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Title 28@ Managed Health Care

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Division 1@ The Department of Managed Health Care

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Chapter 2@ Health Care Service Plans

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Article 7@ Standards

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Section 1300.67.11@ Disclosure of Conflicts of Interest

1300.67.11 Disclosure of Conflicts of Interest

(a)

A plan shall not enter into any transaction with a person currently named in Item F of its application under Section 1300.51 (or currently named pursuant to Items 7, 8, or 9 of that application as in effect prior to the effective date of Section 1300.51.3) unless, prior thereto, each of the following conditions is met: (1) The material facts concerning the transaction and the person's interest therein are disclosed to the governing body of the plan. (2) The transaction is approved by a disinterested majority of the governing body. (3) Such facts and such approval are made a part of the minutes of such governing body or, if no minutes are required of such governing body, otherwise retained as a record of the plan.

(1)

The material facts concerning the transaction and the person's interest therein are disclosed to the governing body of the plan.

(2)

The transaction is approved by a disinterested majority of the governing body.

(3)

Such facts and such approval are made a part of the minutes of such governing body or, if no minutes are required of such governing body, otherwise retained as a record of the plan.

(b)

A plan shall promptly give written notice to the Director if a transaction is entered into otherwise than in conformity with the terms of this section.

(c)

For the purposes of this section, "governing body" means the board of directors, all general partners, the sole proprietor, the board of trustees, and any other persons occupying a similar position or performing similar functions.