

§ 1378. Administrative costs

No plan shall expend for administrative costs in any fiscal year an excessive amount of the aggregate dues, fees and other periodic payments received by the plan for providing health care services to its subscribers or enrollees. The term “administrative costs,” as used herein, includes costs incurred in connection with the solicitation of subscribers or enrollees for the plan.

This section shall not preclude a plan from expending additional sums of money for administrative costs provided such money is not derived from revenue obtained from subscribers or enrollees of the plan.

HISTORY:

Added Stats 1975 ch 941 § 2, operative July 1, 1976.