



Rep. Natalie A. Manley

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1 AMENDMENT TO HOUSE BILL 3537

2 AMENDMENT NO. _____. Amend House Bill 3537 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Aid Code is amended by
5 changing Section 12-13.1 as follows:

6 (305 ILCS 5/12-13.1)

7 Sec. 12-13.1. Inspector General.

8 (a) The Governor shall appoint, and the Senate shall
9 confirm, an Inspector General who shall function within the
10 Illinois Department of Public Aid (now Healthcare and Family
11 Services) and report to the Governor. The term of the Inspector
12 General shall expire on the third Monday of January, 1997 and
13 every 4 years thereafter.

14 (b) In order to prevent, detect, and eliminate fraud,
15 waste, abuse, mismanagement, and misconduct, the Inspector
16 General shall oversee the Department of Healthcare and Family

1 Services' and the Department on Aging's integrity functions,
2 which include, but are not limited to, the following:

3 (1) Investigation of misconduct by employees, vendors,
4 contractors and medical providers, except for allegations
5 of violations of the State Officials and Employees Ethics
6 Act which shall be referred to the Office of the Governor's
7 Executive Inspector General for investigation.

8 (2) Prepayment and post-payment audits of medical
9 providers related to ensuring that appropriate payments
10 are made for services rendered and to the prevention and
11 recovery of overpayments.

12 (3) Monitoring of quality assurance programs
13 administered by the Department of Healthcare and Family
14 Services and the Community Care Program administered by the
15 Department on Aging.

16 (4) Quality control measurements of the programs
17 administered by the Department of Healthcare and Family
18 Services and the Community Care Program administered by the
19 Department on Aging.

20 (5) Investigations of fraud or intentional program
21 violations committed by clients of the Department of
22 Healthcare and Family Services and the Community Care
23 Program administered by the Department on Aging.

24 (6) Actions initiated against contractors, vendors, or
25 medical providers for any of the following reasons:

26 (A) Violations of the medical assistance program

1 and the Community Care Program administered by the
2 Department on Aging.

3 (B) Sanctions against providers brought in
4 conjunction with the Department of Public Health or the
5 Department of Human Services (as successor to the
6 Department of Mental Health and Developmental
7 Disabilities).

8 (C) Recoveries of assessments against hospitals
9 and long-term care facilities.

10 (D) Sanctions mandated by the United States
11 Department of Health and Human Services against
12 medical providers.

13 (E) Violations of contracts related to any
14 programs administered by the Department of Healthcare
15 and Family Services and the Community Care Program
16 administered by the Department on Aging.

17 (7) Representation of the Department of Healthcare and
18 Family Services at hearings with the Illinois Department of
19 Financial and Professional Regulation in actions taken
20 against professional licenses held by persons who are in
21 violation of orders for child support payments.

22 (b-5) At the request of the Secretary of Human Services,
23 the Inspector General shall, in relation to any function
24 performed by the Department of Human Services as successor to
25 the Department of Public Aid, exercise one or more of the
26 powers provided under this Section as if those powers related

1 to the Department of Human Services; in such matters, the
2 Inspector General shall report his or her findings to the
3 Secretary of Human Services.

4 (c) Notwithstanding, and in addition to, any other
5 provision of law, the Inspector General shall have access to
6 all information, personnel and facilities of the Department of
7 Healthcare and Family Services and the Department of Human
8 Services (as successor to the Department of Public Aid), their
9 employees, vendors, contractors and medical providers and any
10 federal, State or local governmental agency that are necessary
11 to perform the duties of the Office as directly related to
12 public assistance programs administered by those departments.
13 No medical provider shall be compelled, however, to provide
14 individual medical records of patients who are not clients of
15 the programs administered by the Department of Healthcare and
16 Family Services. State and local governmental agencies are
17 authorized and directed to provide the requested information,
18 assistance or cooperation.

19 For purposes of enhanced program integrity functions and
20 oversight, and to the extent consistent with applicable
21 information and privacy, security, and disclosure laws, State
22 agencies and departments shall provide the Office of Inspector
23 General access to confidential and other information and data,
24 and the Inspector General is authorized to enter into
25 agreements with appropriate federal agencies and departments
26 to secure similar data. This includes, but is not limited to,

1 information pertaining to: licensure; certification; earnings;
2 immigration status; citizenship; wage reporting; unearned and
3 earned income; pension income; employment; supplemental
4 security income; social security numbers; National Provider
5 Identifier (NPI) numbers; the National Practitioner Data Bank
6 (NPDB); program and agency exclusions; taxpayer identification
7 numbers; tax delinquency; corporate information; and death
8 records.

9 The Inspector General shall enter into agreements with
10 State agencies and departments, and is authorized to enter into
11 agreements with federal agencies and departments, under which
12 such agencies and departments shall share data necessary for
13 medical assistance program integrity functions and oversight.
14 The Inspector General shall enter into agreements with State
15 agencies and departments, and is authorized to enter into
16 agreements with federal agencies and departments, under which
17 such agencies shall share data necessary for recipient and
18 vendor screening, review, and investigation, including but not
19 limited to vendor payment and recipient eligibility
20 verification. The Inspector General shall develop, in
21 cooperation with other State and federal agencies and
22 departments, and in compliance with applicable federal laws and
23 regulations, appropriate and effective methods to share such
24 data. The Inspector General shall enter into agreements with
25 State agencies and departments, and is authorized to enter into
26 agreements with federal agencies and departments, including,

1 but not limited to: the Secretary of State; the Department of
2 Revenue; the Department of Public Health; the Department of
3 Human Services; and the Department of Financial and
4 Professional Regulation.

5 The Inspector General shall have the authority to deny
6 payment, prevent overpayments, and recover overpayments.

7 The Inspector General shall have the authority to deny or
8 suspend payment to, and deny, terminate, or suspend the
9 eligibility of, any vendor who fails to grant the Inspector
10 General timely access to full and complete records, including
11 records of recipients under the medical assistance program for
12 the most recent 6 years, in accordance with Section 140.28 of
13 Title 89 of the Illinois Administrative Code, and other
14 information for the purpose of audits, investigations, or other
15 program integrity functions, after reasonable written request
16 by the Inspector General.

17 (c-5) The Inspector General must perform all audits with as
18 much transparency as possible and maintain due process
19 throughout the audit process and any and all appeals of the
20 audit process. The Inspector General must provide a clear,
21 well-supported case in all audits. The Inspector General must
22 also clearly inform providers of their rights in appealing all
23 findings. The Inspector General shall, at a minimum, do the
24 following:

25 (1) Inform a provider, at the time of notification of
26 an audit, of any and all laws, regulations, administrative

1 rules, policies, and procedures which are tested and
2 reviewed as part of the audit.

3 (2) Identify and present in all final audit reports all
4 documentation supporting any findings that are sufficient
5 to allow a provider to clearly follow the decision making
6 process. The audit report must also include a sufficient
7 and clear narrative explaining how the documentation
8 presented supports the audit findings and the reasons for
9 disregarding any other documentary evidence to the
10 contrary. The narrative must clearly cite the relevant
11 legal authority applied in the finding.

12 (3) Prior to issuing a final audit report, honor a
13 request by a provider for a review by another auditor
14 different than the one issuing the findings.

15 (4) Clearly delineate in all final audit reports: (i)
16 the entire appeal process and (ii) the rights of the
17 provider as opposed to referencing administrative rules or
18 other legal authority. The final audit report must
19 specifically state any date deadlines and provide contact
20 information in case there are questions about the appeal.

21 (5) Allow a provider the option of having any and all
22 hearings in Springfield. The Inspector General may not
23 require holding any and all hearings in Chicago. The
24 location of hearings must not be used as an obstacle to
25 allowing a provider to exercise its rights to appeal.

26 (d) The Inspector General shall serve as the Department of

1 Healthcare and Family Services' primary liaison with law
2 enforcement, investigatory and prosecutorial agencies,
3 including but not limited to the following:

4 (1) The Department of State Police.

5 (2) The Federal Bureau of Investigation and other
6 federal law enforcement agencies.

7 (3) The various Inspectors General of federal agencies
8 overseeing the programs administered by the Department of
9 Healthcare and Family Services.

10 (4) The various Inspectors General of any other State
11 agencies with responsibilities for portions of programs
12 primarily administered by the Department of Healthcare and
13 Family Services.

14 (5) The Offices of the several United States Attorneys
15 in Illinois.

16 (6) The several State's Attorneys.

17 (7) The offices of the Centers for Medicare and
18 Medicaid Services that administer the Medicare and
19 Medicaid integrity programs.

20 The Inspector General shall meet on a regular basis with
21 these entities to share information regarding possible
22 misconduct by any persons or entities involved with the public
23 aid programs administered by the Department of Healthcare and
24 Family Services.

25 (e) All investigations conducted by the Inspector General
26 shall be conducted in a manner that ensures the preservation of

1 evidence for use in criminal prosecutions. If the Inspector
2 General determines that a possible criminal act relating to
3 fraud in the provision or administration of the medical
4 assistance program has been committed, the Inspector General
5 shall immediately notify the Medicaid Fraud Control Unit. If
6 the Inspector General determines that a possible criminal act
7 has been committed within the jurisdiction of the Office, the
8 Inspector General may request the special expertise of the
9 Department of State Police. The Inspector General may present
10 for prosecution the findings of any criminal investigation to
11 the Office of the Attorney General, the Offices of the several
12 United States Attorneys in Illinois or the several State's
13 Attorneys.

14 (f) To carry out his or her duties as described in this
15 Section, the Inspector General and his or her designees shall
16 have the power to compel by subpoena the attendance and
17 testimony of witnesses and the production of books, electronic
18 records and papers as directly related to public assistance
19 programs administered by the Department of Healthcare and
20 Family Services or the Department of Human Services (as
21 successor to the Department of Public Aid). No medical provider
22 shall be compelled, however, to provide individual medical
23 records of patients who are not clients of the Medical
24 Assistance Program.

25 (g) The Inspector General shall report all convictions,
26 terminations, and suspensions taken against vendors,

1 contractors and medical providers to the Department of
2 Healthcare and Family Services and to any agency responsible
3 for licensing or regulating those persons or entities.

4 (h) The Inspector General shall make annual reports,
5 findings, and recommendations regarding the Office's
6 investigations into reports of fraud, waste, abuse,
7 mismanagement, or misconduct relating to any programs
8 administered by the Department of Healthcare and Family
9 Services or the Department of Human Services (as successor to
10 the Department of Public Aid) to the General Assembly and the
11 Governor. These reports shall include, but not be limited to,
12 the following information:

13 (1) Aggregate provider billing and payment
14 information, including the number of providers at various
15 Medicaid earning levels.

16 (2) The number of audits of the medical assistance
17 program and the dollar savings resulting from those audits.

18 (3) The number of prescriptions rejected annually
19 under the Department of Healthcare and Family Services'
20 Refill Too Soon program and the dollar savings resulting
21 from that program.

22 (4) Provider sanctions, in the aggregate, including
23 terminations and suspensions.

24 (5) A detailed summary of the investigations
25 undertaken in the previous fiscal year. These summaries
26 shall comply with all laws and rules regarding maintaining

1 confidentiality in the public aid programs.

2 (i) Nothing in this Section shall limit investigations by
3 the Department of Healthcare and Family Services or the
4 Department of Human Services that may otherwise be required by
5 law or that may be necessary in their capacity as the central
6 administrative authorities responsible for administration of
7 their agency's programs in this State.

8 (j) The Inspector General may issue shields or other
9 distinctive identification to his or her employees not
10 exercising the powers of a peace officer if the Inspector
11 General determines that a shield or distinctive identification
12 is needed by an employee to carry out his or her
13 responsibilities.

14 (Source: P.A. 97-689, eff. 6-14-12; 98-8, eff. 5-3-13.)".