

§ 1393.6. Administrative penalties for violation of provisions relating to small employer group access to contracts for health care services and preexisting condition provisions and late enrollees

For violations of Article 3.1 (commencing with Section 1357), Article 3.15 (commencing with Section 1357.50), Article 3.16 (commencing with Section 1357.500), and Article 3.17 (commencing with Section 1357.600), the director may, after appropriate notice and opportunity for hearing, by order levy administrative penalties as follows:

(a) Any person, solicitor, or solicitor firm, other than a health care service plan, who willfully violates any provision of this chapter, or who willfully violates any rule or order adopted or issued pursuant to this chapter, is liable for administrative penalties of not less than five hundred dollars (\$500) for each first violation, and of not less than two thousand dollars (\$2,000) and not more than five thousand dollars (\$5,000) for each subsequent violation.

(b) Any health care service plan that willfully violates any provision of this chapter, or that willfully violates any rule or order adopted or issued pursuant to this chapter, is liable for administrative penalties of not less than five thousand dollars (\$5,000) for each first violation, and of not less than ten thousand dollars (\$10,000) nor more than twenty thousand dollars (\$20,000) for each second violation, and of not less than thirty thousand dollars (\$30,000) and not more than two hundred thousand dollars (\$200,000) for each subsequent violation.

(c) The administrative penalties shall be paid to the Managed Care Administrative Fines and Penalties Fund and shall be used for the purposes specified in Section 1341.45.

(d) The administrative penalties available to the director pursuant to this section are not exclusive, and may be sought and employed in any combination with civil, criminal, and other administrative remedies deemed advisable by the director to enforce the provisions of this chapter.

(e) Commencing January 1, 2028, and every five years thereafter, the

penalty amounts specified in this section shall be adjusted based on the average rate of change in premium rates for the individual and small group markets, and weighted by enrollment, since the previous adjustment.

HISTORY:

Added Stats 1992 ch 1128 § 8 (AB 1672), operative July 1, 1993. Amended Stats 1999 ch 525 § 143 (AB 78), operative July 1, 2000; Stats 2000 ch 857 § 45 (AB 2903); Stats 2008 ch 607

§ 9 (SB 1379), effective September 30, 2008; Stats 2012 ch 852 § 8 (AB 1083), effective January 1, 2013; Stats 2022 ch 985 § 9 (SB 858), effective January 1, 2023.