

**§4216. Suspension or revocation of certificate of authority**

1. Notwithstanding Title 4, chapter 5 and Title 5, section 10051, the superintendent may suspend or revoke a certificate of authority issued to a health maintenance organization under this chapter if the superintendent finds that any of the following conditions exist after a hearing held in accordance with Title 5, chapter 375, subchapter IV:

A. The health maintenance organization is operating significantly in contravention of its basic organizational document or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 4203, unless amendments to such submissions have been filed with and approved by the superintendent; [PL 1975, c. 503 (NEW).]

B. The health maintenance organization issues evidence of coverage or uses a schedule of charges for health care services that do not comply with the requirements of section 4207; [PL 1997, c. 592, §71 (AMD).]

C. The health maintenance organization does not provide or arrange for basic health care services; [PL 1975, c. 503 (NEW).]

D. The Commissioner of Health and Human Services certifies to the superintendent that:

(1) The health maintenance organization does not meet the requirements of section 4204, subsection 2-A, paragraph B; or

(2) The health maintenance organization is unable to fulfill its obligations to furnish health care services; [PL 1997, c. 683, Pt. B, §14 (AMD); PL 2003, c. 689, Pt. B, §7 (REV).]

E. The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees; [PL 1975, c. 503 (NEW).]

F. The health maintenance organization has failed to implement a mechanism affording the enrollees an opportunity to participate in matters of policy and operation under section 4206; [PL 1975, c. 503 (NEW).]

G. The health maintenance organization has failed to implement the complaint system required by section 4211 in a manner to reasonably resolve valid complaints; [PL 1975, c. 503 (NEW).]

H. The health maintenance organization, or any person on its behalf, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive or unfair manner; [PL 1975, c. 503 (NEW).]

I. The continued operation of the health maintenance organization would be hazardous to its enrollees; [PL 1975, c. 503 (NEW).]

I-1. The health maintenance organization has failed to meet the surplus requirements of section 4204-A; or [PL 1989, c. 842, §17 (NEW).]

J. The health maintenance organization has otherwise failed to substantially comply with this chapter. [PL 1975, c. 503 (NEW).]

[PL 1999, c. 547, Pt. B, §46 (AMD); PL 1999, c. 547, Pt. B, §80 (AFF); PL 2003, c. 689, Pt. B, §7 (REV).]

2. A certificate of authority shall be suspended or revoked only after compliance with the requirements of section 4219.  
[PL 1975, c. 503 (NEW).]

3. When the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of such suspension, enroll any additional

enrollees except newborn children or other newly acquired dependents of existing enrollees and shall not engage in any advertising or solicitation whatsoever.

[PL 1975, c. 503 (NEW).]

4. When the certificate of authority of a health maintenance organization is revoked, such organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and may not conduct further business except as may be essential to the orderly conclusion of the affairs of such organization. It may not engage in further advertising or solicitation whatsoever. The superintendent may, by written order, permit such further operation of the organization as the superintendent may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage.

[RR 2021, c. 1, Pt. B, §347 (COR).]

#### SECTION HISTORY

PL 1975, c. 293, §4 (AMD). PL 1975, c. 503 (NEW). PL 1977, c. 694, §434 (AMD). PL 1989, c. 842, §17 (AMD). PL 1997, c. 592, §71 (AMD). PL 1997, c. 683, §B14 (AMD). PL 1999, c. 547, §B46 (AMD). PL 1999, c. 547, §B80 (AFF). PL 2003, c. 689, §B7 (REV). RR 2021, c. 1, Pt. B, §347 (COR).

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