**Section 140.16 Termination, Suspension or Exclusion of a Vendor's Eligibility to Participate in the Medical Assistance Program**

a) The Department may terminate or suspend a vendor's eligibility to participate in the Medical Assistance Program, terminate or not renew a vendor's provider agreement, or exclude a person or entity from participation in the Medical Assistance Program, when it determines that, at any time:

1) The vendor is not complying with the Department's policy or rules, or with the terms and conditions prescribed by the Department in any vendor agreement developed as a result of negotiations with the vendor category, or with the covenants contained in certifications bearing the vendor's signature on claims submitted to the Department by the vendor, or with restrictions on participation imposed pursuant to Section 140.32;

2) The vendor, person or entity is not properly licensed, certified, authorized or otherwise qualified, or the vendor person's or entity's professional license, certificate or other authorization has not been renewed or has been restricted, revoked, suspended or otherwise terminated as determined by the appropriate licensing, certifying or authorizing agency. The termination, suspension or exclusion shall be immediately effective;

3) The vendor violates records requirements as set forth in statute or Department rules, provider handbooks or policies.

A) The vendor has failed to keep or timely make available for inspection, audit or copying (including photocopying), after receiving a written request from the Department:

i) records required to be maintained by the Department or necessary to fully and completely disclose the extent of the services or supplies provided; or

ii) full and complete records required to be maintained by the Department regarding payments claimed for providing services.

B) This subsection (a)(3) does not require vendors to make available medical records of patients for whom services are not reimbursed under the Illinois Public Aid Code;

4) The vendor has failed to furnish any information requested by the Department regarding payments for providing goods or services, or has failed to furnish all information required by the Department in connection with the rendering of services or supplies to recipients of public assistance by the vendor or his or her agent, employer or employee;

5) The vendor has knowingly made, or caused to be made, any false statement or representation of a material fact in connection with the administration of the Medical Assistance Program. For purposes of this subsection (a)(5), statements or representations made "knowingly" shall include statements or representations made with actual knowledge that they were false as well as those statements made when the individual making the statement had knowledge of such facts or information as would cause one to be aware that the statements or representations were false when made;

6) The vendor has submitted claims for services or supplies that were not rendered or delivered by that vendor;

7) The vendor has furnished goods or services to a recipient that, when based upon competent medical judgment and evaluation, are determined to be:

A) in excess of needs;

B) harmful (for the purpose of this subsection (a)(7)(B), "harmful" goods or services cause actual harm as defined in Section 140.13 or place an individual at risk of harm, or of adverse side effects, that outweigh the medical benefits sought); or

C) of grossly inferior quality;

8) The vendor knew or should have known that a person with management responsibility for a vendor, an officer or person owning (directly or indirectly) 5% or more of the shares of stock or other evidences of ownership in a corporate vendor, an investor in the vendor, a technical or other advisor of the vendor, an owner of a sole proprietorship that is a vendor, or a partner in a partnership that is a vendor was previously terminated, suspended, excluded or barred from participation in the Medical Assistance Program, or in another state or federal medical assistance or health care program;

9) The vendor has a delinquent debt owed to the Department;

10) The vendor engaged in practices prohibited by federal or State law or regulation.

A) The vendor, a person with management responsibility for a vendor, an officer or person owning (directly or indirectly) 5% or more of the shares of stock or other evidences of ownership in a corporate or limited liability company vendor, an owner of a sole proprietorship that is a vendor, or a partner in a partnership that is a vendor, either:

i) has engaged in practices prohibited by applicable federal or State law or regulation; or

ii) was a person with management responsibility for a vendor at the time that the vendor engaged in practices prohibited by applicable federal or State law or regulation; or

iii) was an officer, or person owning (directly or indirectly) 5% or more of the shares of stock or other evidences of ownership in a vendor at the time the vendor engaged in practices prohibited by applicable federal or State law or regulation; or

iv) was an owner of a sole proprietorship or partner of a partnership that was a vendor at the time the vendor engaged in practices prohibited by applicable federal or State law or regulation;

B) For purposes of this subsection (a)(10), "applicable federal or State law or regulation" includes, but is not limited to, licensing or certification standards contained in State or federal law or regulations related to the Medical Assistance Program, any other licensing standards as they relate to the vendor's practice or business or any federal or State laws or regulations related to the Medical Assistance Program;

C) For purposes of this subsection (a)(10), conviction or a plea of guilty to activities violative of applicable federal or State law or regulation shall be conclusive proof that those activities were engaged in;

11) The vendor, a person with management responsibility for a vendor, an officer or person owning (directly or indirectly) 5% or more of the shares of stock or other evidences of ownership in a corporate vendor, an owner of a sole proprietorship that is a vendor, or a partner in a partnership that is a vendor has been convicted in this or any other State, or in any Federal Court, of any offense not related to the Medical Assistance Program, if the offense constitutes grounds for disciplinary action under the licensing Act applicable to that individual or vendor;

12) The vendor, a person with management responsibility for a vendor, an officer or person owning (directly or indirectly) 5% or more of the shares of stock or other evidences of ownership in a corporate vendor, an owner of a sole proprietorship that is a vendor, or partner in a partnership that is a vendor has been convicted in this or any other state, or in any Federal Court, of:

A) murder;

B) a Class X felony under the Illinois Criminal Code of 1961;

C) sexual misconduct that may subject recipients to an undue risk of harm;

D) a criminal offense that may subject recipients to an undue risk of harm;

E) a crime of fraud or dishonesty;

F) a crime involving a controlled substance;

G) a misdemeanor relating to fraud, theft, embezzlement or breach of fiduciary responsibility; or

H) other financial misconduct related to a health care program.

13) The direct or indirect ownership of the terminated, suspended or excluded vendor (including the ownership of a vendor that is a sole proprietorship, a partner's interest in a vendor that is a partnership, or ownership of 5% or more of the shares of stock or other evidences of ownership in a corporate vendor) has been transferred by an individual to the individual's spouse, child, brother, sister, parent, grandparent, grandchild, uncle, aunt, niece, nephew, cousin or relative by marriage.

b) The Department may suspend a vendor's eligibility to participate in the Medical Assistance Program if the vendor is not in compliance with State income tax requirements, child support payments in accordance with Article X of the Illinois Public Aid Code, or educational loans guaranteed by the Illinois Student Assistance Commission. The vendor may prevent suspension of eligibility by payment of past-due amounts in full or by entering into payment arrangements acceptable to the appropriate State agency.

c) The Department may terminate, suspend or exclude vendors who pose a risk of fraud, waste, abuse or harm, as defined in Section 140.13, from participation in the Medical Assistance Program.

(Source: Amended at 38 Ill. Reg. 15081, effective July 2, 2014)