§ 4404. Health maintenance organizations; continuance of certificate of authority. 1. Continuance by the commissioner of a certificate of authority issued under section forty-four hundred three of this article shall be contingent upon satisfactory performance by the organization as to the delivery, continuity, accessibility and quality of the services to which an enrolled member is entitled, compliance with the provisions of this article and rules and regulations promulgated thereunder, and the continuing fiscal solvency of the organization as set out in this section.

2. Except as provided in subdivision three of this section, the commissioner may revoke, limit or annul a certificate of authority as of the termination of the current period of all then existing enrollee contracts, after a hearing, and only after a finding of unsatisfactory performance or fiscal insolvency. However, in the event of such revocation, limitation or annulment, the organization shall be prohibited from entering into any new enrollee contracts as of the date of notification of such action by the commissioner. Notification of such action shall be given by the organization to each enrollee. The commissioner shall give prior notice of such action to the superintendent.

3. The commissioner may revoke or limit a certificate of authority, after a hearing, for violations of any applicable statute or rules and regulations which threatened to directly affect the health, safety or welfare of any enrollee. Upon notice of his intent to revoke or limit a certificate of authority, the commissioner may prohibit the organization from entering into any new enrollee contracts pending final action and may require notification of such action to be given by the organization to each enrollee. The commissioner shall give prior notice to the superintendent of his intent to prohibit the organization from entering into any enrollee contracts. In any action pursuant to this subdivision, the commissioner and the superintendent shall take action to assure the continued insurance coverage of enrollees of the organization.

4. In addition to, or in lieu of, any revocation, limitation or annulment, the commissioner may assess a penalty pursuant to section

twelve of this chapter for any violation of this chapter or rules and regulations promulgated pursuant to this article.

5. All orders or determinations made in accordance with the provisions of this section shall be subject to review as provided in article seventy-eight of the civil practice law and rules. Application for such review must be made within sixty days after service in person or by registered mail of a copy of the order or determination upon the organization.