

**§ 1357.611. Requirement that plan discontinue offering contracts or accepting applications**

(a) The director may require a plan to discontinue the renewal of grandfathered small employer health care service plan contracts or the offering or

acceptance of applications from any group upon a determination by the director that the plan does not have sufficient financial viability, or organizational and administrative capacity to ensure the delivery of health care services to its enrollees. In determining whether the conditions of this section have been met, the director shall consider, but not be limited to, the plan's compliance with the requirements of Section 1367, Article 6 (commencing with Section 1375), and the rules adopted thereunder.

(b) Nothing in this article shall be construed to limit the director's authority to develop and implement a plan of rehabilitation for a health care service plan whose financial viability or organizational and administrative capacity has become impaired.

**HISTORY:**

Added Stats 2012 ch 852 § 6 (AB 1083),  
effective January 1, 2013.