California Code Of Regulations Title 22@ Social Security |-> Division 3@ Health Care Services 1-> Subdivision 1@ California Medical Assistance Program |-> Chapter 4@ Prepaid Health Plans |-> Article 3@ OPERATIONAL REQUIREMENTS |-> Section 53326@ Financial Security

53326 Financial Security

(a)

Each plan shall provide evidence of and maintain financial security.

(b)

Financial security may be in the form of, but is not limited to, one of the following:

(1) A guarantee bond. (2) A letter of credit. (3) A time certificate of deposit. (4) A trust agreement.

(1)

A guarantee bond.

(2)

A letter of credit.

(3)

A time certificate of deposit.

(4)

A trust agreement.

(c)

The Department shall approve the form and amount of financial security required for each plan contract.

(d)

The Department may waive the requirement for financial security for a plan which is qualified as an HMO under Title XIII, Public Health Service Act.

(e)

The Department shall take possession of financial security sufficient to indemnify the Department in the event that the plan defaults on any contractual obligation to the Department.