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Title 22@ Social Security

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Division 3@ Health Care Services

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Subdivision 1@ California Medical Assistance Program

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Chapter 4@ Prepaid Health Plans

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Article 3@ OPERATIONAL REQUIREMENTS

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Section 53352@ Contract Termination

53352 Contract Termination

(a)

The Director shall terminate a contract with a prepaid health plan which the Secretary, HEW, has determined does not meet the requirements for participation in the Medicaid program, Title XIX of the Social Security Act.

(b)

The Director shall, except as provided in subsection 53350(b), terminate a plan contract for reasons including, but not limited to: (1) Noncompliance with the requirements of law or regulations or terms of the contract. (2) Failure to pay valid accrued claims within 120 days after receipt by the plan, or failure to ensure that future claims will be paid.

(1)

Noncompliance with the requirements of law or regulations or terms of the contract.

(2)

Failure to pay valid accrued claims within 120 days after receipt by the plan, or failure to ensure that future claims will be paid.

(c)

The Director shall give reasonable notice of intention to terminate a plan's contract. (1) The notice shall be provided to: (A) The prepaid health plan. (B) Members of the plan. (C) Others who may be directly interested. (D) Other persons and organizations as the Director may deem necessary. (2) The notice shall

include: (A) The reason for the termination. (B) The effective date.

(1)

The notice shall be provided to: (A) The prepaid health plan. (B) Members of the plan. (C) Others who may be directly interested. (D) Other persons and organizations as the Director may deem necessary.

(A)

The prepaid health plan.

(B)

Members of the plan.

(C)

Others who may be directly interested.

(D)

Other persons and organizations as the Director may deem necessary.

(2)

The notice shall include: (A) The reason for the termination. (B) The effective date.

(A)

The reason for the termination.

(B)

The effective date.

(d)

The plan may request that a public hearing be held by the Office of Administrative Hearings to allow the Department to show good cause for the termination. The public hearing shall be held 30 days after receipt, by the plan, of the notice of intention to terminate the contract. In order to give the Office of Administrative Hearings sufficient time to arrange for a hearing, the plan request for a hearing shall be submitted no later than five days after receipt of the notice of intention to

terminate, by making its request to the Office of Administrative Hearings directly.

(e)

The Office of Administrative Hearings shall provide written recommendations concerning the termination of the contract to the Department and to the plan within 30 days after conclusion of the hearing.

(f)

Notwithstanding subdivision (d), a plan contract shall be immediately terminated if the Director finds that there is an immediate threat to the health of Medi-Cal beneficiaries enrolled in the plan.