

1300.89.21 Rescissions

(a)

Definitions (1) Rescission or rescind means a cancellation of coverage for fraud or intentional misrepresentation of material fact that has a retroactive effect. A cancellation of coverage with only a prospective effect is not a rescission. (2) "Effective date of the rescission" in section 1389.21 subdivision (b) of the Health and Safety Code means the date on which the plan retroactively cancels coverage based on fraud or intentional misrepresentation of material fact.

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(b)

General Requirements (1) The health plan must provide the enrollee or subscriber with written notice of intent to rescind containing elements required under Health and Safety Code section 1389.21, as well as any and all requirements described in section 1300.65, of this title. (2) If the enrollee or subscriber requests review

of the rescission pursuant to Health and Safety Code section 1365, subdivision (b), the plan must continue or reinstate coverage as required by that section and section 1300.65 of this title.

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(c)

Enforcement The failure of a plan to comply with the requirements of section 1389.21 and 1365 of the Act and this regulation may constitute a basis for disciplinary action against the plan. The Director shall have the civil, criminal, and administrative remedies available under the Act, including Health and Safety Code section 1394.