

Table of Contents

	PAGE
Table of Code Sections Affected	xxxi
Table of Regulations Affected.....	xxxiii

HEALTH AND SAFETY CODE

Division 2. Licensing Provisions

Chapter 2.2. Health Care Service Plans

Article 1. General

Sections

1340. Citation of chapter	2
1341. Department of Managed Health Care.....	2
1341.1. Principal and branch offices	3
1341.2. Personnel of Department of Managed Health Care.....	3
1341.3. Adoption of seal	3
1341.4. Managed Care Fund established.....	4
1341.45. Managed Care Administrative Fines and Penalties Fund created; Transfer of monies	4
1341.5. Public information	5
1341.6. Opinions on questions of law	5
1341.7. Conflict of interest	5
1341.8. Powers of director	6
1341.9. Succession to powers and responsibilities	6
1341.10. Unexpended balance of funds.....	6
1341.11. Transfer of employees	7
1341.12. Possession of all property.....	7
1341.13. Appointment of officers and employees	7
1341.14. Preexisting regulations, orders, and proceedings	7
1342. Legislative intent.....	8
1342.1. [Section repealed 2007].....	8
1342.2. Coverage for COVID-19 costs	8
1342.3. [Section repealed 2006].....	13
1342.3. Coverage for disease prevention and mitigation under public health emergency declaration	13
1342.4. Joint working group to ensure clarity for consumers in consistency and enforcement of regulations	14
1342.5. Consultation prior to adopting regulations.....	14
1342.6. Effect of antitrust prohibitions on health care services	15
1342.7. Authority of department to ensure providers of prescrip- tion drug coverage comply with Knox-Keene Health Care Service Plan Act of 1975.....	15
1342.71. Outpatient prescription drug coverage	17
1342.72. Drug regimen; Multitablet regimen to be as effective as single [Repealed effective January 1, 2023]	18
1342.73. Drug formulary [Repealed effective January 1, 2024]	18
1342.74. Preexposure and postexposure HIV prophylaxis	20
1342.8. Audits or surveys.....	20
1343. Application of chapter; Exemptions.....	21
1343.1. Exception to application of chapter.....	22

TABLE OF CONTENTS

	PAGE
1343.3. Authority to conduct pilot programs [Repealed effective January 1, 2028].....	22
1343.5. Burden of proof.....	25
1344. Rules; Interpretive opinions; Good faith acts	25
1345. Definitions.....	26
1345.5. “Minimum essential coverage”	28
Article 2. Administration	
Sections	
1346. Powers of administration.....	30
1346.1. Database of health care service plans.....	31
1346.2. Coordination with Insurance Commissioner to review specified Internet portal and enhancements; Development and maintenance of electronic clearinghouse.....	31
1346.4. Legislative findings; Publication of code provisions.....	32
1346.5. Entity purporting to be exempt health care service plan	32
1347. [Section repealed 2006].....	33
1347.1. [Section repealed 2006].....	33
1347.15. Establishment of Financial Solvency Standards Board; Members; Purpose, Meetings	33
1347.5. Implementation of Medi-Cal program’s premium and cost-sharing payments by health care service plan.....	34
1347.8. Annual report on funds maintained in segregated account pursuant to federal Patient Protection and Affordable Care Act.....	34
1348. Antifraud plan	35
1348.5. Compliance with other law	35
1348.6. Proscription on payment to health care practitioner to deny, limit, or delay services.....	36
1348.8. Requirements for telephone medical advice services; Forwarding of data to Department of Consumer Affairs	36
1348.9. Adoption of regulations establishing Consumer Participation Program; Award of advocacy and witness fees.....	38
1348.95. Annual report to department	39
1348.96. Submission of data for risk adjustment program	40
Article 3. Licensing and Fees	
Sections	
1349. License requirement	40
1349.1. Exemptions.....	41
1349.2. Exemption of certain plans	41
1349.3. [Section repealed 2002].....	42
1350. License requirement for sponsor of prescription drug plan	42
1350.1. [Section repealed 1985].....	43
1351. Applications for licensure	43
1351.1. Authorization for disclosure	45
1351.2. Mexican prepaid health plans; Application for licensure in California; Requirements; Fees; Actions to be taken when plan ceases to operate legally in Mexico	45
1351.3. Effect of noncompliance	48
1352. Amendment for change in information.....	48
1352.1. Filings and findings prior to specified acts	49
1353. Applicants to satisfy provisions of chapter	50
1354. Denials of applications or disapprovals	50
1355. Duration of license	50

TABLE OF CONTENTS

	PAGE
1356. Fees and reimbursements.....	50
1356.1. Excess charges or assessments.....	52
1356.2. Imposition of additional assessment	52
Article 3.1. Small Employer Group Access to Contracts for Health Care Services	
Sections	
1357. Definitions.....	53
1357.01. Compliance with article.....	60
1357.02. Application of article	61
1357.025. Construction of article.....	61
1357.03. Sale of contracts to small employers; Filing of employee participation and employer contribution requirements; Re- jection of application; Prohibited activities	61
1357.035. Small employer coverage for associations with fewer than 1,000 persons	64
1357.04. Notification of premium charges; When coverage be- comes effective; Option to change coverage.....	64
1357.05. Exclusion of employee or dependent; Limitation on exclusion of coverage.....	65
1357.06. Preexisting condition provisions.....	65
1357.07. Late enrollees	66
1357.08. Services to be provided	66
1357.09. When plan not required to offer contract	66
1357.10. Requirement that plan discontinue offering contracts or accepting applications	68
1357.11. [Section repealed 2011]	68
1357.12. Requirements for premiums	69
1357.13. Risk rates to be applied.....	70
1357.14. Disclosures required with offer of contract.....	70
1357.15. Notice of material modification; Amendments to plan; Maintenance of information; Availability of risk adjustment factor	72
1357.16. Provision of administrative services by qualified associations.....	73
1357.17. Regulations	75
1357.18. [Section repealed 2007]	75
1357.19. Applicability	76
Article 3.11. Insurance Market Reform (Inoperative)	
Sections	
1357.20. Contingent operative term of article (Inoperative).....	76
1357.21. Application of requirements in Article 3.1 (Inoperative)	76
1357.22. Requirements of health care plan contracts for certain large and medium employers (Inoperative).....	77
1357.23. Reasonable efforts to contract with county hospital systems and clinics (Inoperative)	78
Article 3.15. Preexisting Condition Provisions	
Sections	
1357.50. Definitions	78
1357.51. Preexisting condition; Waivered condition	80
1357.52. Exclusion criteria	80
1357.53. [Section repealed 2011]	81
1357.54. [Section repealed 2011]	81
1357.55. Operative date of article.....	81

TABLE OF CONTENTS

	PAGE
Article 3.16. Nongrandfathered Small Employer Plans	
Sections	
1357.500. Definitions.....	82
1357.501. Applicability of article	87
1357.502. Health care plans subject to article.....	87
1357.502.5. Applicability of article to association, trust, or other organization acting as health care service plan.....	87
1357.503. Small employer health benefit plans; Enrollment periods; Prohibited activities; Participation requirements; Small employer eligibility; Limitations on individual eligibility rules; Single risk pool; Applicability [Repealed effective January 1, 2026]	87
1357.503. Offering and issuance of plans; Associations; Multiple employer welfare arrangements [Operative January 1, 2026]	95
1357.503.035. Purchase of small employer health coverage by association meeting definition of guaranteed association....	100
1357.504. Premium charges for small employers; Effective date of coverage; Changing coverage	100
1357.506. Imposition of preexisting condition provision or waiting or affiliation provision prohibited.....	101
1357.507. Restricting enrollment of late enrollees.....	102
1357.508. Provision of essential health benefits required	102
1357.509. Exceptions to requirement of offering health care service plan contract or accepting applications for contract; Plan of rehabilitation	102
1357.510. Ending of offering of contracts or accepting of applications.....	103
1357.512. Variance of premium rates.....	104
1357.514. Disclosures in connection with offering	105
1357.515. Notice of material modification.....	107
1357.516. Contracts for specific administrative services.....	108
Article 3.17. Grandfathered Small Employer Plans	
Sections	
1357.600. Definitions.....	109
1357.601. Applicability of article	118
1357.602. Plans subject to this article.....	118
1357.603. Construction of article.....	118
1357.604. Sale of contracts to small employers; Filing of employee participation and employer contribution requirements; Rejection of application; Prohibited activities	118
1357.606. Small employer coverage for associations with fewer than 1,000 persons	120
1357.607. Imposition of preexisting condition provision or waiting or affiliation provision prohibited.....	120
1357.608. Late enrollees	121
1357.609. Services to be provided	121
1357.610. When plan not required to offer contract	121
1357.611. Requirement that plan discontinue offering contracts or accepting applications	121
1357.612. Requirements for premiums	122
1357.613. Risk rates to be applied	123
1357.614. Disclosures required with offer of contract	123

TABLE OF CONTENTS

	PAGE
1357.615. Notice of material modification; Amendments to plan; Maintenance of information; Availability of risk adjustment factor	124
1357.616. Provision of administrative services by qualified associations.....	125
1357.618. Emergency regulations	126
Article 3.2. Additional Requirements for Medicare Supplement Contracts [Renumbered]	127
Article 3.5. Additional Requirements for Medicare Supplement Contracts	
Sections	
1358. [Section repealed 2001].....	128
1358.1. Compliance with article	128
1358.2. Purpose of article.....	128
1358.3. Applicability of article	128
1358.4. Definitions.....	129
1358.5. Required definitions	131
1358.6. Prohibited provisions; Medicare supplement contract with prescription drug benefits.....	133
1358.7. Contracts prior to January 1, 2001.....	134
1358.8. General standards for contracts with effective date prior to June 1, 2010; Core benefits; Additional benefits to Medicare supplement benefit plans B to L	134
1358.81. General standards for contracts with an effective date on or after June 1, 2010; Core benefits; Additional benefits	142
1358.9. Standards applicable to contracts with effective date prior to June 1, 2010; Benefit plans that may be offered in state; Availability of contract form containing only core benefits; Innovative benefits	147
1358.91. Mandatory standards applicable to contracts with effective date on or after June 1, 2010; Benefit plans that may be offered in state; Innovative benefits.....	150
1358.92. Mandatory standards applicable to policies or certificates delivered or issued for delivery in this state to individuals newly eligible for Medicare on or after January 1, 2020	154
1358.10. Medicare Select contracts	155
1358.11. Discriminatory practices; Age; Time periods; Open enrollment periods; Standardized Medicare supplement benefit plan offerings	159
1358.12. Guaranteed issue of contract; Eligible persons; Enrollment in case of involuntary termination; Entitlement to benefit packages; Notice of rights; Refund.....	162
1358.13. Compliance with federal statutes	168
1358.14. Loss ratio standards; Refund or credit calculations; Prepaid or periodic charges and supporting documentation; Public hearings	168
1358.145. Calculation of loss ratios; Copies to department; Compliance with standards	171
1358.146. Format for reporting loss ratio experience	171
1358.15. Approval of contract by director as prerequisite to advertising or issuance; Requirements; Filing of certain changes; Time periods	173
1358.16. Compensation for solicitors and sales representatives	176

TABLE OF CONTENTS

	PAGE
1358.17. Renewal or continuation provision; Amendments to contract; Contract limitations; Notice of right to return; Guide to health insurance; Notice of changes; Outline of coverage; Disclosure pages; Required notices	176
1358.18. Application form; Copy to applicant; Notice as to replacement of coverage; Buyer's guide; Group contracts; Health information from applicant who is guaranteed coverage.....	181
1358.19. Director's approval of advertisement	186
1358.20. Duties of issuer as to marketing procedures; Prohibited acts	186
1358.21. Appropriateness of recommended purchase or replacement; Multiple contracts; Issuance to individual enrolled in Part C	187
1358.22. Annual report	187
1358.225. Annual filing of list of contracts in state; Contents ...	188
1358.23. Waiver of time periods for preexisting conditions	188
1358.24. Adherence to Genetic Information Nondiscrimination Act of 2008	189
 Article 4. Solicitation and Enrollment	
Sections	
1359. Standards for solicitors and solicitor firms	191
1360. Untrue or misleading advertising or solicitations	192
1360.1. Representations respecting implications of licensing ...	192
1360.5. Representing, constituting, providing services on behalf of Exchange; Unfair business practice	193
1361. New or revised advertisements; Filing.....	193
1361.1. Purchase of health care coverage products; Specified methods prohibited.....	194
1362. Definitions.....	195
1363. Disclosure forms or materials	195
1363.01. Notice regarding use of formulary by plan; Information regarding drugs on formulary	199
1363.02. Findings; Requirements for service plan	200
1363.03. Uniform prescription drug information card; Contents of card.....	201
1363.04. Dental services; Uniform benefits and coverage disclosure matrix.....	202
1363.05. Statement to be included in plan's disclosure form; Modification; Notice to enrollees	203
1363.06. Comparative benefit matrices [Inoperative; Operative date contingent]	204
1363.07. Annual update of comparative benefit matrix by health care service plan; Copies to be mailed to solicitors and employers; Availability of link to matrix on Web site [Inoperative; Operative date contingent]	206
1363.1. Disclosure on binding arbitration.....	206
1363.2. Use of emergency response system	207
1363.3. Standard templates	207
1363.5. Disclosure of process used to authorize or deny services; Requirements for criteria used; Notice accompanying disclosure to public.....	208
1364. Supplemental disclosure information.....	209
1364.1. Notice of reduction in emergency service	209

TABLE OF CONTENTS

	PAGE
1364.5. Filing of procedures to protect confidentiality; Statement for enrollees and subscribers; Notice of availability	209
1365. Cancellation and non-renewal of enrollment or subscription	210
1365.5. Modification of or refusal to enter contract on discriminatory basis	213
1366. Name of plan.....	214
1366.1. Geographic accessibility standard; Applicability; Notice of material modification of plan and public hearing.....	214
1366.2. Availability to group subscribers of termination date of health care contracts in geographic area; Definitions.....	215
1366.3. Plan ceasing to offer individual coverage; Regulations for implementation; Exceptions to applicability.....	216
1366.4. Nonphysician providers	216
1366.6. Sale of products by health care service plans; Levels of coverage [Operative term contingent]	217
1366.6. Sale of products by health care service plans; Levels of coverage [Operative date contingent].....	219
 Article 4.5. California COBRA Program	
Sections	
1366.20. Citation; Intent; Adoption of emergency regulations ...	221
1366.21. Definitions governing article	221
1366.22. Inapplicability of requirements	223
1366.23. Requirement to offer continuation coverage	223
1366.24. Disclosures.....	225
1366.25. Notification requirements; Contract with employer or administrator to perform administrative obligation; Coverage under American Recovery and Reinvestment Act of 2009	226
1366.26. Rate limits	232
1366.27. Termination of continuation coverage	233
1366.28. Failures to comply	234
1366.29. Continuing coverage for enrollees who have exhausted continuation coverage under COBRA.....	234
 Article 4.6. Coverage for Federally Eligible Defined Individuals	
Sections	
1366.35. Required coverage [Inoperative; Operative date contingent]	235
1366.50. Notice of eligibility for reduced-cost coverage through California Health Benefit Exchange or no-cost coverage through Medi-Cal.....	237
 Article 5. Standards	
Sections	
1367. Requirements for health care service plans	243
1367.001. Individual or group health care service plan restrictions on lifetime and annual limits on dollar value of covered benefits; Exceptions	245
1367.002. Group or individual nongrandfathered health care service plan minimum required coverage.....	245
1367.003. Rebate on pro rata basis; Conditions; Minimum medical loss ratios; Total amount of rebate; Adoption of regulations; Applicability	246

TABLE OF CONTENTS

	PAGE
1367.004. Plans covering dental services; MLR annual report requirement; Examination by director; Use of data by Legislature; Compliance guidance exempt from APA.....	248
1367.005. Individual or small group health care service plan to cover essential health benefits; Provisions.....	249
1367.006. Nongrandfathered individual and group health care service plans that cover essential health benefits; Limit on annual out-of-pocket expenses for covered essential health benefits.....	253
1367.0061. Accrual balance toward annual deductible and annual out-of-pocket maximum; Notice to enrollee; Availability of information.....	254
1367.0065. [Section repealed 2016]	255
1367.007. Limitation on deductible for small employer health care service plan.....	256
1367.008. Levels of coverage for nongrandfathered individual market; Determination of actuarial value for nongrandfathered individual health care service plans; Catastrophic plan.....	256
1367.0085. Actuarial value for nongrandfathered bronze level high deductible health plan.....	257
1367.009. Levels of coverage for nongrandfathered small group market; Determination of actuarial value for nongrandfathered small employer health care service plans.....	258
1367.01. Written policies and procedures for review and approval, modification, delay or denial of services; Medical director to ensure compliance; Compliance review	259
1367.010. Minimum value of sixty percent for large group health care service plan contract	263
1367.012. Renewal of small employer health care service plan contract; Notice; Exemptions; Amendments for compliance.....	263
1367.015. Decisions to deny requests by providers for authorization or claim reimbursement for mental health services	265
1367.016. Premium payments from third-party entities; Reimbursement; Dispute resolution	265
1367.02. Filing relating to any economic profiling policies or procedures; Availability to public; "Economic profiling".....	270
1367.03. Timely access requirements.....	271
1367.031. Information regarding standards for timely access to health care services	278
1367.035. Standards for timely access to health care services; Required inclusion of network adequacy data.....	279
1367.04. Language assistance in obtaining health care services; Adoption of regulations and standards; Considerations; Reports; Public input; Contracts	281
1367.041. Required non-English insurance documents	285
1367.042. Information made available by health care service plan.....	286
1367.043. Cultural competency training	287
1367.045. Void and unenforceable contract provision	289
1367.05. Contract with dental college	289
1367.06. Service plan to cover outpatient prescription drug benefits to provide coverage for inhaler spacers, nebulizers, and peak flow meters when medically necessary for treatment of pediatric asthma.....	290

TABLE OF CONTENTS

	PAGE
1367.07. Report by health care service plan on cultural appropriateness in specified contexts.....	290
1367.08. Compensation disclosure	291
1367.09. Return to skilled nursing.....	291
1367.1. Application to transitionally licensed plans	293
1367.2. Coverage for alcoholism; Notice of coverage.....	293
1367.3. Coverage plan for comprehensive preventive care of children	293
1367.34. Coverage for adverse childhood experiences screenings	294
1367.34. Coverage for home test kits by health care service plans	295
1367.35. Comprehensive preventive care of children of specified ages.....	295
1367.36. Costs of required immunization of children.....	296
1367.4. Effect of blindness on coverage.....	297
1367.41. Pharmacy and therapeutics committee.....	297
1367.42. Enrollee access to prescription drug benefits at in-network retail pharmacy; Effect on cost-sharing	298
1367.43. Prorated cost for partial fill of prescription	298
1367.45. Coverage for approved AIDS vaccine; Cost effective price	299
1367.46. Coverage for HIV testing required	299
1367.47. Maximum amount health care service plan may require enrollee to pay at point of sale for covered prescription drug	299
1367.49. Information to be furnished to consumers or purchasers concerning cost range of procedure or full course of treatment, or quality of services performed by provider or supplier; Review of methodology and data; Online posting; Definitions.....	300
1367.5. Health service plan contract restrictions	301
1367.50. Disclosure of claims data to qualified entity.....	301
1367.51. Coverage of equipment and supplies for treatment of diabetes; Prescription items; Outpatient self-management and training.....	302
1367.54. California Prenatal Screening Program	303
1367.6. Coverage for breast cancer screening, diagnosis, and treatment; Denial of enrollment or coverage on grounds related to breast cancer; Prosthetic devices or reconstructive surgery	304
1367.61. Coverage for prosthetic devices to restore method of speaking incident to laryngectomy.....	304
1367.62. Restrictions on limiting inpatient hospital care following childbirth; Proscription on specified treatment and coverage practices; Notice of required coverage.....	305
1367.625. Maternal mental health program	306
1367.626. Maternal and infant health equity program through use of doulas; Report.....	307
1367.63. Reconstructive surgery.....	308
1367.635. Mastectomies and lymph node dissections	309
1367.64. Coverage for screening and diagnosis of prostate cancer	310
1367.65. Coverage for mammography for screening and diagnostic purposes.....	310
1367.656. Healthcare coverage for orally administered anticancer medication	311
1367.66. Coverage for annual cervical cancer screening test; Coverage for the human papillomavirus vaccine	311

TABLE OF CONTENTS

	PAGE
1367.665. Coverage for cancer screening tests	312
1367.667. Health care service plan; Biomarker testing	313
1367.668. Insurance contract colorectal cancer screening requirement	314
1367.67. Coverage for osteoporosis	314
1367.68. Coverage for surgical procedure for conditions affecting upper or lower jawbone	315
1367.69. Obstetrician-gynecologists as eligible primary care physicians	315
1367.695. Requirement for enrollee's choice of obstetrical or gynecological services provider	315
1367.7. Coverage for prenatal diagnosis of genetic disorders of fetus	316
1367.71. General anesthesia and associated facility charges for dental procedures	316
1367.8. Coverage for handicapped persons	317
1367.9. Coverage for conditions attributable to diethylstilbestrol	317
1367.10. Disclosure of effect of participation in plan on choice of provider	318
1367.11. Direct reimbursement to providers of covered medical transportation services [Repealed]	319
1367.12. Number of forms to be submitted per claim for payment or reimbursement	319
1367.15. Closure of "block of business"	319
1367.18. Coverage for orthotic and prosthetic devices and ser- vices; Benefit amount	320
1367.19. Coverage for special footwear for those suffering from foot disfigurement	321
1367.20. Provision of list of prescription drugs on plan's formulary	321
1367.205. Formularies to be posted on Internet Web site; Re- quired updates; Template	322
1367.206. Step therapy; Exception	323
1367.207. Enrollee information request requirements for plans with prescription drug benefits and drug formularies	324
1367.21. Limitation or exclusion of coverage for drug prescribed for use different from which drug was approved	326
1367.215. Coverage of pain management medications for termi- nally ill patients	327
1367.22. Plan's obligations relating to drug previously approved for enrollee's medical condition	328
1367.23. Plan provision requiring notification of group contractholders and subscribers of cancellation	329
1367.24. Process for authorization of medically necessary nonformulary prescription drug; Required recordkeeping by plan; Review of plan's provision of prescription drug benefits	329
1367.241. Prior authorization for prescription drugs; External exception request review	331
1367.243. Prescription drug reporting requirements for health service plans reporting rate information; Legislative report on drug cost impact on health care premiums	334
1367.244. Request for exception to plan's step therapy process for prescription drugs	334
1367.25. Contraceptive coverage	335

TABLE OF CONTENTS

	PAGE
1367.251. Deductible, coinsurance, copayment and cost sharing requirements for abortion and abortion related services	338
1367.255. Vasectomy services and procedures under health care service plan; Religious employer exception	339
1367.26. [Section repealed 2016]	341
1367.27. Provider directory	341
1367.28. Directory of gender-affirming service providers	349
1367.29. Issuance of identification card to assist enrollee with accessing health benefits coverage information; Contents of identification card	350
1367.30. Group health care service plan contracts; Applicable law.....	351
1367.31. Referral requirement prohibited for receiving reproductive and sexual health care coverage or services	351
1367.32. Required enrollee information for religious employer plan without abortion and contraception coverage or benefits	352
1367.33. Contraceptive coverage requirements for plans operated by institutions of higher learning.....	352
1368. Grievance systems	353
1368.01. Time period in which to resolve grievances; Expedited review for cases involving serious threat to patient's health	357
1368.015. Online grievance procedure.....	358
1368.016. Establishment of Internet Web site; Link to specified information required; Updates; Applicability of section.....	360
1368.02. Toll-free telephone number for complaints.....	361
1368.03. Participation in plan's grievance process before complaint with department.....	362
1368.04. Enforcement by director; Violations; Administrative penalty	362
1368.05. Direct consumer assistance activities by Department of Managed Health Care; Contracts with community-based consumer assistance organizations	363
1368.1. Information provided by plan denying coverage to enrollee with terminal illness; Conference to review information	364
1368.2. Hospice care	365
1368.5. Pharmacist coverage.....	365
1368.6. Pilot project to assess the impact of health care service plan and prohibitions of dispensing prescription drugs; Required reporting [Repealed effective January 1, 2023].....	366
1368.7. State of emergency; Access to medically necessary health care services; Disruption to operation of health care service plan.....	367
1369. Participation by subscribers and enrollees	368
1370. Review procedures	368
1370.1. Review subcommittees	369
1370.2. Review of appeal of contested claim.....	369
1370.4. Independent external review process for coverage decisions on experimental or investigational therapies.....	369
1370.6. Coverage for approved clinical trials	372
1371. Reimbursement of claims; Contested claims	374
1371.1. Notification to provider of overpayment; Reimbursement; Contested claims; Accrual of interest	377
1371.2. Prohibited request for reimbursement or reduction of level of payment	378

TABLE OF CONTENTS

	PAGE
1371.22. Acceptance of lowest payment rate charged by provider to patient or third-party; Inapplicability of policy provision to cash payments made to provider by patient without private or public health care.....	378
1371.25. Liability	379
1371.3. Assignment of right to reimbursement.....	379
1371.30. Independent dispute resolution process for noncontracting individual health professional	379
1371.31. Reimbursement rate for noncontracting individual health professional; Reporting requirements; Exemptions	381
1371.35. Time limits for reimbursement, contest, or denial of certain claims; What constitutes complete claim; Claims excepted from time limits	384
1371.36. Denial of payment based on authorization.....	386
1371.37. Prohibition against unfair patterns.....	386
1371.38. Regulations and reports	388
1371.39. Instances of unfair payment patterns	388
1371.4. Authorization for emergency services	388
1371.5. Use of emergency response system	390
1371.55. Services received from noncontracting air ambulance provider; "In-network cost-sharing amount"	391
1371.56. Noncontracting ground ambulance provider; In-network cost-sharing amount.....	392
1371.8. Rescission or modification of authorization after service provided.....	393
1371.9. "In-network cost-sharing amount" for services provided by noncontracting individual health professional; Exemptions.....	394
1372. Contracts; Use of evidence of coverage; Exception	397
1373. Required or prohibited contract provisions.....	397
1373.1. Conversion provisions	402
1373.2. Conversion rights of dependent spouse upon change of status.....	403
1373.3. Selection of primary care physician	403
1373.4. Limitation on copayments and deductibles for specified maternity services.....	403
1373.5. Coverage of spouses covered under terms of same master contract; Maximum contractual benefits.....	404
1373.6. Conversion coverage	404
1373.62. [Section repealed 2008]	407
1373.620. Required notices for health care service plans	407
1373.621. Additional benefits for former employee meeting tenure and age requirements and for employee's spouse or former spouse; Applicability	408
1373.622. Provision of coverage after termination of pilot program; Applicable rules	411
1373.65. Termination of contract with provider group or general acute care hospital; Written notice; Right of enrollee to keep provider for designated time period	412
1373.7. Out of state contracts; Psychologist licensure requirements.....	413
1373.8. Contractees' right to select licensed professionals in California to perform contract services.....	414
1373.9. Duty to give reasonable consideration to proposals for affiliation	414

TABLE OF CONTENTS

	PAGE
1373.95. Written policy on continuity of care from health care service plan.....	415
1373.96. Completion of covered services	417
1373.10. Acupuncture	420
1373.11. Affiliation with podiatrists.....	421
1373.12. Duty of health care service plan to consider affiliation with chiropractors.....	421
1373.13. Discrimination against licensed dentists; Legislative intent.....	421
1373.14. Exclusion of victims of progressive, degenerative and dementing illnesses	422
1373.18. Calculation of enrollee copayments for specified contracts of health care service plan	422
1373.19. Selection of arbitrator.....	422
1373.20. Arbitration requirements	423
1373.21. Written arbitration decisions.....	424
1374. Coverage less favorable for employees than spouses.....	425
1374.1. Availability of dependent coverage.....	425
1374.3. Compliance with standards for insurance incident to support and for insurance coverage relating to Medi-Cal beneficiaries	426
1374.5. Unenforceability of lifetime waiver of mental health services coverage in nongroup contract	426
1374.51. Voluntariness of psychiatric admission not to be used when determining eligibility for reimbursement.....	426
1374.55. Coverage for treatment of infertility; “Subsidiary”	426
1374.551. Standard fertility preservation services; Basic health care service	427
1374.56. Coverage for testing and treatment of phenylketonuria (PKU)	428
1374.57. Exclusion of dependent child.....	429
1374.58. Group health care service plan to offer coverage for registered domestic partner equal to that provided to spouse	429
1374.7. Discrimination on basis of genetic characteristics.....	430
1374.75. Discrimination by health care service plan providers against victims of domestic violence.....	431
1374.8. Disclosure to employer that employee is receiving services.....	431
1374.9. Administrative penalties for discrimination on basis of genetic characteristics	432
1374.10. Inclusion of benefits for home health care	432
1374.11. Prisoners’ claims	434
1374.12. Restrictions on liability for expenses incurred while in state hospital.....	434
1374.13. Telehealth; Restrictions; Construction.....	434
1374.14. Telehealth services reimbursement	435
1374.141. Conditions for third-party telehealth service offer by health care service plan	436
1374.142. Reporting requirement for dental plans including plans with telehealth services through third-party corporate telehealth provider; Enrollee disclosures	438
1374.15. Disclosure of method used in calculating contract payment rates.....	439
1374.16. Standing referral to specialist	439

TABLE OF CONTENTS

	PAGE
1374.17. Prohibition against denial of coverage for organ or tissue transplantation services based on HIV status.....	441
1374.18. “State Regulated” dental coverage	441
1374.19. Service plan or contract covering dental services; Coordination of benefits required.....	441
1374.192. Reimbursement for business expenses to prevent spread of diseases causing public health emergencies	442
1374.193. Service plan or contract covering dental services; Third party access to provider network contract, dental services, or contractual discounts	443
1374.194. Dental waiting period.....	446
1374.195. Covered dental services; Contracts; Charge for services; Evidence of coverage and disclosure form; Required statement.....	446
1374.196. Establishment and maintenance of application programming interfaces	447
1374.197. Verification of health care provider credentialing application by health care service plan or disability insurer	448
 Article 5.5. Health Care Service Plan Coverage Contract Changes	
Sections	
1374.20. Prohibitions on changing premium rates of health care service plan; Exemptions.....	448
1374.21. Notice of change in premium rates or coverage	449
1374.22. Delivery of notice; Contents.....	450
1374.23. Time of delivery of notice for specified plans	450
1374.24. Limitation on liability of plan.....	451
1374.25. Proof of mailing of notice	451
1374.255. Prohibition against changing cost-sharing design during plan year; Applicability	451
1374.26. Adoption of regulations	451
1374.27. Penalties for violation.....	452
1374.28. Suspension of authority of plan to transact business	452
1374.29. Purpose of article	452
 Article 5.55. Appeals Seeking Independent Medical Reviews	
Sections	
1374.30. Establishment of Independent Medical Review System; Participation; Conditions for application for independent review; Forms.....	453
1374.31. Imminent threat to health; Expeditious review	457
1374.32. Medical review organizations	457
1374.33. Analysis and determination	461
1374.34. Prompt implementation of decision; Review and audit	463
1374.35. Reimbursement of costs.....	464
1374.36. Report on implementation of article	464
 Article 5.6. Point-of-Service Health Care Service Plan Contracts	
Sections	
1374.60. Definitions	465
1374.62. Application to risk transferred through reinsurance ...	466
1374.64. Plan criteria	466
1374.65. Plan contract requirements	469
1374.66. Allowable plan provisions.....	470

TABLE OF CONTENTS

	PAGE
1374.67. Limitations	471
1374.68. Requirements.....	471
1374.69. Notice of material modification	472
1374.70. [Section repealed 1995]	473
1374.71. Notice of material modification; Exemption.....	473
1374.72. Health plan to cover mental health and substance use disorder	473
1374.721. Medical necessity determination; Utilization review criteria	476
1374.722. Coverage for medically necessary treatment of mental health and substance use disorders delivered at school sites; Compliance guidance	478
1374.723. Requirements pursuant to CARE agreement or CARE plan.....	480
1374.724. Mental health and substance use disorder treatment provided by 988 center, mobile crisis team or other behavioral health crisis services provider.....	482
1374.73. Coverage for behavioral health treatment for pervasive developmental disorder or autism	484
1374.74. Autism Advisory Task Force; Duties; Report	488
1374.76. Provision of covered mental health and substance use disorder benefits	488
Article 6. Operation and Renewal Requirements and Procedures	
Sections	
1375. [Section repealed 1978].....	489
1375.1. Contents of plan.....	489
1375.2. Transitionally licensed plans	490
1375.3. Meet and confer with director prior to filing petition for bankruptcy; Information to ensure continuity of care.....	490
1375.4. Required provisions for contract between health care service plan and risk-bearing organization; Regulations; Sanctions for plan's failure to comply with contractual requirements; Report; Exemption.....	491
1375.5. Contract provision requiring risk-bearing organization to be at financial risk for provision of health care services.....	494
1375.6. Contract provision requiring provider to accept certain rates or methods of payment	495
1375.61. Termination of contract due to judgment by another state	495
1375.7. Health Care Providers' Bill of Rights	495
1375.8. Written request by provider to assume financial risk allowed when negotiating initial contract or renewing existing contract.....	498
1375.9. Health care service plan; Primary care physician to enrollee ratios.....	499
1376. Rules and regulations; Surety bond	500
1376.1. Exemption of county or city plan from deposit requirements related to financial responsibility.....	501
1377. Reserves or insurance to be maintained by certain plans for payments to subscribers or providers	501
1378. Administrative costs	503
1379. Contracts with health care providers.....	504

TABLE OF CONTENTS

	PAGE
1379.5. Contract between plan and health care provider who provides health care services in Mexico; Requirements; Plan's obligations	504
1380. Surveys of health delivery systems	505
1380.1. Legislative findings and declarations; Standards for uniform medical quality audit system	507
1380.3. Coordination of surveys	508
1381. Records; Location and inspection	509
1382. Examinations of fiscal and administrative affairs of plans	509
1383. Annual report to department	510
1383.1. Policy on second medical opinion	510
1383.15. Second opinion	511
1384. Audit reports and financial statements	513
1385. Books of account	514
Article 6.1. Pharmacy Benefit Management Services	
Sections	
1385.001. "Pharmacy benefit manager" defined	514
1385.002. Authority of department	515
1385.003. Required disclosures of health care service plan	515
1385.004. Requirements of pharmacy benefit manager	516
1385.005. Required registration for pharmacy benefit manager	516
1385.006. Discipline for failure to comply	517
1385.007. Task Force on Pharmacy Benefit Management Reporting; Reporting requirements [Repealed]	518
Article 6.2. Review of Rate Increases	
Sections	
1385.01. Definitions	518
1385.02. Applicability of article	519
1385.03. Filing of rate information for health care service plan contracts prior to implementing any rate change; Disclosure of information	520
1385.035. Legislative intent; Demonstration of impact of changes in health care costs; Considerations	524
1385.04. Filing of rate information for large group health care service plan contracts prior to implementing any rate change; Disclosure of information and aggregate data	525
1385.043. Annual report of information on premiums	525
1385.045. Filing of weighted average rate increase for large group health care service plan contracts; Disclosure of information and aggregate data	527
1385.046. Large group contractholder application to review rate change; Review procedure	530
1385.05. Authority of department; Information that may be requested	530
1385.06. Submission of filing; Contents; Contract with independent actuary or actuaries	531
1385.07. Publication of information; Confidential information; Information to be included	531
1385.08. Issuance of guidance to health care service plans regarding compliance with article	532
1385.09. Filing by health care service plan contract documenting cost savings and impact on rates	533

TABLE OF CONTENTS

	PAGE
1385.10. Health care service plan annual claims reporting requirements	533
1385.11. Review of rate filings by department; Report; Unreasonable rate increase finding	534
1385.13. Duties of department; Submission of information	535
1385.14. Information required	535
 Article 7. Discipline	
Sections	
1386. Suspension or revocation of license; Grounds for disciplinary action; Order to individual	537
1387. Civil penalties	540
1388. Discipline of person acting as solicitor or solicitor firm....	540
1389. Petition to reinstate license.....	542
 Article 7.5. Underwriting Practices	
Sections	
1389.1. Applications for coverage; HIV test prohibition.....	543
1389.2. Written statement of actuarial basis	543
1389.21. Proscription against rescission, cancellation, or limitation of policy, or rise in premiums after 24 months following issuance of health care service plan contract.....	543
1389.25. Written notice required for changes in premium rate or coverage for individual plan contract; Information on new coverage options in case of rejection	544
1389.3. Postclaims underwriting	546
1389.4. Written policies required; Filing; Posting (Inoperative; Operative date contingent).....	546
1389.4. Written policies required; Filing; Exceptions (Operative term contingent).....	547
1389.5. Right to transfer to another individual plan (Inoperative; Operative date contingent).....	548
1389.6. Compensation of a person or entity employed or contracted; Performance goals or quotas.....	550
1389.7. Issuance of new individual plan contract where contract rescinded; Premium rate; Preexisting condition provision; Notice; Contract effective date (Inoperative; Operative date contingent)	550
1389.7. Issuance of new individual plan contract where contract rescinded; Premium rate; Preexisting condition provision; Notice; Contract effective date; Applicability (Operative term contingent).....	551
1389.8. Duty with regard to assisting applicant for a health care service plan; Attestation; Civil penalty.....	552
 Article 8. Other Enforcement Procedures	
Sections	
1390. Violation of chapter; Penalties	553
1391. Cease and desist orders	553
1391.5. Immediate order to discontinue unsafe practice.....	554
1392. Injunctions and other equitable relief.....	554
1392.5. Receiver, monitor, conservator, or other fiduciary or officer.....	555
1393. Vesting of title to assets; Taking possession of business	557
1393.5. Civil penalties for violation of license provisions	559

TABLE OF CONTENTS

	PAGE
1393.6. Administrative penalties for violation of provisions relating to small employer group access to contracts for health care services and preexisting condition provisions and late enrollees	559
1394. Penalties not exclusive	560
1394.1. Complaint for involuntary dissolution of plan	560
1394.2. Priority of claims	561
1394.3. Applicable law in involuntary dissolution actions	561
 Article 8.5. Service of Process	
Sections	
1394.5. Methods of service	562
1394.7. Definitions; Insolvency of health care service plan	562
1394.8. Definitions; Insolvency of specialized health care service plan.....	564
 Article 9. Miscellaneous	
Sections	
1395. Advertising; Contracts with licensed professionals; Offices; Misrepresentations by plan; Compliance by plan.....	567
1395.5. Contract to restrict health care provider's advertising	568
1395.6. Disclosure relating to health care provider's participation in network; Disclosures by contracting agent conveying its list of contracted health care providers and reimbursement rates; Election by provider to be excluded from list; Demonstration by payor of entitlement to pay contracted rate	569
1395.7. Staff-model dental health care service plan; Compliance with policies and procedures.....	572
1396. Misstatements or omissions in documents filed	573
1396.5. Privileges of nonprofit hospital corporations which indemnified subscribers	573
1397. Hearings; Judicial review	573
1397.5. Summary of complaints against plans	574
1397.6. Contracts with medical consultants	574
1398. [Section repealed 2001].....	574
1398.5. References to prior law.....	574
1399. Surrender of license; Summary suspension or revocation of license.....	575
1399.1. Administrative actions applicable to transitionally licensed plans.....	575
1399.3. Material change to contract effective upon delivery of notice by health care service plan to solicitor	576
1399.5. Legislative intent; Application of chapter	576
 Article 9.5. Claims Reviewers	
Sections	
1399.55. Disclosure of rationale for rejection of claim from health care provider or patient	577
1399.56. Compensation of person retained to review claims for health care services	577
1399.57. Application of article to Medi-Cal services or benefits	577

TABLE OF CONTENTS

	PAGE
Article 10. Discontinuance and Replacement of Group Health Care Service Plan Contracts	
Sections	
1399.60. Application.....	577
1399.61. Definitions	578
1399.62. Extension of benefits	578
1399.63. Required coverage following discontinuance of prior contract or policy	579
1399.64. Compliance requirement.....	580
Article 10.2. Mergers and Acquisitions of Health Care Service Plans	
Sections	
1399.65. Mergers, consolidation or acquisition of health care service plans; Requirements	581
1399.66. Material modifications fees; Reimbursement of costs from health care service plan to director	583
Article 10.5. Individual Access to Contracts for Health Care Services [Renumbered]	583
Article 11. Nonprofit Plans	
Sections	
1399.70. Submission of copy of articles of incorporation; Report	583
1399.71. Submission of public benefit program	584
1399.72. Approval for conversion from nonprofit to for-profit status.....	586
1399.73. Contents of application; Fee; Contracts for review	588
1399.74. Adoption of regulations; Notice; Public records; Public hearing.....	588
1399.75. Application of article	589
1399.76. Exceptions	589
Article 11.1. Consumer Operated and Oriented Plans	
Sections	
1399.80. Definitions	590
1399.81. Issuance of license.....	591
1399.83. Licensees subject to specified provisions of law	591
1399.84. Loan documentation.....	591
1399.86. Prohibitions in PPACA apply; Additional requirements	592
1399.88. Full compliance with requirements of PPACA governing CO-OPs	593
Article 11.5. Individual Access to Contracts for Health Care Services	
Sections	
1399.801. Definitions.....	594
1399.802. Compliance with chapter and article.....	595
1399.803. Application of article.....	595
1399.804. Availability of contracts to federally eligible defined individuals.....	596
1399.805. Notification of premium charges; Commencement of coverage; Changes.....	596
1399.806. Prohibited exclusions	599
1399.809. Discontinuation of plan.....	599
1399.810. Renewal of contracts.....	599

TABLE OF CONTENTS

	PAGE
1399.811. Premium requirements	600
1399.812. Consistent application of premiums	603
1399.813. Disclosure	603
1399.814. Exemption from requirement to offer to individuals	603
1399.815. Notice of amendments	603
1399.816. [Section repealed 2013]	604
1399.817. Regulations	604
1399.818. Date of applicability of article	604
 Article 11.7. Child Access to Health Care Coverage (Inoperative; Operative date contingent)	
Sections	
1399.825. Definitions (Inoperative; Operative date contingent)	605
1399.826. Child coverage; Preexisting condition; Issuance or offering of individual coverage may not be conditioned; When coverage becomes effective; Establishment of rules for eligibility; Construction (Inoperative; Operative date contingent)	606
1399.827. Applicability of article (Inoperative; Operative date contingent)	607
1399.828. Availability of plan's health care service plan contracts to late enrollees; Prohibited activities; Compensation to solicitor prohibited (Inoperative; Operative date contingent)	608
1399.829. Characteristics to be considered in establishing rates; Limitations (Inoperative; Operative date contingent)	608
1399.832. When plan not required to offer contract or accept applications (Inoperative; Operative date contingent)	610
1399.833. Requirement that plan discontinue offering contracts or accepting applications (Inoperative; Operative date contingent)	610
1399.834. Renewal of contracts; Plan ceasing to offer individual coverage (Inoperative; Operative date contingent)	611
1399.835. Issuance of guidance to health plans regarding compliance with article (Inoperative; Operative date contingent)	611
1399.836. Operation of article (Inoperative; Operative date contingent)	611
 Article 11.8. Individual Access to Health Care Coverage	
Sections	
1399.845. Definitions	612
1399.846. Sole proprietorships and partnerships; Individual health care service plans	613
1399.847. Applicability of article	613
1399.848. Individual health benefit plans; Annual enrollment period; Effective date	614
1399.849. Individual health benefit plans; Preexisting condition provisions prohibited; Enrollment periods; Triggering events; Coverage effective date; Plans offered outside Exchange; Limitations on eligibility rules; Single risk pool; Applicability	614
1399.851. Prohibited activities for insurer, agent, or broker; Applicability; Enforcement	619
1399.853. Renewability; When insurer ceases offering plans	620
1399.855. Determination of premium rates	620
1399.857. Requirements not placed on carriers	622

TABLE OF CONTENTS

	Page
1399.858. Discontinuing of offering contracts or acceptance of applications.....	623
1399.859. Notice to applicant or subscriber of eligibility for lower cost coverage through Exchange; Applicability.....	623
1399.861. Notice to subscriber of individual grandfathered health plan of health insurance options; Inclusion of notice in renewal material and application for dependent coverage	624
1399.862. Implementation of article	625
1399.863. Adoption of emergency regulations	625
1399.864. Requirements of health care service plan that contracts with California Health Benefit Exchange to offer a qualified bridge plan; Medical loss ratio; Marketing and sales; Initial open enrollment (For inoperative date and repeal see subd (g)).....	625
 Article 11.9. Health Equity and Quality	
Sections	
1399.870. Health Equity and Quality Committee.....	627
1399.871. Establishment of standard measures and annual benchmarks for equity and quality in health care delivery; National Committee for Quality Assurance accreditation ...	629
1399.872. Annual report; Department review and compliance determination; Noncompliance	630
1399.873. Applicability of article	631
1399.874. Director enforcement authority; Written forms, policies, rules and other guidance without regulatory action ...	632
 CALIFORNIA CODE OF REGULATIONS	
Title 28. Managed Health Care	
Division 1. The Department of Managed Health Care	
Chapter 1. Department Administration	
Article 1. Conflict of Interest	
Section	
1000. Conflict of Interest for the Department of Managed Health Care	633
 Article 2. Administration	
Sections	
1001. Department Internet Web Page and Web Addresses	638
1002. Appearance and Practice Before the Department	638
1002.4. Public Meetings and Hearings	638
1003. Public Comment During Department Meetings	639
1004. Verification	640
1005. Interpretive Opinions.....	640
1006. Inspection of Public Records.....	641
1007. Request for Confidentiality	642
1008. Availability of Department Forms, Publications and Notices; Fees	643
1009. Retention of Department Records.....	644
1010. Consumer Participation Program.....	645
1011. Assessment for University of California Analysis of Proposed Mandate Legislation.....	649
 Article 3. Electronic Filing	
Section	
1300.41.8. Electronic Filing	650

TABLE OF CONTENTS

	PAGE
Chapter 2. Health Care Service Plans	
Article 1. Exemptions	
Sections	
1300.43. Small Plans.....	652
1300.43.1. New Plans.....	652
1300.43.2. Extension for Enrollers Under Medi-Cal Program....	652
1300.43.3. Ambulance Plans: Conditional Exemption.....	652
1300.43.4. Employee Welfare Benefit Plans [Repealed].....	656
1300.43.5. Exemption for Licensees of Insurance Commissioner [Repealed].....	656
1300.43.6. Moribund Plans.....	656
1300.43.7. Student Emergency Care Arrangements.....	657
1300.43.8. Public Agencies.....	657
1300.43.9. Unlicensed Solicitors and Solicitor Firms.....	658
1300.43.10. Nonprofit Retirees' Plan.....	658
1300.43.11. Exemption for Solicitors of Nonprofit Retirees' Plans	660
1300.43.12. Medi-Cal Dental Contract.....	660
1300.43.13. Mutual Benefit Plans.....	661
1300.43.14. Employee Assistance Programs.....	663
1300.43.15. Foreign Plans.....	666
Article 2. Administration	
Sections	
1300.44. Interpretive Opinions.....	667
1300.44.1. Application for Exemption from Rule.....	667
1300.45. Definitions.....	667
1300.46. Prohibition of Bonuses or Gratuities in Solicitations	669
1300.47. Advisory Committee on Managed Health Care.....	669
Article 3. Plan Applications and Amendments	
Sections	
1300.49. General Licensure Requirements.....	670
1300.50. Notice of Intention to Apply for Plan License.....	673
1300.51. Application for License as a Health Care Service Plan or Specialized Health Care Service Plan.....	673
1300.51.1. Individual Information Sheet.....	698
1300.51.2. Consent to Service of Process.....	701
1300.51.3. Preparation and Amendment of Application for Li- cense As a Health Care Service Plan Under Section 1300.51	702
1300.52. Amendments to Plan Application.....	703
1300.52.1. Notice of Material Modification.....	704
1300.52.2. Change in Plan Personnel.....	706
1300.52.3. Filings and Actions Relating to Charitable or Public Activities.....	706
1300.52.4. Standards for Amendments and Notices of Material Modification.....	707
Article 4. Solicitors	
Sections	
1300.57. Solicitor Application.....	709
1300.57.1. Solicitor Firm Application by Person Not Licensed by Insurance Commissioner.....	709
1300.57.2. Amendment to Solicitor Firm Application.....	709
1300.57.3. Fees Payable by Licensed Insurance Agents and Brokers.....	709

TABLE OF CONTENTS

	PAGE
1300.57.4. Solicitor Financial Records Authorization.....	709
1300.59. Plan Assurances Prior to Solicitation.....	709
1300.59.1. Examination Fee	709
1300.59.2. Waiver of Examination Requirements.....	709
Article 5. Advertising and Disclosure	
Sections	
1300.61. Filing of Advertising and Disclosure Forms	710
1300.61.1. Exempt Advertising	710
1300.61.3. Deceptive Advertising.....	710
1300.63. Disclosure Form.....	711
1300.63.1. Evidence of Coverage	713
1300.63.2. Combined Evidence of Coverage and Disclosure Form	714
1300.63.3. Experimental Disclosure	717
1300.63.4. Summary of Dental Benefits and Coverage Disclosure Matrix.....	717
1300.63.50. Medicare Supplement Additional Disclosure [Repealed]	721
1300.64.50. Medicare Supplement Application Information [Repealed]	721
1300.64.51. Medicare Supplement “Buyer’s Guide” [Repealed]	721
1300.64.52. Standards for Marketing Medicare Supplement Contracts [Repealed].....	722
1300.64.53. Reporting of Multiple Coverage [Repealed]	722
1300.64.54. Replacement Contracts: Elimination of Waiting Periods [Repealed].....	722
1300.64.55. Permitted Compensation Arrangements for the Sale of Medicare Supplement Contracts [Repealed].....	722
Article 6. Appeals on Cancellation	
Sections	
1300.65. Cancellations, Rescissions, and Nonrenewals of an Enrollment or Subscription	723
1300.65.1. Cancellations, Rescissions, or Nonrenewals for Reasons Other than Nonpayment of Premiums	728
1300.65.2. Cancellations or Nonrenewals for Nonpayment of Premiums.....	730
1300.65.3. Cancellations or Nonrenewals for Nonpayment of Premiums: APTC Enrollee	732
1300.65.4. Grievance Form for Cancellations, Rescissions, and Nonrenewals of an Enrollment or Subscription.....	736
1300.65.5. Notice of Right of Enrollee to Submit a Grievance ...	739
1300.66. Deceptive Plan Names	740
Article 7. Standards	
Sections	
1300.67. Scope of Basic Health Care Services.....	741
1300.67.003. State Medical Loss Ratio Annual Report.....	743
1300.67.005. Essential Health Benefits	744
1300.67.01. COVID-19 Diagnostic Testing [Repealed].....	767
1300.67.02. Transfer of Enrollees Pursuant to a Public Health Order	767
1300.67.04. Language Assistance Programs	768
1300.67.05. Acts of War Exclusions	775
1300.67.1. Continuity of Care.....	775
1300.67.1.3. Block Transfer Filings	776

TABLE OF CONTENTS

	PAGE
1300.67.2. Accessibility of Services.....	781
1300.67.2.1. Geographic Accessibility Standards.....	781
1300.67.2.2. Timely Access to Non-Emergency Health Care Services	783
1300.67.2.3. Timely Access Quality Assurance for Measurement Year 2022.....	805
1300.67.3. Standards for Plan Organization.....	806
1300.67.4. Subscriber and Group Contracts	806
1300.67.8. Contracts with Providers	809
1300.67.10. Discrimination Prohibited [Repealed]	809
1300.67.11. Disclosure of Conflicts of Interest.....	809
1300.67.12. Contracts with Solicitor Firms.....	810
1300.67.13. Coordination of Benefits (“COB”)	810
1300.67.205. Standard Prescription Drug Formulary Template	815
1300.67.24. Outpatient Prescription Drug Copayments, Coinsur- ance, Deductibles, Limitations and Exclusions	821
1300.67.241. Prescription Drug Prior Authorization or Step Therapy Exception Request Form Process.....	827
1300.67.50. Certain Medicare Supplement Contracts: Presump- tion of Unfairness [Repealed]	830
1300.67.51. Medicare Supplement Contract Provisions [Repealed]	830
1300.67.52. Medicare Supplement Additional Benefit Require- ments [Repealed]	830
1300.67.53. Medicare Supplement Minimum Aggregate Benefits [Repealed]	830
1300.67.55. Medicare Supplement Reporting Requirements [Repealed]	830
1300.67.56. Transitional Requirements for the Conversion of Medicare Supplement Contracts to Conform to Medicare Program Revisions [Repealed]	831
1300.67.57. Format For Notices of Changes in Coverage [Repealed]	831
1300.67.58. Participating Physician or Supplier Claims Form Requirement (Compliance with Section 4081 of the Omnibus Budget Reconciliation Act of 1987) [Repealed]	831
1300.67.59. Format for Reporting Loss Ratio Experience [Repealed]	831
 Article 8. Self-Policing Procedures	
Sections	
1300.67.60. Standing Referral to HIV/AIDS Specialist [Renumbered]	832
1300.68. Grievance System.....	832
1300.68.01. Expedited Review of Grievances	840
1300.68.2. Hospice Services	841
1300.69. Public Policy Participation by Subscribers.....	844
1300.70. Health Care Service Plan Quality Assurance Program	846
1300.70.4. Independent Medical Reviews Experimental and In- vestigational Therapies.....	848
1300.71. Claims Settlement Practices	850
1300.71.4. Emergency Medical Condition and Post-Stabilization Responsibilities for Medically Necessary Health Care Services	863

TABLE OF CONTENTS

	PAGE
1300.71.31. Methodology for Determining Average Contracted Rate; Default Reimbursement Rate.....	864
1300.71.38. Fast, Fair and Cost-Effective Dispute Resolution Mechanism	867
1300.71.39. Unfair Billing Patterns.....	871
1300.73.21. Arbitration and Settlement Agreements	872
1300.74.16. Standing Referral to HIV/AIDS Specialist	873
1300.74.30. Independent Medical Review System	874
1300.74.72. Mental Health Parity	878
1300.74.73. Pervasive Developmental Disorder and Autism Coverage.....	879
 Article 9. Financial Responsibility	
Sections	
1300.75. Agreements with Subsequent Providers [Repealed]	881
1300.75.1. Fiscal Soundness, Insurance, and Other Arrangements.....	881
1300.75.2. Plan As Subsequent Provider [Repealed]	882
1300.75.3. Subsequent Provider Exemption [Repealed].....	882
1300.75.4. Definitions	882
1300.75.4.1. Risk Arrangement Disclosure.....	883
1300.75.4.2. Organization Information	885
1300.75.4.3. Plan Reporting.....	892
1300.75.4.4. Confidentiality	893
1300.75.4.5. Plan and Sub-Delegating Organization Compliance	895
1300.75.4.6. Department Costs	897
1300.75.4.7. Organization Evaluation	897
1300.75.4.8. Corrective Action	898
1300.76. Plan Tangible Net Equity Requirement	901
1300.76.1. Deposits	902
1300.76.2. Solicitor Firm Financial Requirement.....	903
1300.76.3. Fidelity Bond.....	903
1300.76.4. Prohibited Financial Practices.....	904
1300.77. Reimbursements	904
1300.77.1. Estimated Liability for Reimbursements.....	906
1300.77.2. Calculation of Estimated Liability for Reimbursements.....	906
1300.77.3. Report on Reimbursements Exceeding Ten Percent	909
1300.77.4. Reimbursements on a Fee-for-Services Basis: Determination of Status of Claims	910
1300.78. Administrative Costs	910
 Article 10. Medical Surveys	
Sections	
1300.80. Medical Survey Procedure.....	912
1300.80.10. Medical Survey: Report of Correction of Deficiencies	914
 Article 11. Examinations	
Sections	
1300.81. Removal of Books and Records from State.....	914
1300.82. Examination Procedure.....	915
1300.82.1. Additional or Nonroutine Examinations and Surveys	915
 Article 12. Reports	
Sections	
1300.83. Annual Report [Repealed]	916

TABLE OF CONTENTS

	PAGE
1300.84. Financial Statements	916
1300.84.03. Required Notice to the Department	917
1300.84.05. Change of Independent Accountant	917
1300.84.06. Plan Annual Report [Renumbered]	918
1300.84.1. Plan Annual Report	918
1300.84.2. Quarterly Financial Reports	919
1300.84.3. Monthly Financial Reports	919
1300.84.4. Financial Reports by Solicitor Firms [Repealed]	920
1300.84.5. Public Entity Plans	920
1300.84.6. Plan Annual Enrollee Report	922
1300.84.7. Special Reports Relating to Charitable or Public Activities	924
 Article 13. Books and Records	
Sections	
1300.85. Books and Records	924
1300.85.1. Retention of Books and Records	925
 Article 14. Miscellaneous Provisions	
Sections	
1300.86. Assessment of Administrative Penalties	925
1300.87. Civil Penalties	926
1300.89. Petition for Restoration	926
1300.89.21. Rescissions	929
1300.99. Application to Surrender License	930
1300.99.7. Application for Conversion or Restructuring	932
 Article 15. Charitable or Public Activities	
Sections	
1300.824. Requirements Relating to Charitable or Public Activ- ity Filings	933
1300.824.1. Notices and Requests for Approval of Certain Transactions	933
1300.826. Request for Ruling on Proposed Action or Article Amendment	933
Index	I-1