-Eight Percent (38%) of Claimants Did Not Have Attorneys.** Claimants in 261 cases, or 38%, were not represented by counsel, 7% more than last year, and an all-time high. On average, 26% of claimants are in *pro per*. See pages 11 and 43 – 44.

How Cases Closed

4. **Fifty-Seven Percent (57%) of Cases Settled.** The parties settled 57% of cases. Forty-eight cases (16%) settled at the Mandatory Settlement Meeting (MSM). See pages 23 and 45 – 46.
5. **Four Percent (4%) of Cases Went to Hearing.** Claimants prevailed in 26% of these cases. The average award was \$1,237,785, and the range was from \$300,000 to \$2,156,635. See pages 24 – 25, 45 – 46.
6. **Nearly All Cases were Heard by a Single Neutral Arbitrator.** One case went forward with party arbitrators. The remaining hearings went forward with a single neutral arbitrator. See page 19.
7. **More than Half (58%) of Claimants Received Some Compensation.** Claimants received compensation either when their cases settled (57%) or when they were successful after a hearing (1%). See pages 23 – 24 and 46.

¹Kaiser has arbitrated disputes with its California members since 1971. In the 1997 *Engalla* case, the California courts criticized Kaiser's arbitration system, saying that it fostered too much delay in the handling of members' demands and should not be self-administered. The OIA has administered the system since 1999.

8. **Almost One-Quarter (23%) Closed by Decision of the Neutral Arbitrator.** Four percent (4%) of cases closed after an arbitration hearing, 14% were closed through summary judgment, and 5% were dismissed by neutral arbitrators. See pages 23 – 24 and 45 – 46.
9. **Less Than One-Quarter (20%) of Cases were Withdrawn.** Claimants withdrew 20% of cases. Fifty-one percent (51%) of these cases included claimants who were in *pro per*. See pages 23 and 45 – 46.

Meeting Deadlines

10. **Sixty-Six and a Half (66.5%) of the Neutral Arbitrators were Selected Without any Delay.** The *Rules* give parties the option to postpone the deadline to select a neutral arbitrator, but 66.5% of the arbitrators were selected without the parties exercising this option. See pages 17 – 18.
11. **Thirty-Three and a Half Percent (33.5%) of the Neutral Arbitrators were Selected by Parties Exercising Options for Postponement and/or Disqualification.** In 28% of the cases, parties exercised the option to postpone the deadline to select a neutral arbitrator. Claimants made all but one of the requests for a 90-day postponement. In three percent (3%) of the cases, parties disqualified the neutral arbitrator. In the remaining two percent (2%) of the cases, parties exercised both the postponement and disqualification options. Claimants disqualified 39 neutral arbitrators and Kaiser disqualified 17. See pages 14 – 19.
12. **Average Length of Time to Select a Neutral Arbitrator was 52 Days.** The time to select a neutral arbitrator in cases with no delay was 22 days. The time to select a neutral with a 90 day postponement was 110 days. In cases with only a disqualification, it was 61 days. In cases with both a postponement and disqualification it was 160 days. The overall average length of time to select a neutral arbitrator for all cases was 52 days, 6 days less than last year. See pages 19 and 44 – 45.
13. **On Average, Cases Closed in Thirteen and a Half Months.** Cases closed, on average, in 405 days, 9 days more than last year. Two cases closed late. Seventy-nine percent (79%) of the cases closed within 18 months (the deadline for “regular” cases) and 47% closed in a year or less. See pages 20, 22 – 23, 25 – 26, 45 – 46 and Rule 24.a.
14. **On Average, Cases with Hearings were Completed in just over Two Years.** Cases that were decided by a neutral arbitrator making an award after a hearing closed on average in 738 days. This average includes cases that were designated complex, extraordinary, or cases that received a Rule 28 extension because they needed extra time. “Regular cases” closed in 460 days (about 15 ½ months). See pages 22 – 23, 26, and 46 – 47.

Panel of Neutral Arbitrators

15. **The Neutral Arbitrator Panel.** The OIA had 195 neutral arbitrators on its panel, same as last year. Fifty-eight percent (58%) of them, or 114, are retired judges. See pages 6 – 7.
16. **Neutral Arbitrator Backgrounds.** The applications completed by the members of the OIA panel show that 95 arbitrators, or 49%, spend all of their time acting as neutral arbitrators. The remaining members divide their time by representing plaintiffs and defendants, though not necessarily in medical malpractice litigation. Eighty-nine percent (89%) of the neutral arbitrators reported having medical malpractice experience. See page 7.
17. **Sixty-Seven Percent (67%) of Arbitrators Served on a Case.** Sixty-seven percent (67%) of the neutral arbitrators on the OIA panel served on a case. Arbitrators averaged three assignments each. Nineteen neutral arbitrators, including those not on the OIA panel, decided the 23 awards that were made. Fifteen (79%) wrote a single award. See pages 8 – 9 and 41 – 42.
18. **Majority of Neutral Arbitrators Selected by the Parties were Members of the OIA Panel (94%).** Seventy-eight percent (78%) of neutral arbitrators were selected through the strike and rank process. Of the joint selections, 16% were members of the OIA panel, and 6% were not members of the OIA panel. See page 13.
19. **Neutral Arbitrators Selected Again After Making Large Award.** Four neutral arbitrators made awards for more than \$750,000. The awards ranged from \$1,417,312 to \$2,156,635. All but one have been selected to serve again after making the award. See pages 8 – 9.

Neutral Arbitrator Fees

20. **Kaiser Paid the Neutral Arbitrators' Fees in 95% of Closed Cases that had Fees.** Claimants can choose to have Kaiser pay 100% of the neutral arbitrator fees and expenses. Kaiser paid the neutral arbitrators' fees in 95% of closed cases that had fees. See page 31.
21. **Cost of Arbitrators.** Hourly rates charged by neutral arbitrators range from \$250/hour to \$2,000/hour, with an average of \$853/hour. For the 491 cases that closed, and for which the OIA has information, the average fee charged by neutral arbitrators was \$10,338. In some cases, neutral arbitrators reported they charged no fees. Excluding cases where no fees were charged, the average fee was \$11,083. The average fee in cases decided after a hearing was \$71,453. See page 31.

Evaluations

22. **Evaluations of Neutral Arbitrators by Parties.** When a case closes by neutral arbitrator action, the OIA sends the parties or their attorneys a form to evaluate the neutral arbitrator. Eight identified themselves as *pro per* claimants, six as claimants' counsel, and 27 as respondents' counsel. Most attorneys who returned completed evaluations expressed satisfaction with the neutral arbitrators and would recommend them to others, with an average of 4.7 on a 5 point scale. *Pro pers* view neutral arbitrators less favorably, with a 1.0 average. This year, the overall average by all parties was 4.1. See pages 32 – 33.
23. **Evaluations of the OIA by Neutral Arbitrators.** When a case closes by neutral arbitrator action, the OIA sends the neutral arbitrator a questionnaire about the OIA system. Ninety-six percent (96%) of the neutral arbitrators reported that the OIA experience was the same as or better than the court system, and 4% said it was worse. See pages 33 – 36.
24. **Evaluations of the OIA by Parties.** When a case closes, the OIA sends an evaluation to the parties or their attorneys asking them about the OIA system. Ninety-five percent (95%) of the responding parties and attorneys reported that the OIA system was the same as or better than the court system, and 5% said it was worse. See pages 36 – 38.

Development and Changes in the System²

25. **Change in Membership of the AOB.** The Honorable Carlos R. Moreno and Donna L. Yee resigned and René Rambo-Rogers joined. See pages 3, 38 – 39, and Exhibit D.
26. **AOB Reconvened the Nominating Committee.** The nominating committee is charged with selecting potential candidates for recently vacated board positions. See pages 4 and 40.
27. **Audit of the OIA.** Kenneth Sipiora, CPCU, Records Auditor, conducted a review of the OIA records and files. The audit concluded that no material exceptions were found. See pages 4, 40, and Exhibit E.
28. **Mandatory Update for OIA Neutral Arbitrators.** Neutral arbitrators were required to update their applications. Those neutrals who did not provide the update were removed from the panel. See pages 4 and 6 – 7.

²See Section II for a full report on the developments and changes in the system which begins on page 3.

29. **AOB Convened Sub-Committee to Explore Methods to Improve Parties' Response Rates to the OIA and Neutral Arbitrator Evaluations.** The AOB, with the OIA's support, convened a sub-committee to explore methods to improve parties' response rates to the OIA and neutral arbitrator evaluations. The OIA will implement the recommendations in January 2026. See pages 4 – 5, 40, and Exhibit F.
30. **Senate Bill Regarding Consumer Arbitration.** In response to legislation, the California State Bar is poised to create a voluntary certification program for alternative dispute resolution firms, providers, and practitioners. The OIA plans to participate in the program. See page 5.
31. **Process Arbitrator Panel for Mass Arbitrations.** The OIA began to develop a list of qualified process arbitrators for mass arbitrations. The mass arbitration rules, qualifications for process arbitrators, and current list of process arbitrators appear in Exhibits G, H, and J, respectively. See pages 5 - 6 and 40.

Conclusion

The goal of the OIA is to provide a fair, timely, and low-cost arbitration process that protects the privacy of the parties. To summarize:

- Neutral arbitrators are selected expeditiously, and the cases close within the deadlines set by the *Rules*.
- Parties can, and do, disqualify neutral arbitrators they do not like.
- Parties can, and do, shift the costs of the neutral arbitrators to Kaiser.
- OIA arbitrations are confidential, and the OIA does not publish the names of individual claimants or respondents involved in them.
- Neutral arbitrators on the OIA panel have plaintiff, defendant, and judicial backgrounds.
- The OIA provides information on its website about its cases in compliance with California law. In addition, although no longer required by law, the OIA has maintained a table with information on all its cases since January 1, 2003.
- The OIA has published annual reports since 1999 which are all available on the OIA website.

I. INTRODUCTION & OVERVIEW

The Office of the Independent Administrator (OIA) issues this report for 2025.¹ It describes the arbitration system that handles claims brought by California members of Kaiser Foundation Health Plan, Inc. (KFHP) against KFHP or its affiliates, collectively Kaiser.² Marcella A. Bell, an attorney, is the Independent Administrator. Under her contract with the Arbitration Oversight Board (AOB), the OIA maintains a panel of neutral arbitrators to hear Kaiser cases and independently administers the arbitration system between Kaiser and its members. The contract also requires that Ms. Bell write an annual report describing the goals of the system, the actions being taken to achieve them, and the degree to which they are being met. While this report mainly focuses on what occurred in the arbitration system during 2025, the final section compares this year with earlier years.

The AOB, an unincorporated association registered with the California Secretary of State, provides ongoing oversight of the OIA. Its activities are discussed in Section X.

The arbitrations are administered pursuant to the *Rules for Kaiser Permanente Member Arbitrations Administered by the Office of the Independent Administrator Amended as of February 14, 2025 (Rules)*. The *Rules* are available in English, Spanish, and Chinese.³

The arbitrations are confidential. Names of individual claimants and respondents are not disclosed. The *Rules* provide procedures for selecting a neutral arbitrator expeditiously and completing most cases within 18 months.⁴ The 18-month timeline is displayed on the next page. Details about each step of the process are discussed in the body of this report.

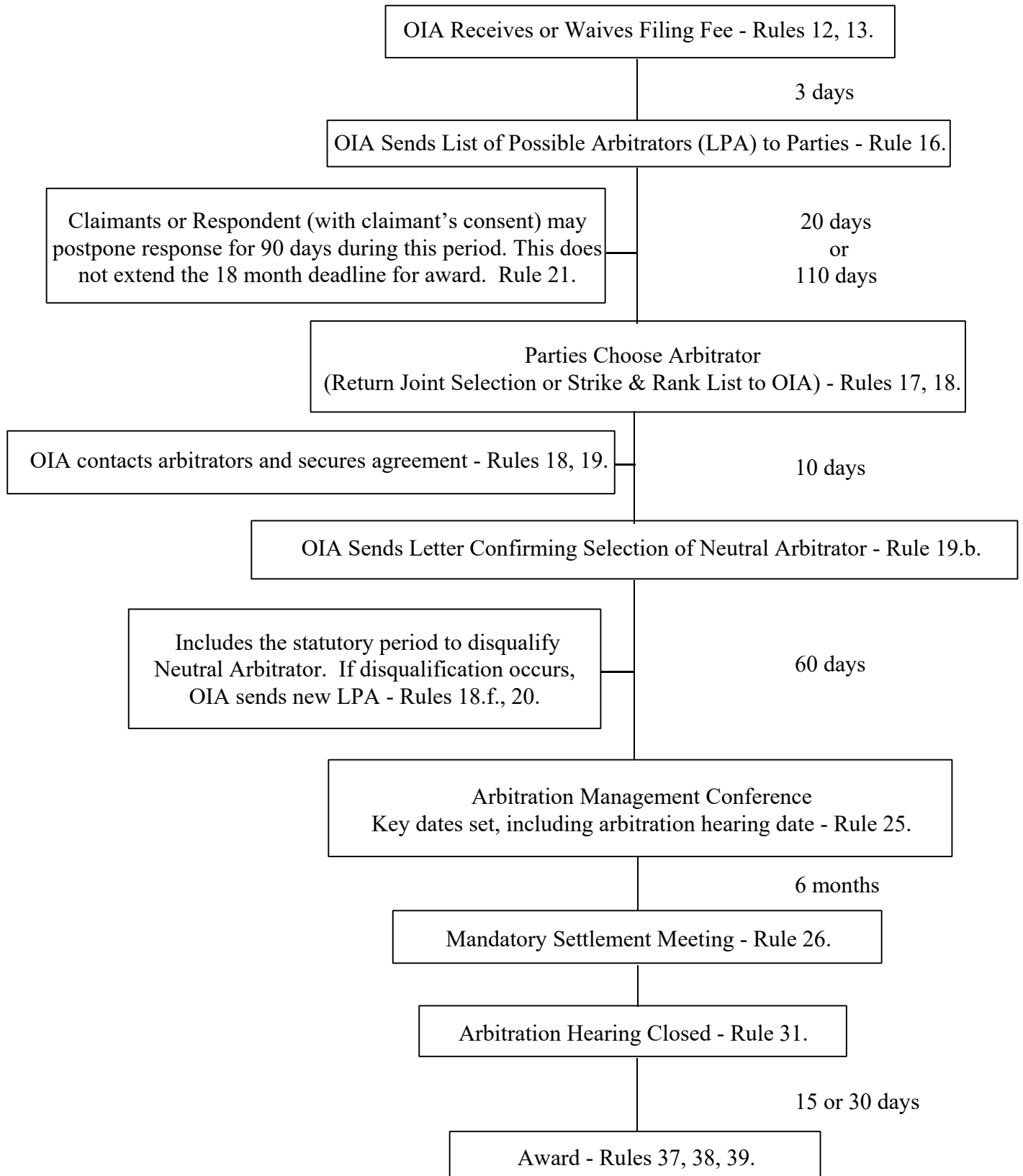
¹This report, along with the prior annual reports, the *Rules*, various forms, and other information, including OIA disclosures, are available on the OIA website, www.oia-kaiserarb.com. The OIA can be reached by calling 213-637-9847, faxing 213-637-8658, or e-mailing oia@oia-kaiserarb.com. A description of the OIA's staff is attached as Exhibit A.

²Kaiser is a California nonprofit health care service plan that arranges for health care services and other benefits for its enrolled members. Since 1971, it has required that its members use binding arbitration. Kaiser arranges for medical benefits by contracting with The Permanente Medical Group, Inc. (Northern California) and Southern California Permanente Medical Group. Hospital services are provided by contract with Kaiser Foundation Hospitals, a nonprofit corporation. Almost all of the demands for arbitration received by the OIA are based on allegations against these affiliates.

³The *Rules* are attached as Exhibit B.

⁴See Rule 24.a. The *Rules* also include provisions for cases to be expedited and for cases that need more than 18 months to be completed. See Rules 24.b., 24.c., 28, and 33 – 36.

Timeline for Arbitrations Using Regular Procedures



MAXIMUM OF 18 MONTHS*

*Unless Rule 24.b., 24.c., or 28 applies.

A. Goals of the Arbitration System

The system administered by the OIA is expected to provide a fair, timely, and low-cost arbitration process that respects the privacy of the parties. These goals are set out in Rule 1. The data in this report are collected and published to allow the AOB and the public to determine how well the arbitration system meets these goals.⁵

B. Format of This Report

Section II discusses developments and changes in the system. Sections III and IV look at the OIA's panel of neutral arbitrators, and the number and types of cases the OIA received. The parties' selection of neutral arbitrators is discussed in Section V. Section VI summarizes the methods for monitoring compliance of open cases, and Section VII analyzes how cases are closed and how long it takes for cases to close. Section VIII discusses the cost of arbitration. The parties' evaluations of neutral arbitrators and the parties' and neutral arbitrators' evaluations of the OIA system are summarized in Section IX. Section X describes the AOB's membership and activities. Finally, Section XI compares the statistics in the annual report over time.

II. DEVELOPMENT AND CHANGES IN THE SYSTEM

A. Change in Membership of the AOB

René Rambo-Rogers, retired Assistant Manager, Department of Human Resources Management, California Teachers Association, Burlingame, California joined the AOB in March 2025. See Exhibit D for Ms. Rambo-Rogers's resume.

Donna L. Yee, retired Chief Executive Officer of the Asian Community Center of Sacramento Valley, resigned at the end of 2025. She had been a member of the AOB since 2011, and served as vice-chair since 2018.

The Honorable Carlos R. Moreno, former California Supreme Court Justice, resigned at the end of 2025. He had been a member of the AOB since 2018 and served on the AOB's rules sub-committee.

⁵The OIA was created in response to the recommendation of a Blue Ribbon Panel and began operating March 28, 1999. Ms. Bell has served as the Independent Administrator since March 29, 2015. The OIA met all of the recommendations that pertain to it since its first operating year. A full copy of the report is available on the OIA website. The current status of each recommendation is attached as Exhibit C.

B. AOB Reconvened the Nominating Committee

The nominating committee is charged with selecting potential candidates for board positions. Ms. Rambo-Rogers was selected and approved by the AOB.⁶ The nominating committee will reconvene in 2026 to select additional candidates to replace recently resigned members.

C. OIA Audit

The Blue Ribbon Panel recommended that the OIA be audited no less than every five years.⁷ The AOB selected Kenneth Sipiora,⁸ CPCU, Records Auditor, to conduct a review of the OIA records and files. The auditor randomly selected 41 open and closed case files, and examined 70 different elements. The audit was completed in March, and concluded that no material exceptions were found.⁹

The AOB initiated a separate and confidential audit to examine the OIA's security and IT procedures. The audit will take place in 2026.

D. Mandatory Update for OIA Neutral Arbitrators

Neutral arbitrators are required to update their applications every two years.¹⁰ The update has nine sections and requires arbitrators to, among other items, provide most recent case information, pending and closed cases in the last two years, and whether they are Kaiser members. These updates allow parties access to more recent case information. The OIA also requires neutral arbitrators who have been on the panel for 15 years or more to submit a new updated application.

E. AOB Convened Sub-Committee to Explore Methods to Improve Parties' Response Rates to the OIA and Neutral Arbitrator Evaluations

The AOB, with the OIA's support, convened a sub-committee to explore methods to improve parties' response rates to the OIA and neutral arbitrator evaluations. When cases close, the OIA sends forms to counsel for the parties and *pro per* claimants asking them questions

⁶See Section II.A. and Exhibit D.

⁷See Exhibit C, Recommendation 29.

⁸Mr. Sipiora also performed the 2014 and 2020 audits of the OIA.

⁹A copy of the audit is attached as Exhibit E.

¹⁰See Section III.A. for the number of neutral arbitrators who failed to return the mandatory update.

about the neutral arbitrator, the arbitration process, and the OIA.¹¹ This year, the response rate to neutral arbitrator evaluations was 16%, while in 2016 it was 36%. The response rate to OIA evaluations was 10%, while in 2016 it was 23%. To address this, the sub-committee proposed that the AOB engage Dr. Thomas G. Rundall as a consultant to propose strategies to improve the response rates outlining five specific items to review. Dr. Rundall assessed historical trends, including response rates to surveys related to arbitration to the extent available; reviewed the length and content of the neutral arbitrator and OIA evaluations; reviewed methods used to deliver the evaluations; provided recommendations for improving design and response rates; and assessed potential for alternative evaluation methods. Dr. Rundall's analysis which includes 12 recommendations for improvement is attached as Exhibit F. The OIA will implement all recommendations, except for one with a slight modification of another.¹² The recommendations will take effect in January 2026. In addition, Recommendation 12 suggested the evaluations be translated into other languages. The evaluations are currently available in other languages for *pro per* claimants upon request.

F. Senate Bill Regarding Consumer Arbitration

As reported last year, the new Business and Professions Code section 6173¹³ requires the California State Bar to create a voluntary certification program for alternative dispute resolution firms, providers, and practitioners. The program aims to promote adherence to ethical standards for provider organizations. The State Bar formed an ADR Certification Working Group to develop the framework and implementation strategy for this new certification program. The OIA intends to participate in the program, but is still awaiting the release of the recommendations for public comment.

G. Process Arbitrator Panel for Mass Arbitrations

The OIA began to develop a list of qualified process arbitrators for mass arbitrations.¹⁴ The qualifications for process arbitrators were set by the OIA, in consultation with the AOB, and Kaiser. They are attached as Exhibit H. Unlike the qualifications for OIA neutral arbitrators,¹⁵ process arbitrators shall be retired state or federal judges with extensive experience in mass arbitration; class action; or mass torts and are not required to have extensive practice in

¹¹See discussion in Section IX.

¹²Recommendation 10 proposed mixed-mode method of sending the evaluations to the parties. The OIA will add an additional follow-up in the current mode of sending. Recommendation 11 which offers recipients an incentive for completing the evaluation will not be implemented.

¹³Effective January 1, 2025.

¹⁴See Exhibit G for the *Supplemental Rules Governing Mass Arbitrations Administered by the Office of the Independent Administrator* effective February 14, 2025.

¹⁵See Exhibit I.

California. The OIA invited 77 process arbitrators to join the panel, and received 38 applications. Twenty-five applicants were admitted to the panel. One was rejected because they did not meet the qualifications, and another because they did not return a completed application. Eleven applications are pending. The current list of process arbitrators appears in Exhibit J.

The OIA also invited 22 merit arbitrators to join the panel. One arbitrator has returned the application and has been admitted.

III. PANEL OF NEUTRAL ARBITRATORS

A. Turnover and Panel Size

At the end of 2025, there were 195 neutral arbitrators on the OIA panel. Of those, 114 were former judges, or 58% of the total.

The neutral arbitrators are distributed into three geographic panels: Northern California, Southern California, and San Diego. See Table 1. Neutral arbitrators who agree to travel without charge may be listed on more than one panel. Exhibit I contains the qualifications for neutral arbitrators, and Exhibit K contains the names of the neutral arbitrators on each panel.

Table 1 - Number of Neutral Arbitrators by Region

Total Number of Arbitrators on the OIA Panel:	195
Northern California Total:	104
Southern California Total:	116
San Diego Total:	79
The three regions total 299: 74 arbitrators are on more than one panel; 30 are on all three panels, 3 are on No. Cal & So. Cal, 2 are on No. Cal & San Diego, and 39 are on So. Cal & San Diego.	

During the year, ten arbitrators voluntarily left the panel¹⁶ and 16 additional arbitrators were removed. Three arbitrators were removed because they no longer met the required

¹⁶For the arbitrators who provided reasons, the most common reason given for resigning was retiring practice.

qualifications¹⁷ and 13 for failing to update their applications.¹⁸ Twenty-six neutral arbitrators joined the panel. Two applicants were rejected.¹⁹

B. Practice Background of Neutral Arbitrators

The neutral arbitrator application requires applicants to estimate the percentage of their practice spent in various professional endeavors. On average, OIA neutral arbitrators spend their time as follows: 66% of the time acting as a neutral arbitrator, 5% as a claimant (or plaintiff) attorney, 4% as a respondent (or defense) attorney, 24% in other forms of employment (most working as mediators (96%)), and less than 1% acting as a respondent's party arbitrator, a claimant's party arbitrator, or an expert.

Almost half (49%) of the panel, 95 members, report that they spend 100% of their practice acting as neutral arbitrators. See Table 2.

Table 2 - Percentage of Practice Spent as a Neutral Arbitrator

Percent of Time	0%	1 – 25%	26 – 50%	51 – 75%	76 – 99%	100%
Number of NAs	5	45	30	10	10	95

Finally, while not required by the qualifications, 89% of the neutral arbitrators on the OIA panel have medical malpractice experience. At the time they filled out or updated their applications, 174 reported they had medical malpractice experience, while 21 did not. Of the 21 who reported no medical malpractice experience, 14 of them have since served as a neutral arbitrator in an OIA case, and may now have acquired medical malpractice experience.

C. Participation of All Neutral Arbitrators²⁰

The first four parts of this section consider the number of neutral arbitrators named on the List of Possible Arbitrators; the number who served; the number who wrote awards; and the number who have served after making a large award. The final section compares cases closed by neutral arbitrators selected ten or more times with those closed by all other neutral arbitrators.

¹⁷See Exhibit I.

¹⁸Neutral arbitrators are required to update their applications every two years.

¹⁹One arbitrator was not a member of the State Bar and the other failed to return a completed application.

²⁰This section includes statistics for all neutral arbitrators selected, including those arbitrators who are not members of the OIA panel.

1. Number of Arbitrators Named on a List of Possible Arbitrators

Three neutral arbitrators were not named on at least one List of Possible Arbitrators (LPA) sent to the parties.²¹ The average number of times Northern California arbitrators appeared on an LPA was 37. The range of appearances was 0 – 75 times.²² In Southern California, the average number of appearances was 28. The range was 0 – 49.²³ In San Diego, the average number of appearances was five. The range was 0 – 14.²⁴

2. Number of Arbitrators Who Served

This year, 141 different neutral arbitrators were selected to serve in 623 cases. The majority (130) were members of the OIA panel (67%). The number of times an arbitrator on the OIA panel was selected ranges from 0 – 31. The neutral arbitrator who was selected 31 times was jointly selected 16 of those times.²⁵ The average number of assignments was three.

3. Number of Arbitrators Who Wrote Awards

Nineteen neutral arbitrators wrote 23 awards. Fifteen arbitrators (79%) wrote a single award, while four arbitrators wrote eight awards, two each. One award was in favor of claimants for \$1,460,000 and 7 were in favor of Kaiser.

4. Number of Arbitrators Who Have Served After Making a Large Award

Concerns have been raised as to whether Kaiser will allow neutral arbitrators who have made large awards in favor of claimants to serve in subsequent arbitrations, since its attorneys

²¹In addition to chance, the number of times a neutral arbitrator is listed is affected by how long in a given year the arbitrator has been on the panel, the number of members on each panel, and the number of demands for arbitration submitted in the geographical area for that panel. The number of times an arbitrator is selected also depends on whether the individual will hear *pro per* cases. Forty-nine percent (49%) of the panel will not hear *pro per* cases.

²²The neutral arbitrators who was not listed on a Northern California LPA recently joined the Northern panel but was listed on LPAs in the other two regions.

²³Two neutral arbitrators were not listed on a Southern California LPA – one was admitted to the panel in November 2025 and the other was listed on an LPA in another region.

²⁴Five neutral arbitrators were not listed on a San Diego LPA – three were listed on an LPA in another region and two were not listed – one was admitted in November 2025 and the other was not named.

²⁵For joint selections, see Section V.B.

could strike them from LPAs or disqualify them if selected.²⁶ This section describes what has happened to neutral arbitrators after making an award of \$750,000 or more.²⁷

This year, four arbitrators made an award for more than \$750,000. The awards ranged from \$1,417,312 to \$2,156,635. Three arbitrators made their first award over \$750,000 this year, one other had previously made a large award (\$5,877,281). All but one²⁸ have been selected to serve again after making the award.

5. Comparison of Cases Closed by Neutral Arbitrators Selected Ten or More Times with Cases Closed by All Other Neutral Arbitrators

Each year, the OIA compares how cases closed by neutral arbitrators selected ten or more times with cases closed by other neutral arbitrators. There were twelve neutral arbitrators who were selected ten or more times this year. Table 3 shows the comparison of cases closed with these twelve neutral arbitrators versus cases closed with the remaining neutral arbitrators.

Table 3 - Comparison of Cases Closed with Neutral Arbitrators Selected Ten or More Times vs. Cases Closed with Remaining Neutral Arbitrators²⁹

Cases Closed 2024 – 2025	Cases with Neutral Arbitrators Selected 10 or More Times in 2025		Cases with Other Neutral Arbitrators	
Settled	149	56%	414	54%
Withdrawn	55	21%	160	21%
Summary Judgment	41	15%	110	14%
Awarded to Respondent	5	2%	27	4%
Awarded to Claimant	6	2%	12	2%
Dismissed	11	4%	44	6%
Total	267		767 ³⁰	

²⁶See Section V.A.

²⁷See Section XI.E. for statistics over all time.

²⁸The award (\$1,562,677) was made in December 2025.

²⁹Unless otherwise noted, the percentages in the tables and charts throughout the report may not add up to 100% due to rounding up or down.

³⁰One case was consolidated with another case and is not included in these numbers.

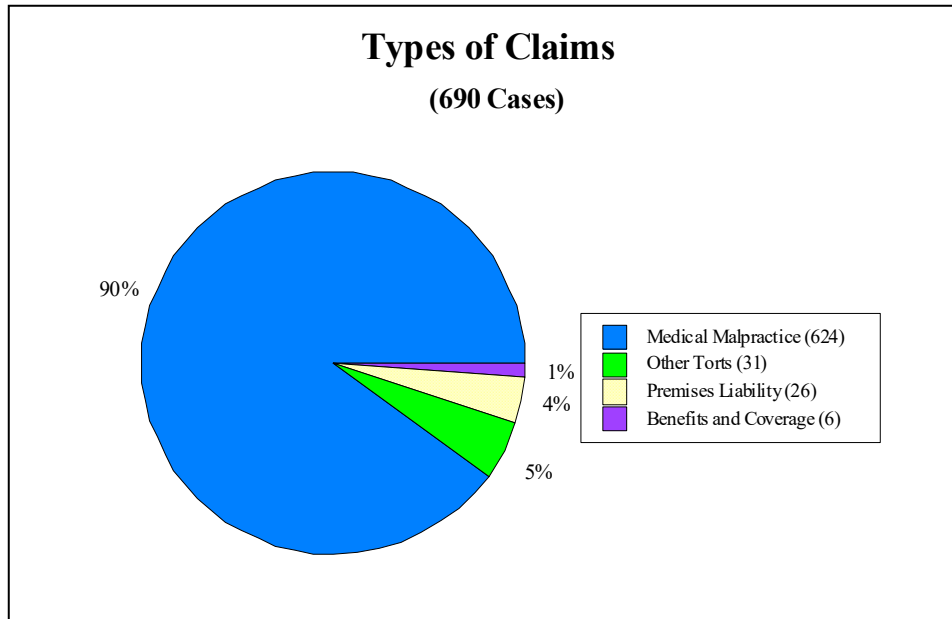
IV. DEMANDS FOR ARBITRATION

The OIA received 690 demands for arbitration. Geographically, 382 came from Northern California, 275 came from Southern California, and 33 came from San Diego.³¹

A. Types of Claims

The OIA administered 690 new cases.³² The OIA categorizes cases by the subject of their claim which appear in Chart 1: medical malpractice (624 cases), premises liability (26 cases), other tort (31 cases), or benefits and coverage (6 cases). Medical malpractice cases make up 90% of the total. Benefits and coverage cases represent one-percent.

Chart 1



³¹The allocation between Northern and Southern California is based upon Kaiser’s corporate division. Roughly, demands for arbitration based upon care given in Fresno or north are in Northern California, while demands based upon care given in Bakersfield or south are in Southern California or San Diego. Rule 8 specifies where to serve demands for Northern and Southern California, which includes San Diego.

³²A few demands submitted by Kaiser are “opt in” cases. The cases may be based on a contract that required arbitration but not the use of the OIA, or non-members who have received treatment and are provided with an opportunity to opt in. There were two “opt in” cases. Both claimants chose to have the OIA administer their claims.

B. Length of Time Kaiser Takes to Submit Demands to the OIA

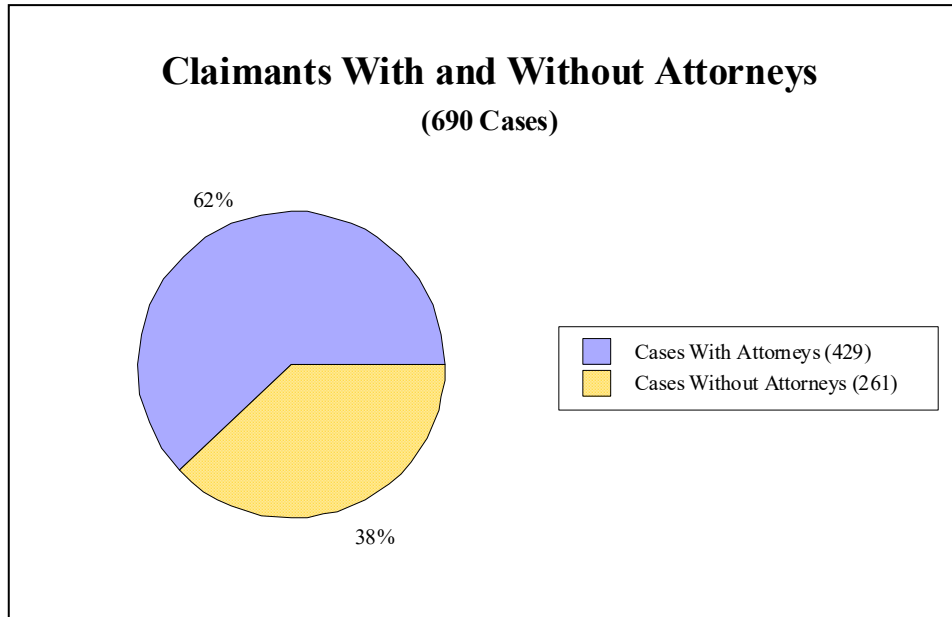
Rule 11 requires Kaiser to submit demands for arbitration to the OIA within ten days of receipt. The average length of time Kaiser took to submit demands to the OIA was six days.³³ The range was 0 – 223 days.³⁴

There were 67 cases in which Kaiser took more than 10 days to submit the demand. The average in these cases was 29 days, and the range was 11 – 223 days.

C. Claimants With and Without Attorneys

Claimants were represented by counsel in 62% of new cases (429 of 690). In 38% of cases, claimants represented themselves.

Chart 2



³³The median was 4 days and the mode was 1 day.

³⁴In the case that took 223 days, the claimant filed the demand for arbitration in March 2025 but the case was not forwarded to the OIA until October 2025.

V. SELECTION OF THE NEUTRAL ARBITRATORS

The most important step of the arbitration process is the selection of the neutral arbitrator. The first section describes the selection process in general. The remaining sections discuss different aspects of the selection process in detail. They outline: whether the parties selected the neutral arbitrator by joint selection or by striking and ranking the names on their LPA; the cases in which the parties decided to postpone the selection of the neutral arbitrator; the cases in which the parties disqualified a neutral arbitrator; and the amount of time it took the parties to select the neutral arbitrator. Lastly, this section examines cases in which parties have selected party arbitrators.

Thirty-six cases closed without a neutral arbitrator in place. Of those cases, 16 settled and 19 were withdrawn. One additional case was consolidated with another case. This includes cases with attorneys and cases where the claimant was in *pro per*. For *pro per* cases, three settled and 12 were withdrawn. For represented cases, 13 settled and 7 were withdrawn.

A. How Neutral Arbitrators are Selected

The process for selecting the neutral arbitrator begins after the OIA receives a claimant's demand for arbitration and the \$150 arbitration filing fee or a waiver of the filing fee.³⁵ The OIA then sends both parties an LPA. The LPA contains 12 randomly computer-generated names of neutral arbitrators from the appropriate geographic panel, including whether the arbitrator accepts *pro per* cases.³⁶

Along with the LPA, the OIA provides the parties with password-protected access to information packets about the arbitrators named on the LPA.³⁷ The information packet includes: each neutral arbitrator's application and fee schedule, subsequent updates to the application, if any,³⁸ copies of any evaluations that have been submitted about the arbitrator by previous parties within the last five years, and any redacted awards or decisions the neutral arbitrator has written within the last five years.

³⁵See Rule 12.

³⁶Forty-nine percent (49%) of arbitrators on the panel will not hear *pro per* cases.

³⁷The OIA accommodates requests to receive the information by U.S. mail.

³⁸Neutral arbitrators are required to update their applications every two years. Arbitrators were required to update this year. If an arbitrator has not served on the panel for at least two years, he/she may not have an update. See Section II.D. and III.A.

The parties have 20 days to respond to the LPA.³⁹ Parties can respond in one of two ways. First, provided the arbitrator agrees to follow the *Rules* and completes the OIA Demographic Form required to be a member of the OIA panel,⁴⁰ the parties may jointly select anyone they want to serve as neutral arbitrator. The arbitrator does not have to be named on the LPA, be on the OIA panel, or meet the OIA qualifications.⁴¹

Second, if the parties do not jointly select a neutral arbitrator, each side returns the LPA, striking up to four names and ranking the remaining eight names in order of preference, with “1” being the top choice.⁴² When the OIA receives the LPAs, the OIA eliminates any names that have been stricken by either side and then totals the scores of the remaining names. The arbitrator with the best score⁴³ is asked to serve. This is referred to as the “strike and rank” process.

B. Joint Selections vs. Strike and Rank Selections

Of the 623 neutral arbitrators selected, 135, or 22%, were jointly selected by the parties and 487, or 78%, were selected by the strike and rank process. One neutral arbitrator was selected by court order.⁴⁴ This case accounts for less than half of one-percent of arbitrator selections.⁴⁵ Of the neutral arbitrators jointly selected by the parties, 98, or 16%, were members of the OIA panel, though not necessarily on the LPA sent to the parties. In 37 cases, or 6%, the parties selected a neutral arbitrator who was not a member of the panel. See Chart 3. One neutral arbitrator who is not on the OIA panel accounts for 31 joint selections.

³⁹A member of the OIA staff contacts the parties before their responses to the LPA are due to remind them of this deadline.

⁴⁰The AOB requested the OIA collect demographic data from jointly selected neutral arbitrators not on the OIA panel. This data is included in the aggregate on the OIA website pursuant to California Code of Civil Procedure §1281.96(a)(12).

⁴¹Neutral arbitrators who do not meet the OIA qualifications may serve as jointly selected neutral arbitrators so long as they agree to follow the OIA *Rules*. There is, however, one exception: If, pursuant to California’s Ethics Standards, a neutral arbitrator has promised not to take another case with the parties while the first remains pending and the OIA knows the case is still pending, the OIA would not allow the person to serve as a neutral arbitrator in a subsequent case. See Standard 12(c) of the *Ethics Standards for Neutral Arbitrators in Contractual Arbitration*.

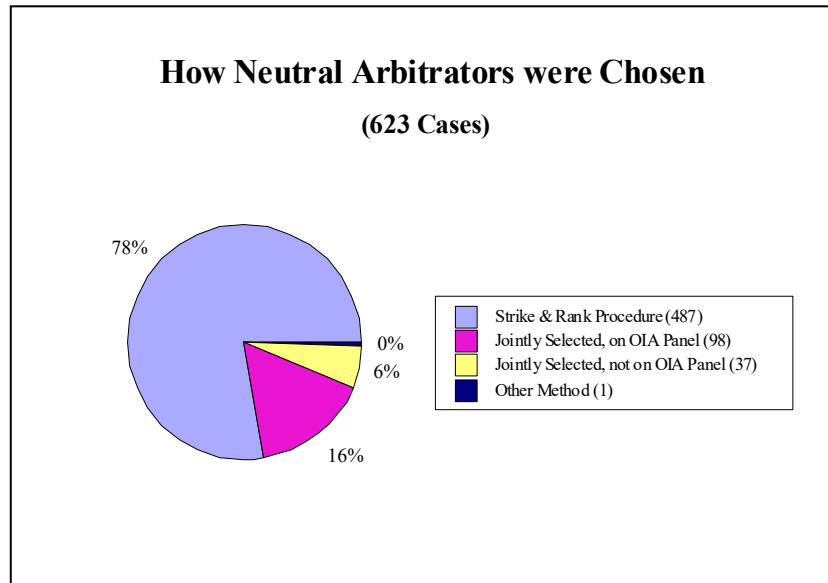
⁴²The selection is based on returned LPAs. If a party does not return the LPA by the deadline, all arbitrator names are deemed acceptable to that party. See Rule 18.c.

⁴³For example, a person who was ranked “1” by both sides – for a combined score of “2” – would have the best score. If there is a tie, the OIA selects the arbitrator that appears first on the randomly generated list.

⁴⁴In rare cases, when the parties cannot select a neutral arbitrator, generally because of multiple disqualifications of neutral arbitrators, either party can petition the state court to do so.

⁴⁵The percentage in Chart 3 appears as 0% due to rounding.

Chart 3



C. Status of Cases with Postponements

Under Rule 21, a claimant has a unilateral right to request a one-time postponement of up to 90 days to respond to the LPA.⁴⁶ If a claimant has not requested one, the respondent may do so, but only if the claimant agrees in writing.

Rule 28 allows the OIA, in cases where the neutral arbitrator has not been selected, to extend deadlines for good cause. The OIA has used this authority periodically to extend the deadline in which to respond to the LPA based upon the parties' stipulation to jointly select a neutral arbitrator, upon the claimant's medical condition, or because a case has settled or been withdrawn.

There were 230 cases where the parties obtained either a Rule 21 postponement, a Rule 28 extension of the time to return their LPAs, or both. In 189 of these cases, the parties obtained a Rule 21 postponement. The claimants made all but one of these requests. There were 19 cases that received Rule 21 postponements and Rule 28 extensions.⁴⁷ There were 22 cases that

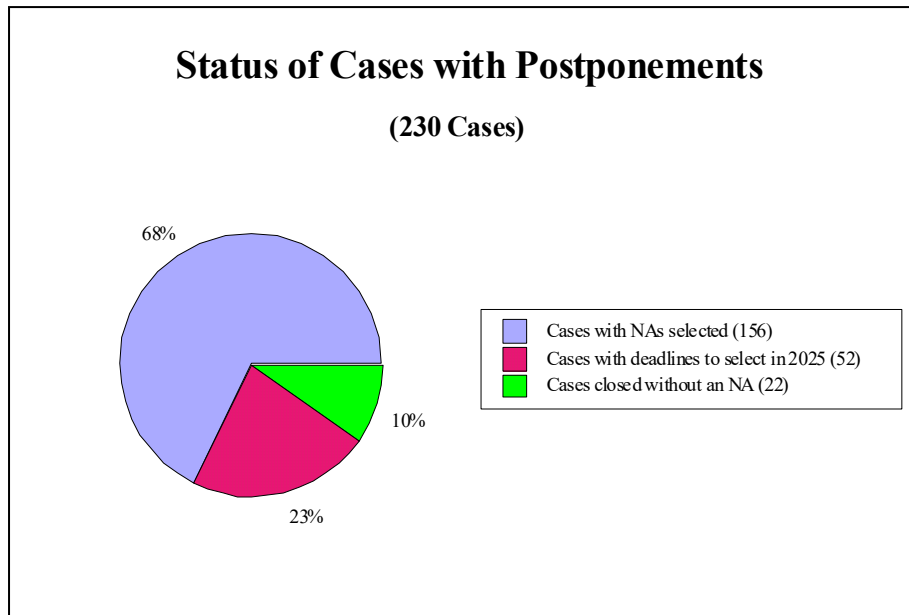
⁴⁶A party cannot, for example, get a 30-day postponement at one point and a 60-day postponement later. There are times when parties request a postponement of less than 90 days.

⁴⁷Claimants made all of the requests for Rule 21 postponement. The majority of Rule 28 extensions were made by parties' stipulation.

received a Rule 28 extension this year.⁴⁸ Four cases received a Rule 28 extension without a prior Rule 21 postponement.⁴⁹

Chart 4 shows the outcome of those 230 cases where the parties obtained a postponement of the deadline to return their LPA. In 156 cases (68%), a neutral arbitrator has been selected. Twenty-two cases closed before a neutral arbitrator was selected but after a request for postponement was made. For the remaining 52 cases, the deadline to select a neutral arbitrator was after December 31, 2025.

Chart 4



D. Status of Cases with Disqualifications

Neutral arbitrators have a statutory obligation to make various disclosures within ten days of their selection.⁵⁰ After they make these disclosures, the parties have 15 days to disqualify the

⁴⁸Eighteen cases received a Rule 21 postponement in prior years.

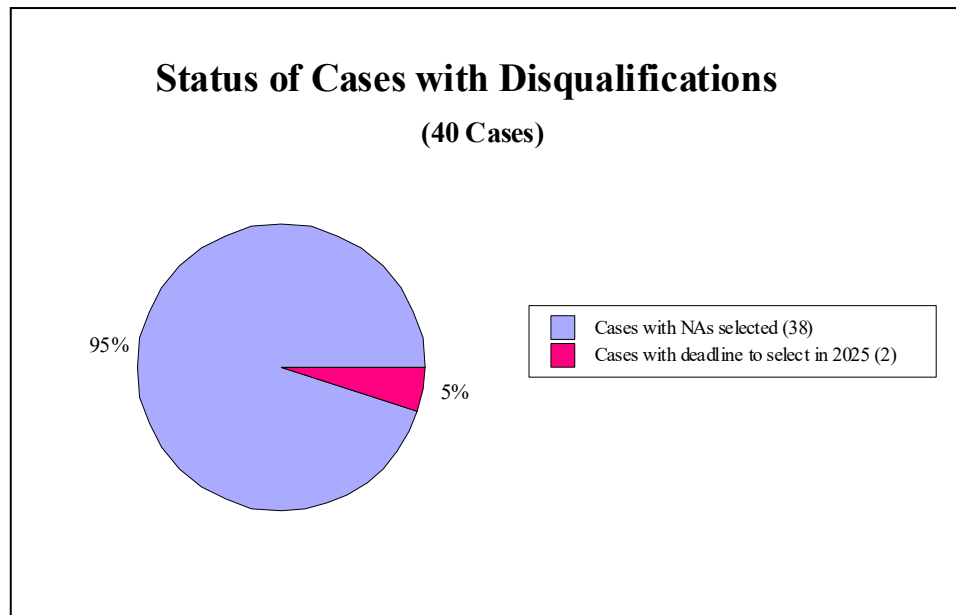
⁴⁹Generally, parties must use a 90-day postponement under Rule 21 before the OIA will extend the deadline under Rule 28. In two cases, the parties used this extension to send written notice of withdrawal without a neutral arbitrator being selected, which generally reduces expenses. In one case, the parties agreed to jointly select the arbitrator after seven disqualifications. In the last case, the claimant was ill.

⁵⁰See Rule 20 and California Code of Civil Procedure §1281.9, especially §1281.9(b). In the OIA system, the ten days are counted from the date of the letter confirming service. After the neutral arbitrator agrees to serve, the OIA sends this letter to the neutral arbitrator and copies the parties.

neutral arbitrator.⁵¹ Absent court action, there is no limit to the number of times a party can timely disqualify neutral arbitrators in a given case. After the first disqualification, the OIA sends the parties a supplemental LPA. After two disqualifications, the OIA randomly selects subsequent neutral arbitrators who have not been named on prior LPAs.⁵²

Neutral arbitrators were disqualified in 40 cases. Claimants disqualified 39 neutral arbitrators and Kaiser disqualified 17. Thirty-two cases had a single disqualification. Four cases had two disqualifications, two cases had three disqualifications, one case had four disqualifications, and one case had six disqualifications.⁵³ In 38 of the cases with disqualifications, a neutral arbitrator has been selected. In two cases, the deadline to select a neutral arbitrator was after December 31, 2025.

Chart 5



⁵¹See Rule 20 and California Code of Civil Procedure §1281.91. Additionally, if the neutral arbitrator fails to serve the disclosures, the parties have 15 days after the deadline to serve disclosures to disqualify the neutral arbitrator.

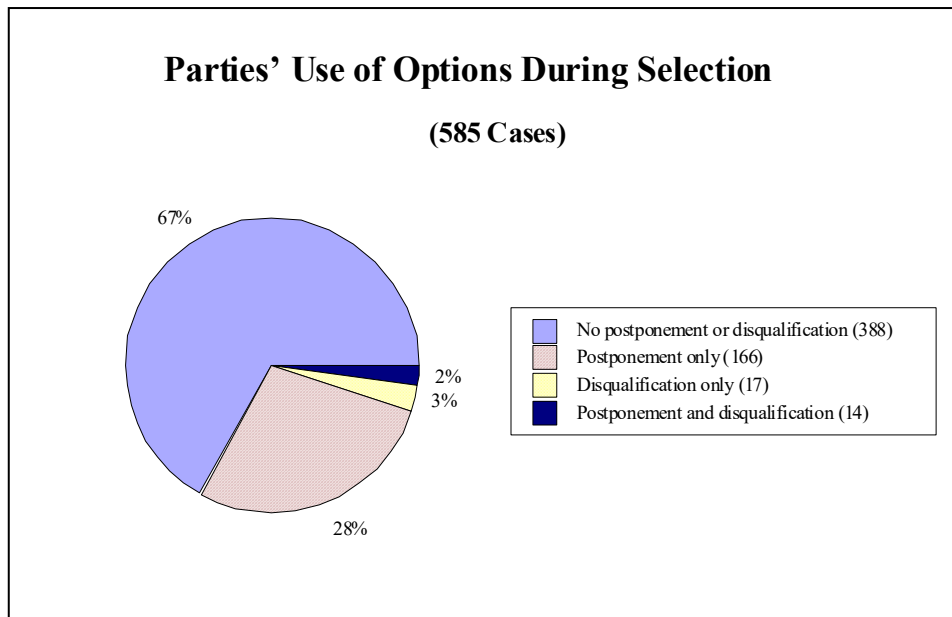
⁵²See Rule 18.f.

⁵³In cases with multiple disqualifications, either party may petition the Superior Court to select a neutral arbitrator. If the court grants the petition, a party is only permitted to disqualify one neutral arbitrator without cause; subsequent disqualifications must be based on cause. See California Code of Civil Procedure §1281.91(2).

E. Length of Time to Select a Neutral Arbitrator

This section considers 585 cases in which a neutral arbitrator was selected⁵⁴ and divides the selections into four categories. The first category consists of cases in which there was no delay in selecting the neutral arbitrator. The second category lists those cases in which the deadline for responding to the LPA was postponed. The third category summarizes those cases in which a neutral arbitrator was disqualified by a party and another neutral arbitrator was subsequently selected. The fourth category describes those cases in which there was both a postponement of the LPA deadline and a disqualification of a neutral arbitrator. The last three categories may include cases where the request for postponement and/or the disqualification was made in prior years, but the neutral arbitrator was selected this year. Chart 6 displays the categories.

Chart 6



⁵⁴Since time is counted from the first day that the arbitration process was initiated, 38 cases are not included in these computations of length of time to select a neutral arbitrator. These include cases where perhaps a neutral has died, left because of illness, or retired. In addition, cases where disclosures are made in the middle of the case – because of an event occurring after the initial disclosure – and was disqualified.

1. Cases Without Delays

There were 388 cases where a neutral arbitrator was selected without delay. Under the *Rules*, the maximum number of days to select a neutral arbitrator when there is no delay is 33 days. The average number of days to select a neutral arbitrator in these cases was 22 days, and the range was 1 – 32 days. This category represents 66.5% of cases in which a neutral arbitrator was selected.

2. Cases with Postponements

There were 166 cases where a neutral arbitrator was selected and the only delay was a 90-day postponement and/or an OIA extension of the deadline under Rule 28.⁵⁵ Under the *Rules*, the maximum number of days to select a neutral arbitrator when there is a 90-day postponement is 123 days. The average number of days to select a neutral arbitrator in these cases was 110 days, and the range was 16 – 384 days.⁵⁶ This category represents 28% of all cases in which a neutral arbitrator was selected.

3. Cases with Disqualifications

There were 17 cases (3%) where a neutral arbitrator was selected and the only delay was one or more disqualification(s). Under the *Rules*, the maximum number of days to select a neutral arbitrator if there is only one disqualification is 96 days.⁵⁷ The average number of days to select a neutral arbitrator was 61 days, and the range was 44 – 119 days.⁵⁸

4. Cases with Postponements and Disqualifications

There were 14 cases (2%) where a neutral arbitrator was selected after a postponement and a disqualification. Under the *Rules*, the maximum number of days to select a neutral arbitrator, if there is both a 90-day postponement and a single disqualification, is 186 days. The

⁵⁵Under Rule 28, there is no maximum number of days.

⁵⁶In the case that took 384 days to select a neutral arbitrator, the *pro per* claimant first obtained a 90-day postponement. The *pro per* claimant then requested and the OIA granted three additional 90-day postponements due to the claimant's upcoming surgeries, post-op recovery, and subsequent doctor appointments.

⁵⁷The 96 days is comprised of the 33 days to select the first neutral arbitrator under the *Rules*; the 30 days for the statutory periods for service of disclosures and disqualification pursuant to California law; and then 33 days to select the second neutral arbitrator. The amount of time increases by 33 days for each disqualification.

⁵⁸In the case that took 119 days to select a neutral arbitrator, Kaiser's attorney disqualified 3 neutral arbitrators and claimant's attorney disqualified 1 before the fifth arbitrator was appointed.

average number of days to select a neutral arbitrator in these cases was 160, and the range was 135 – 236 days.⁵⁹

F. Average Time for All Cases

The average number of days it took to select a neutral arbitrator in all cases was 52 days. For comparison purposes, the California Supreme Court stated in *Engalla vs. Permanente Medical Group*⁶⁰ that the pre-OIA Kaiser system averaged 674 days to select a neutral arbitrator.

G. Cases with Party Arbitrators

In medical malpractice cases, if the amount of damages exceeds \$200,000, a California statute gives parties a right to proceed with three arbitrators: one neutral arbitrator, and two party arbitrators.⁶¹ However, the parties may waive this right. The Blue Ribbon Panel that gave rise to the OIA questioned whether the value added by party arbitrators justified their expense and the delay associated with adding two more participants to the arbitration process. To that end, the Blue Ribbon Panel suggested that the system create incentives for cases to proceed with a single neutral arbitrator.

Rules 14 and 15 provide the above stated incentive. Kaiser pays the full cost of the neutral arbitrator if claimant waives the statutory right to a party arbitrator, as well as any court challenge to the arbitrator on the basis that Kaiser paid said arbitrator. If both claimant and Kaiser waive party arbitrators, the case proceeds with a single neutral arbitrator.

One case that went to hearing was decided with party arbitrators and resulted in judgment in Kaiser's favor. Of the cases that remained open at the end of the year, parties have designated party arbitrators in five cases.

VI. MAINTAINING THE CASE TIMETABLE

This section summarizes the methods for monitoring compliance with deadlines, as well as the actual compliance at various points during the arbitration process. The OIA monitors its cases in two ways.

⁵⁹In the case that took 236 days to select a neutral arbitrator, the *pro per* claimant disqualified 5 neutral arbitrators and Kaiser's attorney disqualified 1 before the seventh arbitrator was appointed.

⁶⁰15 Cal. 4th 951, 64 Cal. Rptr. 2d 843, 938 P.2d 903. The California Supreme Court's criticism of the then self-administered Kaiser arbitration system led to the creation of the Blue Ribbon Panel.

⁶¹California Health & Safety Code §1373.19.

First, the OIA tracks whether key events set out in the *Rules* occur on time. If arbitrators fail to notify the OIA that a key event has taken place by its deadline, the OIA contacts the arbitrators and asks for confirmation that it has occurred. In most cases, the events have occurred and arbitrators confirm this in writing. In instances where the event has not occurred and/or confirmation is not received, the OIA suspends the neutral arbitrator from receiving new cases until confirmation is received.⁶²

Second, the OIA looks at cases overall and their progress toward closing on time. When a case enters the system, the OIA calendars a status reminder for 12 months. As discussed in Section VII, most cases close within 13 ½ months. For those that remain open, the OIA contacts the neutral arbitrators to ensure that the hearing is still on calendar and the case is on track to be closed in compliance with the *Rules*. In addition, the Independent Administrator holds monthly meetings to discuss the status of all cases open more than 15 months.

A. Neutral Arbitrator’s Disclosure Statement

Once neutral arbitrators have been selected, California law requires that they make written disclosures to the parties within ten days. The *Rules* require neutral arbitrators to serve the OIA with a copy of these disclosures. The OIA monitors all cases to ensure that disclosures are timely served, and that they include statutory disclosure reports provided by the OIA. No arbitrator was suspended for failing to timely serve disclosures.

B. Arbitration Management Conference

Rule 25 requires neutral arbitrators to hold an Arbitration Management Conference (AMC) within 60 days of their selection. Neutral arbitrators are also required to return an AMC form to the OIA within five days of the conference. The schedule set forth on the form establishes the deadlines for the case. It also allows the OIA to make sure the hearing has been scheduled within the time frame allowed by the *Rules*. No arbitrator was suspended for failing to return the AMC form.

C. Mandatory Settlement Meeting

Rule 26 instructs the parties to hold a Mandatory Settlement Meeting (MSM) within six months of the AMC. It states that the neutral arbitrator should not be present at this meeting. The OIA provides the parties with an MSM form to complete and return, stating the meeting took place and its result. The OIA received notice from parties in 341 cases indicating they held

⁶²Suspended arbitrators are not listed on any LPA and cannot be jointly selected by the parties.

an MSM. Forty-eight reported the case had settled at the MSM. Nine cases involved *pro per* claimants. In 29 cases, neither party returned the MSM form by the end of the year.⁶³

D. Hearing and Award

The neutral arbitrator is responsible for ensuring that the hearing occurs and an award is served within the time limits set out in the *Rules*. One arbitrator was suspended for failing to timely serve a decision. Another arbitrator was suspended for failing to issue an order extending the deadline to serve an award. Both arbitrators have complied.

E. Neutral Arbitrator Fees and Questionnaire

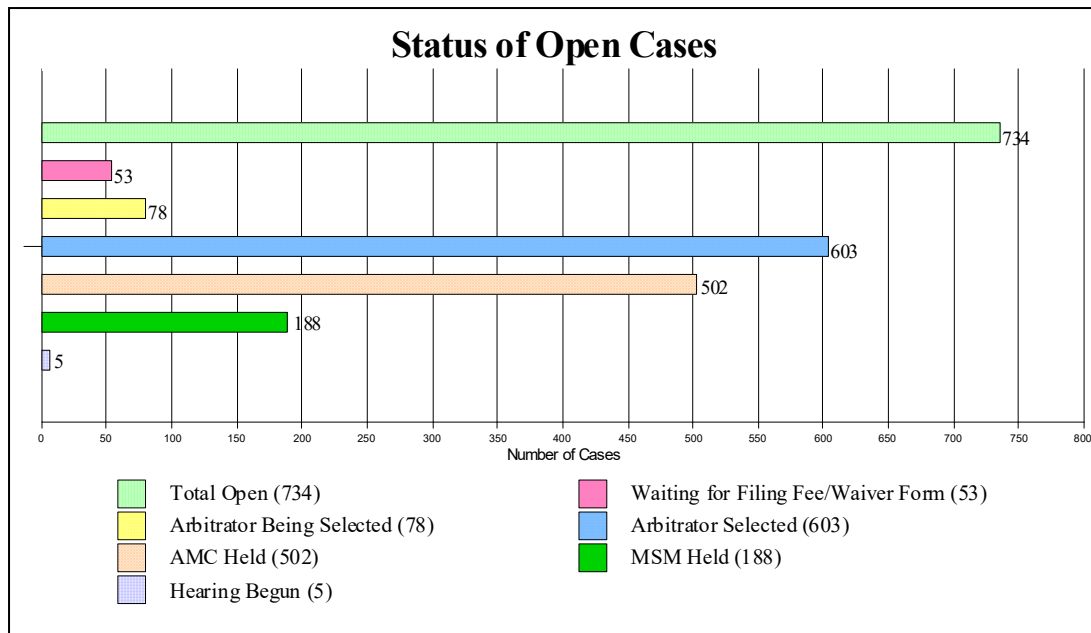
Under Rule 48 and the California Code of Civil Procedure §1281.96, neutral arbitrators are required to provide their fee amount and allocation. One arbitrator was suspended for failing to provide this information. The arbitrator has complied.

F. Status of Open Cases

There were 734 open cases at the end of the year. In 53 cases, the LPA had not been sent because the filing fee had not yet been paid or waived. In 78 cases, the parties were in the process of selecting a neutral arbitrator. In 603 cases, a neutral arbitrator had been selected. An AMC was held in 502 of these cases. In 188 cases, the parties held the MSM. In five cases where the hearing had begun, there were either additional hearing days or the OIA had not yet been served with the award. Chart 7 illustrates the status of open cases.

⁶³While the OIA contacts the parties requesting the MSM form, it has no power to compel them to report or to meet. A neutral arbitrator, on the other hand, can order the parties to meet if a party complains that the other side refuses to do so.

Chart 7



VII. CASES THAT CLOSED

This section focuses on how the cases closed, how many closed, and the duration. It also discusses the number of hearings conducted by video and/or in-person and the results of those hearings. See Charts 8 and 9.

Forty-six (46) cases closed after a demand for arbitration was served but before the filing fee was paid or waived. These cases included 32 that were abandoned for non-payment of the filing fee,⁶⁴ 4 that were settled and 10 that were withdrawn. These cases account for eight percent (8%) of the total number of closed cases, but are excluded from this section because the OIA does not begin measuring time until the fee is paid or waived.

The second half of this section discusses cases that used rules to either have the cases expedited or extended. Under the *Rules*, “regular” cases must ordinarily be closed within 18 months. Seventy-nine percent (79%) of the cases closed within this period. Forty-seven percent (47%) closed in a year or less. If a claimant needs a case decided in less time, the case can be expedited.⁶⁵ If the case needs more than 18 months, the neutral arbitrator can designate the case

⁶⁴Before cases are deemed abandoned, claimants receive three notices from the OIA and each time are offered the opportunity to apply for fee waivers.

⁶⁵See Rules 33-35.

as complex or extraordinary under Rule 24. The neutral arbitrator may also extend the deadline under Rule 28 for good cause.⁶⁶ See Chart 10.

A. How Cases Closed

1. Settlements – 57% of Closures

Settlements occurred in 300 cases. This represents 57% of closed cases. The average time to settle was 440 days. The range was 2 – 1,904 days.⁶⁷ In 33 settled cases, or 11%, the claimant was in *pro per*. Forty-eight cases settled at the Mandatory Settlement Meeting.

2. Withdrawn Cases – 20% of Closures

Withdrawal notices were received in 104 cases. This represents 20% of closed cases. In 53 of these cases, or 51%, the claimant was in *pro per*. The OIA categorizes a case as withdrawn when a claimant executes a notice of withdrawal, writes a letter or sends an email withdrawing the claim, or signs a dismissal without prejudice. When the OIA receives a dismissal with prejudice, the parties are contacted to confirm the case was withdrawn, meaning it was voluntarily dismissed.

The average time it took for a party to withdraw a claim was 243 days. The range was 4 – 1,406 days.⁶⁸

3. Dismissed Cases – 5% of Closures

Neutral arbitrators dismissed 25 cases. Neutral arbitrators dismiss cases if the claimant fails to comply with arbitrator orders or otherwise conform to the *Rules* or applicable statutes.

⁶⁶A complex case can also have a Rule 28 extension if the case requires more than 30 months to close. Nineteen cases that closed were both complex and had a Rule 28 extension.

⁶⁷The case that took 1,904 days to settle had been originally extended by the OIA under Rule 28 because of COVID-19. The neutral arbitrator also extended the deadline to close this case under Rule 28 and then designated the case extraordinary due to the claimant's health. The motion for summary judgment and arbitration hearing were rescheduled several times. Claimant's counsel filed a motion to be relieved as counsel which was denied, six months later the neutral arbitrator died and six months after that Kaiser's attorney substituted out and a new attorney for Kaiser substituted in. The case eventually settled, more than five years after the arbitration process was initiated.

⁶⁸The case that took 1,406 days to close was originally designated complex. The neutral arbitrator then extended the complex deadline three times under Rule 28 for good cause, before the case was withdrawn.

Twenty-three (23) of these closed cases, or 92%, involved *pro pers*. The average number of days to close a case dismissed by a neutral arbitrator was 285 days. The range was 76 – 827 days.⁶⁹

4. Summary Judgment – 14% of Closures

Summary judgment was granted in Kaiser’s favor in 76 cases. In 57 cases, or 75%, the claimant was in *pro per*. The reasons given by neutral arbitrators for granting motions for summary judgment were: failure to produce an expert declaration (31 cases), failure to file an opposition (28 cases), no triable issue of fact (11 cases), statute of limitations issues (4 cases), and no causation (2 cases).

The average number of days to close a case by summary judgment was 429 days. The range was 234 – 1,517 days.⁷⁰

5. Cases Decided After Hearing – 4% of Closures

a. Who Won

Twenty-three cases (4%) proceeded through an arbitration hearing to an award. In three cases, the claimant was in *pro per*. Judgment was in favor of Kaiser in 17 of these cases, or 74%. The claimant prevailed in 6 cases, or 26%. None were a *pro per* claimant.

b. Amounts Awarded to Claimants

Six cases resulted in awards to claimants. The range was \$300,000 – \$2,156,635. The average amount awarded was \$1,237,785. A list of the awards made is attached as Exhibit L.

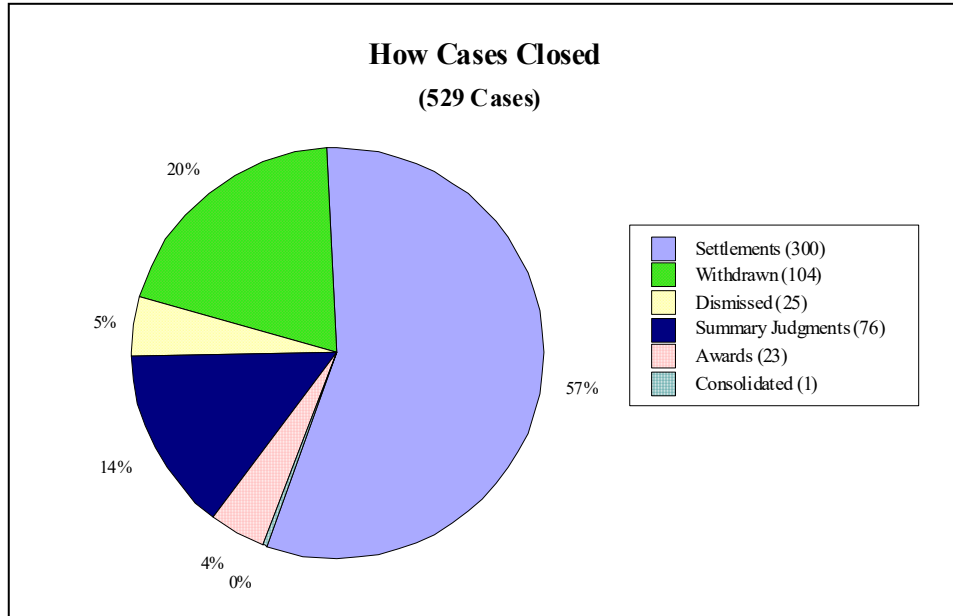
⁶⁹The case that was dismissed after 827 days was first extended under Rule 28 for good cause and later designated extraordinary after claimant’s attorney withdrew from the case. There was no guardian ad litem for claimant, who was an incompetent adult. The neutral arbitrator issued a stay to allow claimant to obtain counsel. The motion to dismiss was eventually heard and granted.

⁷⁰The case that took 1,517 days to close had a 90-day postponement and a Rule 28 extension by parties’ stipulation before the *pro per* claimant obtained counsel. The case was then designated extraordinary by parties’ stipulation to conduct discovery and attend mediation. The case did not resolve so the neutral arbitrator issued a stay because the parties were still trying to resolve the case. One month later the neutral arbitrator recused herself to accept a new position. The new neutral arbitrator heard several discovery motions and awarded sanctions against claimant’s counsel for failure to respond to discovery. A year and a half later, a motion for summary judgment was heard and granted, no opposition was filed.

c. How Long it Took

The 23 cases that proceeded to a hearing closed on average in 738 days.⁷¹ The range was 270 – 1,321 days.⁷²

Chart 8



6. How Hearings were Held

Of the 23 arbitration hearings, 5 were held by video and 3 were held partially in-person and partially by video. The remaining 15 hearings were held in-person (65%).

Of the 76 summary judgments, 59 (78%) were held telephonically. Twelve were held by video, one was held in-person, and four required submissions of documents only.

Of the 25 cases dismissed by neutral arbitrators, 14 (56%) were held telephonically. Eight were held by video, one was held partially in person and partially by video, and two required submissions of documents only.

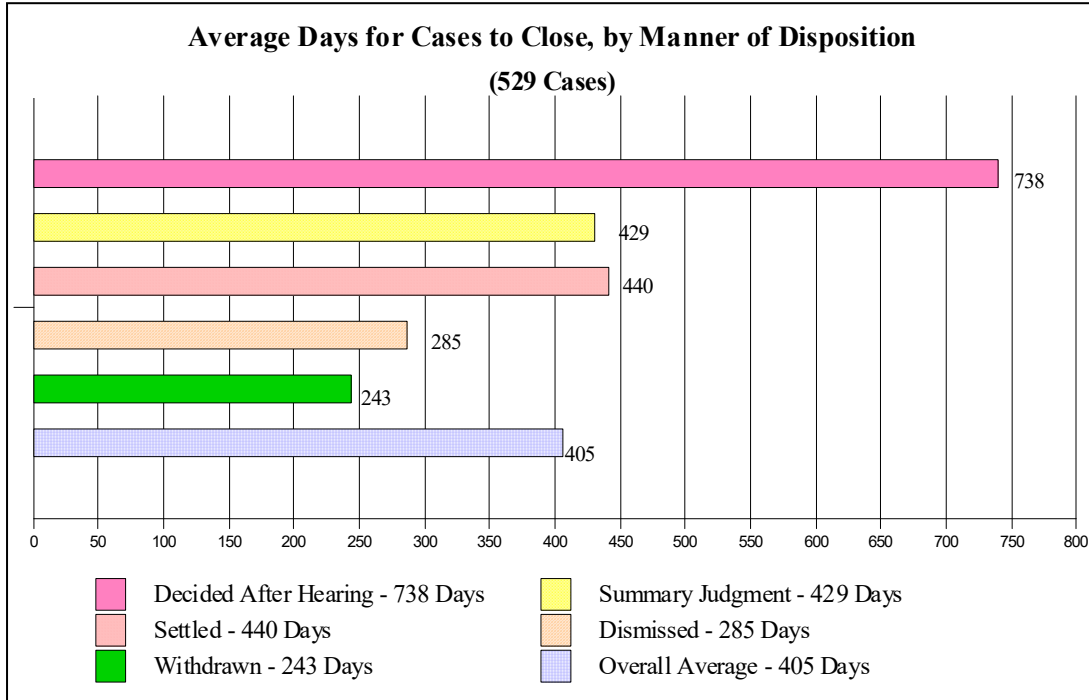
⁷¹Eight of the 23 are “regular” cases and closed on average in 460 days (over 15 months).

⁷²The case that took 1,321 days to close had party arbitrators. The case was designated complex because of numerous witnesses and complex issues. The complex deadline was extended under Rule 28 for good cause before the arbitration hearing commenced. Additional hearing dates were required and scheduled for two months later. The parties then required another set of hearing dates, but before the hearing concluded, the claimant died. The remaining dates were scheduled for six months after the hearing initially started and resulted in a judgment in favor of Kaiser.

7. Average Days to Close

As shown on Chart 9, cases closed on average in 405 days, 13 ½ months. The median was 380 days. The range was 2 – 1,904 days.⁷³ Two cases closed after the award deadline.⁷⁴

Chart 9



B. Procedures to Expedite or Extend Cases

1. Expedited Procedures

Rules 33 – 36 include provisions for cases which need to be expedited. Grounds for expediting a case include a claimant's illness or condition raising substantial medical doubt of survival, a claimant's need for a drug or medical procedure, or other good cause.

⁷³The case that took 1,904 days to close is described in footnote 67.

⁷⁴One late case had settled in May but required a minor's compromise and funding which took five months to complete. In the other late case, Kaiser filed a petition in Superior Court to select a neutral arbitrator after the *pro per* claimant disqualified three neutral arbitrators and five other neutral arbitrators recused themselves. The first court appointed arbitrator declined the case, the second court appointed arbitrator accepted the case but later recused. Two additional court appointed arbitrators declined the case. The parties eventually agreed to proceed with the case in Superior Court. See California Code of Civil Procedure §1281.91(2).

Claimants made four requests for expedited procedures to the OIA. Kaiser objected to two requests. The OIA granted two and denied two.⁷⁵

Three requests for expedited procedures were made to the neutral arbitrator. One request was granted and two were denied.

The OIA had one expedited case pending from 2024 which settled.

Two expedited cases closed on average in 244 days, a little over 8 months. At the end of the year, there was one open expedited case.

Although originally designed to decide benefit claims quickly, none of the expedited cases involved benefit or coverage issues.

2. Complex Procedures

Rule 24.b. includes provisions for cases that need 24 – 30 months to be completed. There were 140 cases designated complex. Eighty-five complex cases (16%) closed.⁷⁶ The average length of time for complex matters to close was 538 days. The range was 111 – 890 days (about 2 ½ years).⁷⁷

3. Extraordinary Procedures

Rule 24.c. includes provisions for cases that need more than 30 months for resolution. Thirty-one cases were designated extraordinary, and 21 cases (4%) closed. The average time to close an extraordinary case was 983 days. The range was 469 – 1,904 days (over 5 years).⁷⁸

4. Rule 28 Extensions

Rule 28 allows neutral arbitrators to extend the deadline to close the case for good cause. This year, neutral arbitrators made Rule 28 extensions in 102 cases, and there were 84 cases with a Rule 28 extension that closed. The average time to close cases with a Rule 28 extension was 651 days. The range was 119 – 1,406 days.⁷⁹

⁷⁵The requests were denied without prejudice to be redirected to the neutral arbitrator once appointed.

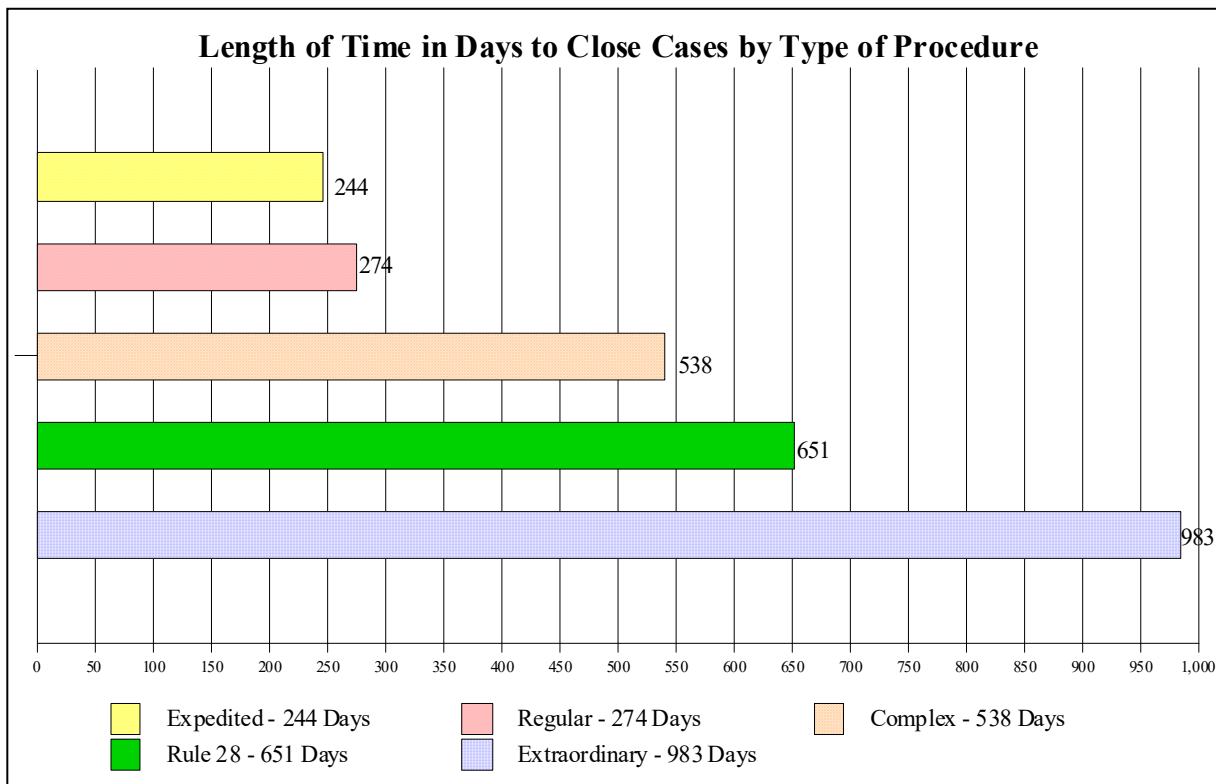
⁷⁶Nineteen cases were extended by Rule 28 and are counted in that section. See Section VII.B.4.

⁷⁷The case that took 890 days to close was designated complex due to claimant's health and complicated discovery, including numerous witnesses and experts. The claimant subsequently died. The hearing required 10 consecutive days which was continued 3 times and resulted in a judgment in favor of Kaiser.

⁷⁸The extraordinary case that took 1,904 days to close is discussed in footnote 67.

⁷⁹The case that took 1,406 days to close is described in footnote 68.

Chart 10



VIII. COST OF ARBITRATION

A. OIA Arbitration Fees

In an OIA arbitration, a claimant must pay a \$150 arbitration filing fee⁸⁰ and half of the neutral arbitrator's fees, in addition to any attorney's fees and fees for expert witnesses. State law provides that neutral arbitrator fees be divided equally between the claimant and the respondent.⁸¹ State law also provides that if the claim for damages is more than \$200,000,⁸² the matter will be heard by an arbitration panel, which consists of three arbitrators – a neutral

⁸⁰Unlike California Superior Courts, the filing fee has not increased during the OIA's operation and is lower than court filing fees (other than small claims court).

⁸¹California Code of Civil Procedure §1284.2.

⁸²California Health & Safety Code §1373.19.

arbitrator and two party arbitrators.⁸³ In OIA arbitrations, parties may waive their right to party arbitrators and still proceed with a claim for damages for more than \$200,000.

The OIA system provides mechanisms for a claimant to obtain a waiver of either the \$150 arbitration filing fee and/or the claimant's portion of the neutral arbitrator's fees and expenses. When claimants request a waiver, they receive information about the different types of waivers and the waiver forms.⁸⁴

B. Options Claimants Have to Waive Fees

1. Waiving the \$150 Arbitration Filing Fee

Pursuant to state law, the \$150 arbitration filing fee waiver is available to claimants whose gross monthly income is less than three times of the federal poverty guidelines.⁸⁵ The OIA informs claimants of this waiver in the first notice sent to them when their case is received. Rule 12 gives claimants 75 days from the date the OIA receives their demands for arbitration to submit this form. The completed form is confidential and only the claimant and/or claimant's attorney know if a request for the waiver was made, granted or denied.

2. Waiving the Arbitration Filing Fee and the Neutral Arbitrator's Fees and Expenses

Upon disclosure of financial information, a claimant may qualify for a waiver for extreme financial hardship.⁸⁶ Rule 13 requires the waiver form to be served on the OIA and Kaiser. Kaiser has the opportunity to object before the OIA grants or denies this request. If granted, the claimant does not have to pay the neutral arbitrator's fees and expenses or the \$150 arbitration filing fee. A claimant who obtains this waiver is also allowed to have a party arbitrator at claimant's expense.

3. Waiving the Neutral Arbitrator's Fees and Expenses

No financial information is required by signing the Waiver of Objection to Payment of Fees Form and Waiver of Party Arbitrators - Claimants Form provided in Rules 14 and 15. For claims under \$200,000, the claimant must agree in writing not to object later that the arbitration

⁸³Party arbitrators are selected and paid for by each side.

⁸⁴See Exhibit M for the fee waiver packet.

⁸⁵California Code of Civil Procedure §1284.3.

⁸⁶The fee waiver application is based on the form used by state court.

was unfair because Kaiser paid the fees and expenses of the neutral arbitrator. For claims over \$200,000, the claimant must also agree not to use a party arbitrator.⁸⁷

C. Number of Cases in Which Claimants Have Waived Their Fees

1. Arbitration Filing Fee

The OIA received 57 requests to waive the \$150 filing fee. The OIA granted 49 requests and denied 7.⁸⁸ One request was pending. Twenty-eight of these claimants also submitted and received a waiver of the filing fee and the neutral arbitrators' fees and expenses discussed in the next section.

2. Arbitration Filing Fee and the Neutral Arbitrator's Fees and Expenses

The OIA received 79 fee waiver requests, granted 73⁸⁹ and denied 3. Kaiser objected to one but it was granted. Five requests were pending.

3. Neutral Arbitrators' Fee Allocation

State law requires arbitration providers, such as the OIA, to disclose neutral arbitrators' fees and fee allocations for closed cases. We received fee information from neutral arbitrators in 491 cases that closed.

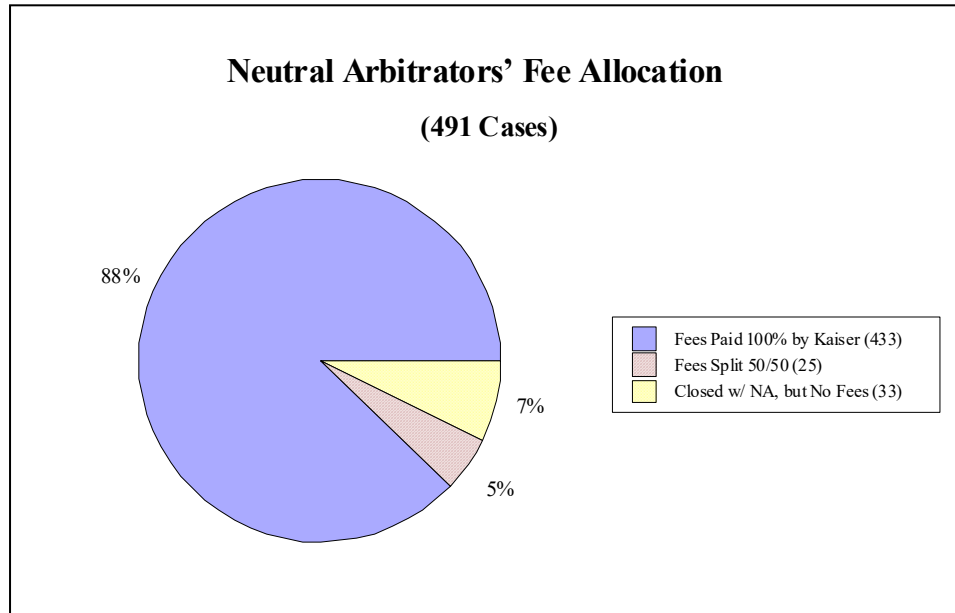
Kaiser paid 100% of the neutral arbitrators' fees and expenses in 433 cases. Fees were split 50/50 in 25 cases. In 33 cases, no fees were charged. See Chart 11.

⁸⁷If the claimant waives his/her right to a party arbitrator but Kaiser wants to proceed with party arbitrators, Kaiser will pay all of the neutral arbitrator's fees and expenses. See Exhibit M for copies of the waiver forms.

⁸⁸Two resubmitted the form providing additional or missing information which were granted and two paid the filing fee. The remaining three submitted the waiver of filing fee and neutral arbitrator fees form pursuant to Rule 12 and were granted.

⁸⁹Two requests were received the previous year but granted this year.

Chart 11



D. Fees Charged by Neutral Arbitrators

Neutral arbitrators on the OIA panel set their own fees. They are permitted to raise their fees once a year, only in new cases. The fees ranged from \$250/hour – \$2,000/hour. The average hourly fee was \$853. Some neutral arbitrators also offered a daily fee with a range of \$2,000/day – \$14,000/day. The average daily fee was \$7,356.

In 458 cases with fees, Kaiser paid 100% of the neutral arbitrators' fees in 433 cases (95%). The average neutral arbitrator fee in this category was \$11,083.⁹⁰ The range was \$350 – \$228,334. This excludes the 33 cases in which there were no fees. The average for all cases, including those with no fees, was \$10,338.

In cases where the neutral arbitrator rendered a decision, the average fee was \$71,453. The range was \$19,849 – \$228,334.

IX. EVALUATIONS OF NEUTRAL ARBITRATORS AND THE OIA SYSTEM

When cases close, the OIA sends forms to counsel for the parties and *pro per* claimants asking them questions about the OIA, the arbitration process, and the neutral arbitrator, if any. The OIA sends the neutral arbitrator a similar form with questions about the OIA and the

⁹⁰One neutral arbitrator fees form is pending and expected to be returned in the first quarter of 2026.

arbitration process. This section discusses the highlights of the responses we received from the parties and the arbitrators. The copies of the forms are set out in Exhibits N, O, and P, respectively.

A. Parties Evaluate the Neutral Arbitrators

The OIA sends neutral arbitrator evaluations to counsel for the parties or *pro per* claimants only in cases where the neutral arbitrator decided the merits of the case.

The form asks parties to evaluate their experience with the neutral arbitrator in 11 different categories including: fairness, impartiality, respect shown for all parties, timely response to communications, understanding of the law and facts of the case, and fees charged. More importantly, they are asked whether they would recommend this arbitrator to another person with a similar case. The inquiries appear in the form of statements, and all responses appear on a scale from 1 - 5. A “5” is the highest level of agreement. The evaluations are anonymous, though the parties filling out the forms are asked to identify themselves by category and how the case closed.

The OIA sent 252 evaluations and received 41 responses, or 16%. Eight identified themselves as *pro per* claimants, six as claimants’ counsel, and 27 as respondents’ counsel.

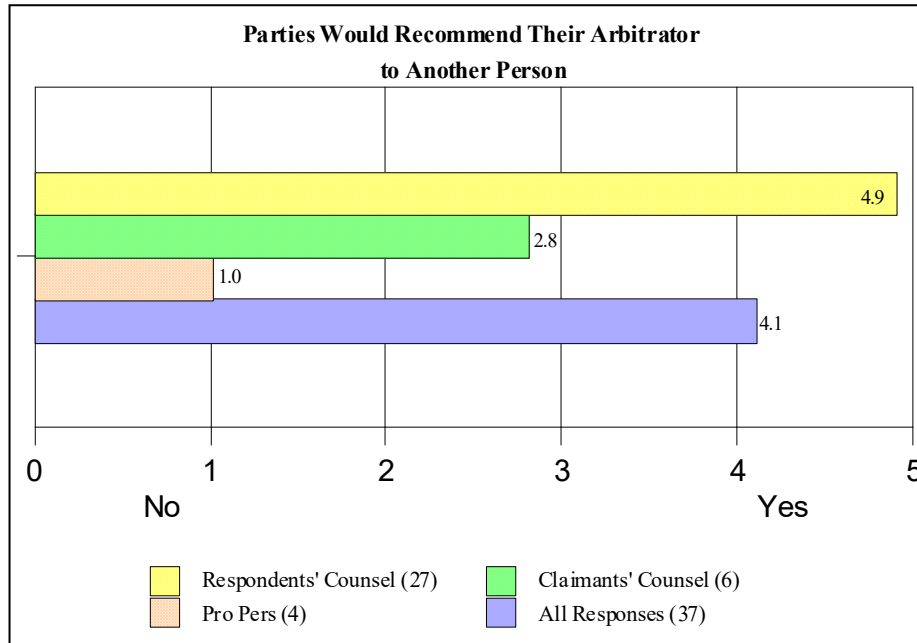
Table 4 highlights the average responses to some of the inquiries.

Table 4 - Parties’ Evaluations of Neutral Arbitrators

Question	Claimants’ Counsel (6)	<i>Pro per</i> (8)	Respondents’ Counsel (27)	Total (41)
Impartial and treated parties fairly	2.8	1.7	4.9	4.1
Treated parties with respect	4.2	3.3	5.0	4.6
Explained procedures and decisions clearly	3.5	2.3	4.9	4.2
Understood applicable law	3.2	1.2	4.9	4.0
Understood facts of the case	3.2	2.4	4.9	4.2
Fees reasonable for work performed	2.7	2.3	5.0	4.5
Would recommend this arbitrator	2.8	1.0	4.9	4.1

As shown in Chart 12, the average on all responses when asked whether they would recommend this arbitrator to another person with a similar case was 4.1.

Chart 12



B. Neutral Arbitrators Evaluate the OIA System

When cases close, the neutral arbitrators complete questionnaires about their experience with the *Rules* and the overall system.⁹¹ The information is solicited to evaluate and improve the system. As with the evaluations sent to the parties to evaluate the neutral arbitrators, the OIA sends these forms to neutral arbitrators in cases where they decided the merits of the case. The OIA sent questionnaires in 124 closed cases and received neutral arbitrator responses in 123 cases.⁹²

The arbitrators' responses averaged a 4.9, agreeing that the procedures set out in the *Rules* had worked well in each specific case. The responses averaged 5.0, agreeing that based on this experience, they would participate in another arbitration with the OIA. The responses averaged 5.0, agreeing that the OIA had accommodated their questions and concerns in their specific case.

⁹¹See Rule 48.

⁹²One questionnaire is pending and expected to be returned in first quarter of 2026.

The questionnaire also includes two questions that asks arbitrators to check off features of the system which worked well and those that needed improvement in their specific case. The majority identified features of the OIA system that worked well. See Table 5.

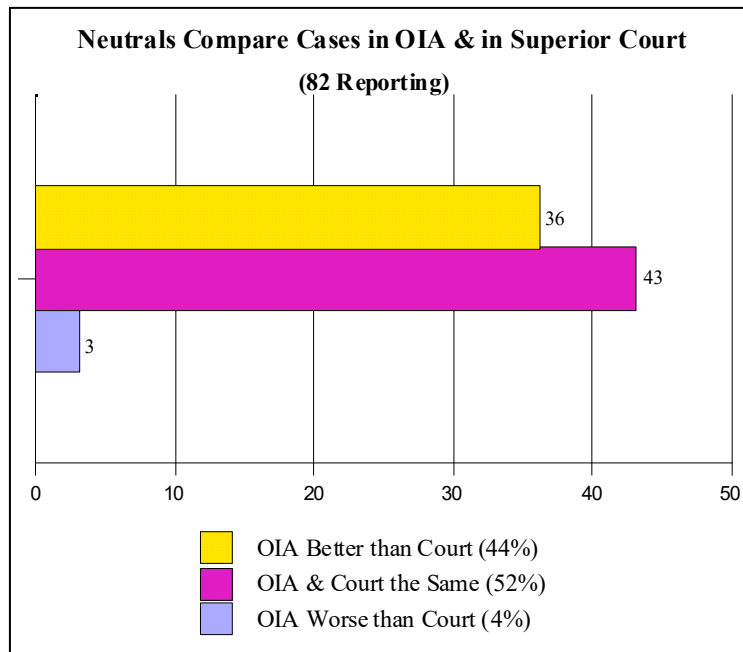
Table 5 - Neutral Arbitrators' Opinions Regarding the OIA System

Feature of OIA System	Works Well	Needs Improvement
Manner of neutral arbitrator's appointment	79	2
Early management conference	87	4
Availability of expedited proceedings	37	2
Sufficient time for service of the decision/award	37	11
Claimants' ability to have Kaiser pay neutral arbitrator	88	2
System's Rules overall	90	5
Hearing within 18 months	40	3
Availability of complex/extraordinary proceedings	39	3

Finally, the questionnaire asks the arbitrators whether they would rank the OIA experience as better, worse, or about the same as a similar case tried in court. Eighty-two arbitrators made the comparison. Thirty-six arbitrators, or 44%, said the OIA experience was better. Forty-three arbitrators, or 52%, said it was about the same. Three arbitrators (4%) said the OIA experience was worse.⁹³ See Chart 13.

⁹³One arbitrator may have done so by mistake checking half of the features as working well and checked none that needed improvement. Another suggested the appointment of a pro bono panel of attorneys who can assist *pro per* claimants. The other arbitrator noted complications with one of the attorneys which created substantial problems moving the case forward.

Chart 13



Neutral arbitrators commended the OIA for its prompt and effective communication and its commitment to address all questions and concerns. Several arbitrators noted that the OIA was extremely helpful in providing assistance with complicated matters.

Neutral arbitrators also commended the arbitration system overall as more efficient and less cumbersome than court; noting that scheduling was easier, and that cases reached quicker resolution. A few arbitrators appreciated the flexibility of the *Rules*, specifically mentioning they worked well in very complex cases.

While the comments were predominately positive, most arbitrators expressed frustration with *pro per* cases suggesting that the OIA convene a panel of claimant attorneys willing to do pro bono work, while others suggested that the OIA do a better job of emphasizing the importance of attorney referral services. Some believed that claimants should not be permitted to represent themselves. One arbitrator commented that the case was extremely challenging and that they may not take another *pro per* case again. Other arbitrators requested the OIA explain to *pro pers* the criteria under the law regarding burden of proof and the requirements for a medical expert.

Neutral arbitrators also asked for specific rule changes; one that provides the steps to be taken in the event of the death of a claimant, when the death is unrelated to the alleged malpractice; and another to require mediation for all cases, noting that the Mandatory Settlement

Meeting is inadequate. Three arbitrators asked for more time for awards, two suggested that 30 days be the standard⁹⁴ and one suggested 90 days.

C. Parties Evaluate the OIA System

The OIA sends the parties an additional one-page evaluation asking about their experience with the *Rules* and the overall system. The form is similar to, but shorter than, the form sent to the neutral arbitrators.

As with the other forms, this form asks the parties, on a scale from 1 - 5, whether they agree or disagree that the *Rules* had worked well in their case and whether they would rank the OIA experience as better, worse, or about the same as a similar case in court. The form also includes a question about their experience obtaining medical records. A “5” is the highest level of agreement.

The OIA sent 1,002 evaluations and received 105 responses⁹⁵, or 10%. Twelve identified themselves as *pro per* claimants, 16 as claimants’ counsel, and 71 as respondents’ counsel. Six did not specify a side.

Table 6 highlights the average responses for some of the inquiries.

Table 6 - Parties’ Evaluations of the OIA System

Question	Claimants’ Counsel (16)	<i>Pro per</i> (12)	Respondents’ Counsel (71)	Not Specified (6)	Total (105)
Procedures worked well	3.9	2.3	4.9	4.2	4.5
Obtaining medical records went well	4.3	2.4	4.9	3.8	4.5
OIA responsive to questions/concerns	4.6	4.0	5.0	4.2	4.8

The form also asks the parties if they have had a similar experience in Superior Court and, if so, to compare the two. Of the 74 people who made the comparison, 54 said it was better.

⁹⁴See Exhibit B, Rule 37 giving neutral arbitrators more time to serve the awards. This Rule took effect February 14, 2025.

⁹⁵One of the evaluations was returned blank and two were returned with comments only, no rankings.

Sixteen said it was the same. Four said it was worse.⁹⁶ See Chart 14 and Table 7 for the breakdown.

Chart 14

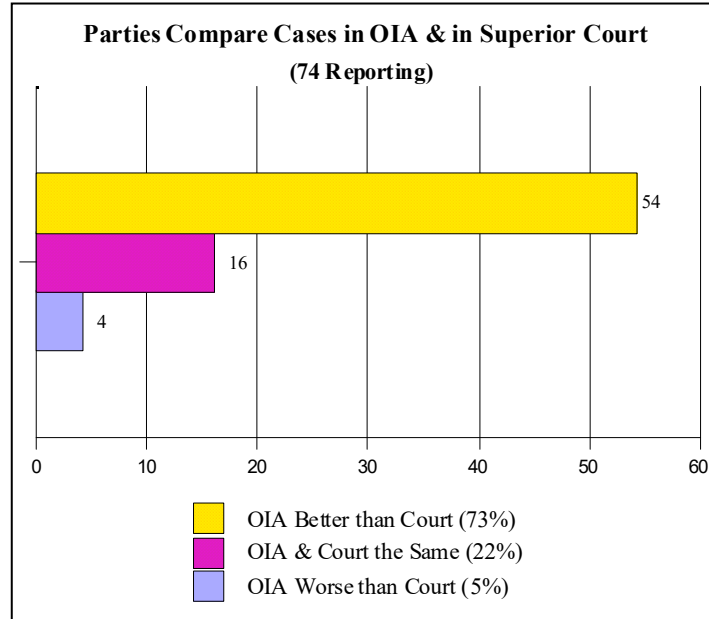


Table 7 - Parties Compare the OIA System & Superior Court

	Made Comparison	Better	Worse	About the Same
Claimants' Counsel	13	4	3	6
<i>Pro per</i>	2	2	0	0
Respondents' Counsel	56	46	1	9
Not Specified	3	2	0	1
Total	74	54	4	16

The parties described the OIA as courteous, professional, and always responsive to questions or concerns. They praised the arbitration system as more efficient and less expensive than court, with more flexibility overall, resulting in quicker resolution of matters. Some

⁹⁶Of the four people who said the OIA experience was worse, one may have done so by mistake as they responded positively to the questions. Two complained that the arbitration system is inherently unfair and that the arbitrators lack impartiality. One complained of the inability to file a motion to dismiss because waivers had not been filed.

commented that the OIA should provide discovery, subpoena, and motion forms with sample documents; a detailed procedures manual with dates and deadlines; and *pro per* representation. Others instructed the OIA to limit disqualification when an arbitrator has done considerable amount of work and restrict the use of summary judgment, allowing cases to proceed to arbitration hearings.

The most common complaint by the parties concerned their neutral arbitrator. Most complained that the arbitrator was biased, partisan, unjust, and in Kaiser's favor. Some stated that the OIA should require arbitrators to have medical malpractice experience; to not admit arbitrators on the panel of a certain age; and to prevent arbitrators from taking additional cases.

The parties also reported that while the process for obtaining medical records was easily available, it was not transparent, noting that their records were different than those of opposing counsel; and that the process took too long. One commented that Kaiser withheld needed records but sent 3,200 pages of records not requested.

Parties also offered rule changes that specifically covered certain situations, i.e., ADA accommodations and substitutions of attorneys. Some suggested adding a business records exception to the hearsay rule as provided in California Evidence Code §1271, and a carve out for arbitrators to be paid in full for Orders to Show Cause if waivers have not been obtained pursuant to Rule 14. Others requested clarification of specific rules that include: removing KPIC as a named respondent in Rule 8.a.; clarifying electronic service for *pro per* claimants in Rule 9; and removing payment reference in Rule 27.c., because Kaiser does not charge for electronic production of records.

X. ROLE OF THE ARBITRATION OVERSIGHT BOARD

A. Membership

The AOB is chaired by Carlos Camacho, Staff Director for the Orange County Labor Federation, AFL-CIO, Orange County, CA. The vice-chair is John Swartzberg, MD, FACP, Clinical Professor, *Emeritus*, University of California Berkeley School of Public Health, Berkeley, CA.

The Honorable Carlos R. Moreno, former California Supreme Court Justice and Donna L. Yee, MSW, PhD, retired Chief Executive Officer of the Asian Community Center of Sacramento Valley resigned in December. Recruitment of new members by the AOB's nominating committee is ongoing.

René Rambo-Rogers, retired Assistant Manager, Department of Human Resources Management, California Teachers Association, Burlingame, California, joined in March.⁹⁷

The current membership of the AOB in alphabetical order (pursuant to the AOB bylaws, no more than four members may be Kaiser-affiliated):

Carlos Camacho, Staff Director for the Orange County Labor Federation, AFL-CIO, Orange County, CA.

Doris Cheng, medical malpractice attorney representing claimants, San Francisco, CA.

Patrick Dowling, MD, MPH, Professor and Chair of the Department of Family Medicine, David Geffen School of Medicine at UCLA, Los Angeles, CA.

Margaret B. Martinez, MPH, retired Chief Executive Officer of the Community Health Alliance of Pasadena, dba ChapCare, Pasadena, CA.

Kenneth Pivo, retired medical malpractice attorney representing respondents, Santa Ana, CA.

René Rambo-Rogers, retired Assistant Manager, Department of Human Resources Management, California Teachers Association, Burlingame, CA.

Tony Rodriguez, Vice President and Assistant General Counsel, Litigation / Legal Department, Kaiser Foundation Hospitals / Health Plan, Oakland, CA.

John Swartzberg, MD, FACP, Clinical Professor, *Emeritus*, University of California Berkeley School of Public Health, Berkeley, CA.

Matt Weber, Deputy General Counsel for TMC HealthCare, Oro Valley, AZ.

Mark Lane Welton, M.D., MHCM, Executive Vice President and Chief Medical Office President, Fairview Health Medical Group, Fairview Health Services, Minneapolis, MN.

Roxana Heidi Yoonessi-Martin, MD, JD, Compliance Officer and Lead Counsel, Southern California Permanente Medical Group, Pasadena, CA.

⁹⁷Rambo-Rogers's resume is attached as Exhibit D.

B. Activities

The AOB oversees the OIA's administration of cases in the arbitration system. In quarterly meetings, it reviews and makes recommendations on regular and quarterly reports from the OIA. These reports include statistics similar to those included in the annual report. The AOB also makes requests for supporting information as needed.

The AOB reconvened the nominating committee to recruit new members to replace the recently resigned members.

The AOB selected the auditor to review the OIA records and files.⁹⁸ The AOB then worked to have the audit conducted in March. The auditor's findings appear in Exhibit E.

The AOB initiated a separate and confidential audit to examine the OIA's security and IT procedures. The audit will be completed in 2026.

The AOB convened a sub-committee to explore methods to improve parties' response rates to the OIA and neutral arbitrator evaluations. The sub-committee proposed and the AOB approved engaging Dr. Thomas G. Rundall as a consultant. Dr. Rundall proposed 12 recommendations, most of which are being implemented. See Section II. E. and Exhibit F.

The OIA, in consultation with the AOB, and Kaiser developed the qualifications for process arbitrators for mass arbitrations. The qualifications and the list of process arbitrators are attached as Exhibit H and J, respectively.

The AOB continues to receive quarterly updates regarding the status of cases open over 18 months.

Finally, the AOB reviews the draft annual report and provides comments. Exhibit Q is the AOB Comments on the Annual Report for 2025.

XI. TRENDS AND DATA OVER THE YEARS OF OPERATION⁹⁹

Using the data that the OIA has published in prior reports, this section considers the operation of the OIA over time.

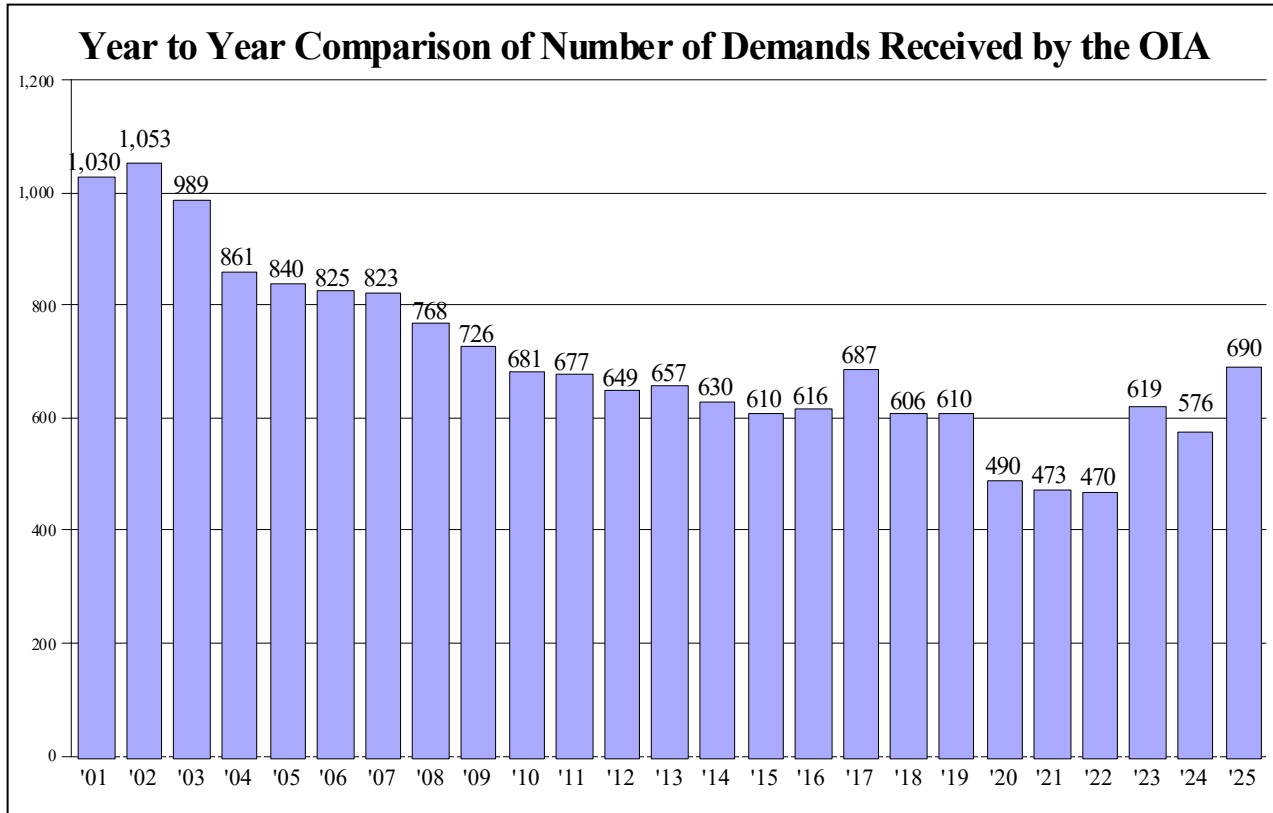
⁹⁸The Blue Ribbon Panel recommended that the OIA be audited no less than every five years. See Exhibit C, Recommendation 29.

⁹⁹Unless otherwise noted, this section compares data over the years since 2001, the first time the OIA reported on a calendar year. Prior reports covered partial years.

A. Number of Demands for Arbitration

In 2025, the OIA received 690 demands for arbitration, 114 more than last year. Chart 15 shows the year to year comparison of the number of demands received since 2001.

Chart 15



B. Number of Neutral Arbitrators

There were 195 neutral arbitrators on the OIA panel, same as last year. The panel has ranged from 164 in 2021 to 326 in 2006. On average, 42% have been retired judges. This year, 58% are retired judges - 2% more than last year and the highest percentage of judges over all time. The composition of the panel of neutral arbitrators includes those who have plaintiff's side experience and those who have defendant's side experience. This year, 89% report medical malpractice experience.

C. Number of Arbitrators Who Served

The percentage of neutral arbitrators on the OIA panel who have served in any given year remains consistent with the number of demands. This year, the OIA received 690 demands and

had 195 arbitrators. Sixty-seven percent (67%) of those arbitrators served on a case this year. This is 9% more than last year.¹⁰⁰

D. Number of Arbitrators Who Wrote Awards¹⁰¹

This year, 19 neutral arbitrators wrote 23 awards. The largest number of arbitrators (93) who wrote awards occurred in 2004, with an average of 68 – 91% writing a single award. This year, 79% wrote one award.

E. Number of Arbitrators Who Served After Making a Large Award¹⁰²

Ninety-seven (97) different neutral arbitrators have made 125 awards of \$750,000 or more in favor of claimants. Most of the neutral arbitrators who made the awards were members of the OIA panel, nine were not. The awards have ranged from \$750,000 to \$25,638,059.

As Chart 17 illustrates, most neutral arbitrators who have made awards of \$750,000 or more served again. Specifically, 76 neutral arbitrators served 1,938 times after making their awards for \$750,000 or more. In almost half of these cases (897), the parties jointly selected the neutral arbitrator.¹⁰³

Of the 21 neutral arbitrators who were not selected after making their awards, 2 were never on the OIA panel and 16 are no longer on the panel. The remaining three arbitrators have not served again.¹⁰⁴

¹⁰⁰In 2003, the OIA received 989 demands and had 287 neutral arbitrators, 70% served on a case.

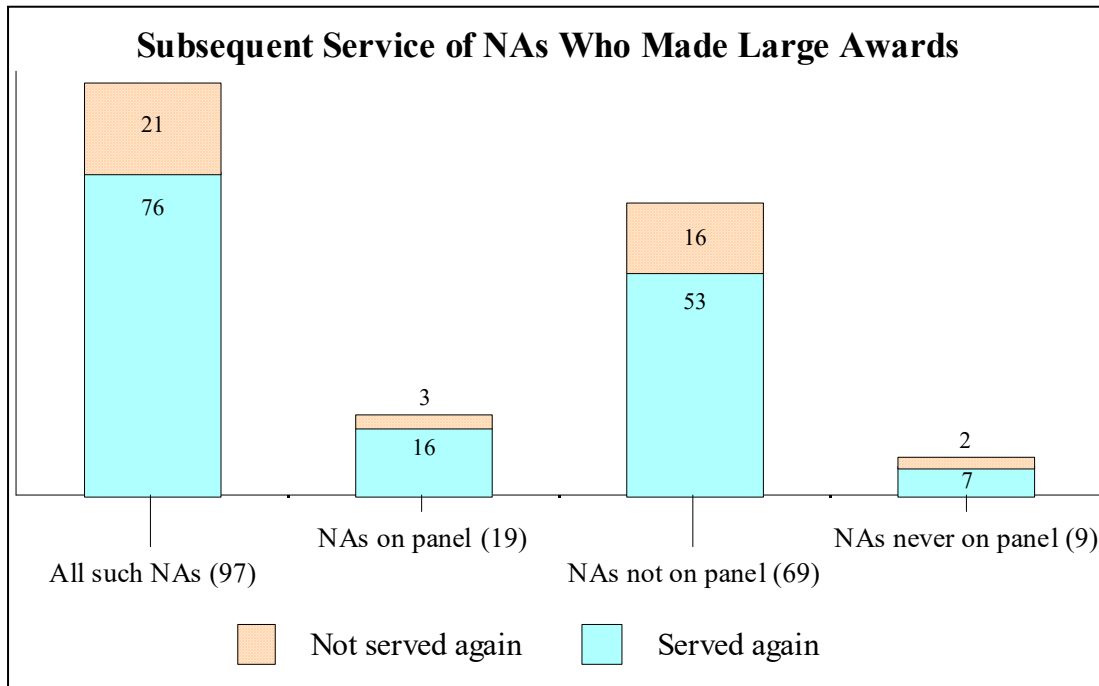
¹⁰¹The OIA began comparing this data in 2003.

¹⁰²In 2023, at the request of the AOB, the OIA increased the award amount from \$500,000 to \$750,000.

¹⁰³Sixteen neutral arbitrators who made such awards were selected in 73 cases in 2025. In 46 of these cases, they were jointly selected.

¹⁰⁴One arbitrator made their award in December 2025.

Chart 16



F. Types of Claims

The large majority of demands for arbitration are claims that allege medical malpractice. The percentage has ranged from 86 – 97%.¹⁰⁵ This year, 90% of the cases involved allegations of medical malpractice. Benefit claims are generally less than two percent (<2%), averaging 1.2% over all time.

G. Claimants Without Attorneys

On average, 26% of claimants did not have an attorney. This year, 38% of claimants did not have an attorney, an all-time high.¹⁰⁶ Neutral arbitrators continue to express their concerns regarding *pro per* claimants and their inability to follow the *Rules*. In 2023, the AOB revised the

¹⁰⁵The range may actually be smaller because during the early years, a large percentage of demands gave no specifics and were categorized as “unknown.” Kaiser now provides information as to the type of claim being made.

¹⁰⁶By contrast, in 2004 only 17% of claimants did not have an attorney, while more recently in 2022, 33% did not have an attorney.

language in Rule 54¹⁰⁷ to be stated more clearly and provided additional information for *pro pers*.¹⁰⁸

H. Joint Selections vs. Strike and Rank Selections

The *Rules* give both parties the power to determine who their neutral arbitrator will be – or at least, who their neutral arbitrator will not be. The parties can jointly select any arbitrator who agrees to follow the *Rules*, and parties can also timely disqualify neutral arbitrators after their selection. The OIA provides both sides the same access to information about neutral arbitrators, including evaluations of the neutral arbitrators by parties in earlier cases.

This year, the majority of arbitrators (78%) were selected by the strike and rank. The remaining (22%) were jointly selected by the parties. Annually, joint selections comprise 20% (2024 and 2021) to 35% (2015) of arbitrator selections. The majority of jointly selected arbitrators were also on the OIA panel (73%). The percentage has ranged from 55% (2011) to 89% (2023).¹⁰⁹

I. Parties' Use of Options During the Selection of Neutral Arbitrator

In 33.5% of the cases, the parties used both postponement and disqualification allowing more time to select a neutral arbitrator.¹¹⁰ Claimants made almost all of the postponements (99%, 7,795 out of 7,867) and the majority of disqualifications (76%, 1,282 out of 1,689).

This year it took 22 days select to a neutral arbitrator for cases with no postponements. The lowest average for all time. For all cases where a neutral arbitrator was selected this year, it took 52 days, 6 days less than last year.¹¹¹

¹⁰⁷See Exhibit B, Rule 54.

¹⁰⁸The OIA is also readily available by phone and email to answer questions from *pro per* claimants about the arbitration process, including the filing fee, neutral arbitrator selection, the *Rules*, and other related items.

¹⁰⁹There have been 21 cases in which the neutral arbitrator was selected by court order including 1 case this year.

¹¹⁰A member of the OIA staff contacts the parties to remind them of the deadline to respond to the LPA. When contacting claimants or their attorneys, the OIA reminds them that they may seek a postponement under Rule 21 if they are not able to return their responses by the deadline.

¹¹¹In 2011, it took 75 days to select a neutral arbitrator, 23 days more than this year's average.

See Table 8 for year to year comparison of days to select neutral arbitrators since 2017.

**Table 8 - Year to Year Comparison of No Delay vs. Delays:
Percentage and Average Number of Days to Select Neutral Arbitrators**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
No delay	24 days 51.7%	24 days 51%	23 days 55%	23 days 46%	23 days 58%	23 days 55%	23 days 59%	23 days 59%	22 days 67%
Only Postponement	104 days 40.8%	104 days 42%	109 days 40%	108 days 48%	107 days 38%	111 days 40%	109 days 35%	111 days 34%	110 days 28%
Only Disqual.	61 days 3.4%	54 days 3%	55 days 2%	67 days 2%	54 days 3%	50 days 2%	62 days 3%	63 days 4%	61 days 3%
Postponement & Disqual.	165 days 4.1%	144 days 4%	149 days 3%	210 days 4%	149 days 2%	188 days 3%	202 days 3%	152 days 3%	160 days 2%
Total Selections	64 days	63 days	62 days	72 days	58 days	63 days	60 days	58 days	52 days

J. How Cases Closed

Most cases close by settlement. This year, 57% settled, 6% more than last year and the highest average of all time. This year, 20% were withdrawn, 6% less than last year and a new low. Four percent (4%) of cases were decided after hearing, five percent (5%) were dismissed by neutral arbitrators; and 14% of cases were closed by summary judgment.

Of the cases that closed before the arbitration process was initiated, 32 (6%) were abandoned for non-payment of the filing fee. The remaining cases were settled (4) and withdrawn (10).¹¹²

Table 9 displays how cases have closed since 2017.

¹¹²These cases account for 8% of the total number of closed cases (575), but are excluded from Section VII because the OIA does not begin measuring time until the fee is paid or waived.

Table 9 - Year to Year Comparison of How Cases Closed

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Settlements	47%	46%	45%	45%	45%	53%	50%	51%	57%
Withdrawn	25%	23%	26%	27%	26%	25%	26%	26%	20%
Dismissed	4%	5%	5%	5%	5%	5%	4%	5%	5%
Summary Judgment	11%	13%	11%	14%	13%	11%	15%	13%	14%
Awards	8%	6%	8%	4%	9%	6%	5%	5%	4%

K. Awards for Claimants

In those cases in which the claimant won after a hearing, the average award was \$582,013. Since the number of cases in any given year is small, the averages can fluctuate greatly from year to year. The lowest average, \$156,001, took place in 2001, when the largest award was \$1,100,000. The largest annual average, \$4,901,115, took place in 2022 when the largest award was \$25,638,059. This year, the average was \$1,237,785, and the largest award was \$2,156,635.

Since 2010, the average percentage of cases in which claimants prevailed after a hearing was 34%.¹¹³ This year, 26% of claimants prevailed, twice the lowest average (13% in 2023) and 20% lower than the highest percentage of all time (46% in 2022).

L. Average Days to Close Cases

The lowest average for all cases to close was 281 days in 2001. This year, it took 405 days, 28 days less than the highest average (433 days in 2022). See Table 10 for year to year comparison since 2017.

¹¹³Up until 2009, lien cases were included in this percentage. The OIA has not received a lien case from Kaiser since 2019. The last lien case closed in 2020. Lien cases are brought by Kaiser against its members to recover costs of medical care provided to a member who received a third party recovery.

Table 10 - Year to Year Comparison of Average Number of Days to Close, by Disposition

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Settlements	383 days	357 days	386 days	376 days	418 days	460 days	447 days	431 days	440 days
Withdrawn	249 days	230 days	238 days	267 days	305 days	256 days	263 days	267 days	243 days
Summary Judgment	372 days	356 days	388 days	363 days	403 days	361 days	401 days	420 days	429 days
Awards	598 days	653 days	676 days	660 days	784 days	1,022 days	760 days	739 days	738 days
All Cases	368 days	343 days	366 days	356 days	418 days	433 days	399 days	396 days	405 days

The OIA closely monitors each case that is open more than 15 months to ensure the case remains in compliance with the *Rules*. Forty cases over all time have closed beyond the deadline set by the *Rules*. Two cases closed late in 2025.¹¹⁴

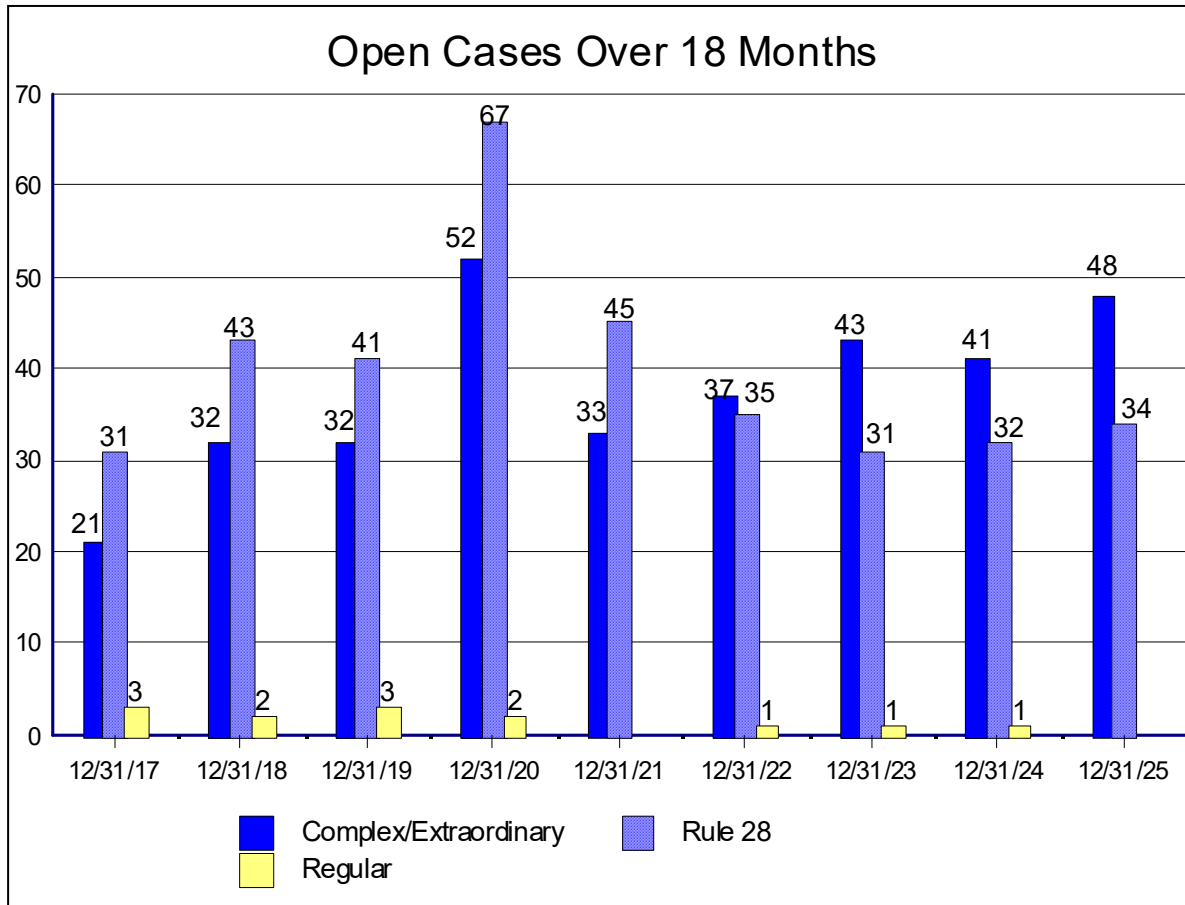
M. Cases Older than 18 Months

The OIA provides quarterly reports to the AOB comparing open cases older than 18 months with those in prior years, both pre- and post-pandemic. As shown in Chart 18, in 2020, the first year of the pandemic, the OIA had the highest number of Rule 28 extensions (67 cases) and complex and extraordinary designations (52 cases).¹¹⁵ During the second and third years (2021 and 2022) of the pandemic, the number of cases with extensions began to decrease. In 2025, 34 cases that were open for more than 18 months had Rule 28 extensions and 48 cases were designated complex or extraordinary.

¹¹⁴See footnote 74.

¹¹⁵A neutral arbitrator may extend the deadline to close a case for good cause under Rule 28 or by designating the matter complex or extraordinary under Rule 24. See Section VII.B. for further information.

Chart 17



N. Payment of Neutral Arbitrator’s Fees

California law provides that the neutral arbitrator fees shall be divided equally between the parties, however, the *Rules* provide several ways to shift those fees to Kaiser.¹¹⁶ This year, 95% of the fees were paid by Kaiser, 2% less than the highest percentage (97% in 2022).¹¹⁷

¹¹⁶See Sections VIII.B.2. and 3 and Exhibit M.

¹¹⁷The lowest reported average, 81%, occurred 3 years in a row (2003 – 2005). Pursuant to state law, provider organizations, like the OIA, are required to report the amount of a neutral arbitrator’s fees and the allocation on their websites.

O. Evaluations of Neutral Arbitrators and the OIA System

Since the year 2000, the OIA has sent the parties forms to evaluate their neutral arbitrators.¹¹⁸ The evaluation asks, among other things, whether the neutral arbitrator treated the parties with respect and whether the parties would recommend the arbitrator to others. The overall average remained the same as last year, 4.1 (on a 1 – 5 scale) whether the parties would recommend the arbitrator to others. In 2022, this average was 3.7, and in 2004, it was 4.7.

The OIA also asks neutral arbitrators to evaluate the OIA system. The questions ask them to identify whether certain features are useful or not, whether the OIA is helpful or responsive, and to compare the OIA system with the court system. The arbitrators' evaluations have always been positive. This year, 96% of the neutral arbitrators who answered the question rated the OIA system the same as, or better than, the state court system.

In 2009, the OIA began asking parties to evaluate the OIA system and the ease with which medical records were obtained. The form is similar to the form sent to neutral arbitrators and also asks parties to compare the OIA system to court. This year, 95% of the parties who answered the question rated the OIA system the same as, or better than, the state court system. This is 3% higher than last year. The lowest average of all time was in 2022 (76%). The highest average (96%) was in 2018.

P. Conclusion

The goals of the arbitration system as outlined by the Blue Ribbon Panel are set out in Rule 1. They provide for a fair, timely, and low-cost arbitration process which respects the privacy of the parties. The *Rules* and OIA procedures were created with these goals in mind.

This report describes the ways in which the *Rules* and OIA meet these goals. Some of the highlights include:

Neutral arbitrators are selected expeditiously, and cases close faster than the Blue Ribbon Panel recommendation.

The arbitration filing fee is lower than in court, and parties can, and do, shift the cost of neutral arbitrators to Kaiser.

The OIA provides parties with neutral arbitrators' applications and updates; evaluations received from the parties within the last five years; and redacted decisions by OIA neutral arbitrators within the last five years.

¹¹⁸In 2013, the OIA began sending neutral arbitrator evaluations only in cases where the neutral arbitrator decided the merits of the case.

Parties may jointly select any neutral arbitrator, as long as the arbitrator agrees to follow the *Rules*.

Either party can timely disqualify the neutral arbitrator after the selection.

OIA arbitrations are confidential. Names of individual claimants and respondents are not disclosed.

The annual reports provide more information about arbitrations than any other arbitration provider. The OIA website provides a searchable database of all its cases since January 1, 2003. It also includes a sortable database about cases received in the past five years as required by state law.¹¹⁹

The information in this report is collected and published on the OIA website to allow the AOB and the public to determine how well the arbitration system meets the goals in Rule 1 of providing a fair, timely, and low-cost arbitration process that respects the privacy of the parties.

¹¹⁹No names of individual claimants or respondents are included, only corporate entities.