



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB3068

Introduced 1/20/2006, by Sen. Dale E. Risinger

SYNOPSIS AS INTRODUCED:

305 ILCS 5/12-4.25

from Ch. 23, par. 12-4.25

Amends the Illinois Public Aid Code. Provides that the Department of Healthcare and Family Services may not recover any overpayment or money improperly or erroneously paid under the Medicaid program to the extent that the overpayment or improper or erroneous payment was to a long-term care facility and resulted from the failure of personnel in a County Department of Public Aid office or local office of the Department of Human Services to document the income of residents of the facility for the purpose of adjusting the amounts paid by the Department of Healthcare and Family Services (formerly the Department of Public Aid) to the facility for services provided to those residents. Effective immediately.

LRB094 19163 DRJ 54695 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by
5 changing Section 12-4.25 as follows:

6 (305 ILCS 5/12-4.25) (from Ch. 23, par. 12-4.25)

7 Sec. 12-4.25. Medical assistance program; vendor
8 participation.

9 (A) The Illinois Department may deny, suspend or terminate
10 the eligibility of any person, firm, corporation, association,
11 agency, institution or other legal entity to participate as a
12 vendor of goods or services to recipients under the medical
13 assistance program under Article V, if after reasonable notice
14 and opportunity for a hearing the Illinois Department finds:

15 (a) Such vendor is not complying with the Department's
16 policy or rules and regulations, or with the terms and
17 conditions prescribed by the Illinois Department in its
18 vendor agreement, which document shall be developed by the
19 Department as a result of negotiations with each vendor
20 category, including physicians, hospitals, long term care
21 facilities, pharmacists, optometrists, podiatrists and
22 dentists setting forth the terms and conditions applicable
23 to the participation of each vendor group in the program;
24 or

25 (b) Such vendor has failed to keep or make available
26 for inspection, audit or copying, after receiving a written
27 request from the Illinois Department, such records
28 regarding payments claimed for providing services. This
29 section does not require vendors to make available patient
30 records of patients for whom services are not reimbursed
31 under this Code; or

32 (c) Such vendor has failed to furnish any information

1 requested by the Department regarding payments for
2 providing goods or services; or

3 (d) Such vendor has knowingly made, or caused to be
4 made, any false statement or representation of a material
5 fact in connection with the administration of the medical
6 assistance program; or

7 (e) Such vendor has furnished goods or services to a
8 recipient which are (1) in excess of his or her needs, (2)
9 harmful to the recipient, or (3) of grossly inferior
10 quality, all of such determinations to be based upon
11 competent medical judgment and evaluations; or

12 (f) The vendor; a person with management
13 responsibility for a vendor; an officer or person owning,
14 either directly or indirectly, 5% or more of the shares of
15 stock or other evidences of ownership in a corporate
16 vendor; an owner of a sole proprietorship which is a
17 vendor; or a partner in a partnership which is a vendor,
18 either:

19 (1) was previously terminated from participation
20 in the Illinois medical assistance program, or was
21 terminated from participation in a medical assistance
22 program in another state that is of the same kind as
23 the program of medical assistance provided under
24 Article V of this Code; or

25 (2) was a person with management responsibility
26 for a vendor previously terminated from participation
27 in the Illinois medical assistance program, or
28 terminated from participation in a medical assistance
29 program in another state that is of the same kind as
30 the program of medical assistance provided under
31 Article V of this Code, during the time of conduct
32 which was the basis for that vendor's termination; or

33 (3) was an officer, or person owning, either
34 directly or indirectly, 5% or more of the shares of
35 stock or other evidences of ownership in a corporate
36 vendor previously terminated from participation in the

1 Illinois medical assistance program, or terminated
2 from participation in a medical assistance program in
3 another state that is of the same kind as the program
4 of medical assistance provided under Article V of this
5 Code, during the time of conduct which was the basis
6 for that vendor's termination; or

7 (4) was an owner of a sole proprietorship or
8 partner of a partnership previously terminated from
9 participation in the Illinois medical assistance
10 program, or terminated from participation in a medical
11 assistance program in another state that is of the same
12 kind as the program of medical assistance provided
13 under Article V of this Code, during the time of
14 conduct which was the basis for that vendor's
15 termination; or

16 (g) The vendor; a person with management
17 responsibility for a vendor; an officer or person owning,
18 either directly or indirectly, 5% or more of the shares of
19 stock or other evidences of ownership in a corporate
20 vendor; an owner of a sole proprietorship which is a
21 vendor; or a partner in a partnership which is a vendor,
22 either:

23 (1) has engaged in practices prohibited by
24 applicable federal or State law or regulation relating
25 to the medical assistance program; or

26 (2) was a person with management responsibility
27 for a vendor at the time that such vendor engaged in
28 practices prohibited by applicable federal or State
29 law or regulation relating to the medical assistance
30 program; or

31 (3) was an officer, or person owning, either
32 directly or indirectly, 5% or more of the shares of
33 stock or other evidences of ownership in a vendor at
34 the time such vendor engaged in practices prohibited by
35 applicable federal or State law or regulation relating
36 to the medical assistance program; or

1 (4) was an owner of a sole proprietorship or
2 partner of a partnership which was a vendor at the time
3 such vendor engaged in practices prohibited by
4 applicable federal or State law or regulation relating
5 to the medical assistance program; or

6 (h) The direct or indirect ownership of the vendor
7 (including the ownership of a vendor that is a sole
8 proprietorship, a partner's interest in a vendor that is a
9 partnership, or ownership of 5% or more of the shares of
10 stock or other evidences of ownership in a corporate
11 vendor) has been transferred by an individual who is
12 terminated or barred from participating as a vendor to the
13 individual's spouse, child, brother, sister, parent,
14 grandparent, grandchild, uncle, aunt, niece, nephew,
15 cousin, or relative by marriage.

16 (A-5) The Illinois Department may deny, suspend, or
17 terminate the eligibility of any person, firm, corporation,
18 association, agency, institution, or other legal entity to
19 participate as a vendor of goods or services to recipients
20 under the medical assistance program under Article V if, after
21 reasonable notice and opportunity for a hearing, the Illinois
22 Department finds that the vendor; a person with management
23 responsibility for a vendor; an officer or person owning,
24 either directly or indirectly, 5% or more of the shares of
25 stock or other evidences of ownership in a corporate vendor; an
26 owner of a sole proprietorship that is a vendor; or a partner
27 in a partnership that is a vendor has been convicted of a
28 felony offense based on fraud or willful misrepresentation
29 related to any of the following:

30 (1) The medical assistance program under Article V of
31 this Code.

32 (2) A medical assistance program in another state that
33 is of the same kind as the program of medical assistance
34 provided under Article V of this Code.

35 (3) The Medicare program under Title XVIII of the
36 Social Security Act.

1 (4) The provision of health care services.

2 (B) The Illinois Department shall deny, suspend or
3 terminate the eligibility of any person, firm, corporation,
4 association, agency, institution or other legal entity to
5 participate as a vendor of goods or services to recipients
6 under the medical assistance program under Article V:

7 (1) if such vendor is not properly licensed;

8 (2) within 30 days of the date when such vendor's
9 professional license, certification or other authorization
10 has been refused renewal or has been revoked, suspended or
11 otherwise terminated; or

12 (3) if such vendor has been convicted of a violation of
13 this Code, as provided in Article VIII A.

14 (C) Upon termination of a vendor of goods or services from
15 participation in the medical assistance program authorized by
16 this Article, a person with management responsibility for such
17 vendor during the time of any conduct which served as the basis
18 for that vendor's termination is barred from participation in
19 the medical assistance program.

20 Upon termination of a corporate vendor, the officers and
21 persons owning, directly or indirectly, 5% or more of the
22 shares of stock or other evidences of ownership in the vendor
23 during the time of any conduct which served as the basis for
24 that vendor's termination are barred from participation in the
25 medical assistance program. A person who owns, directly or
26 indirectly, 5% or more of the shares of stock or other
27 evidences of ownership in a terminated corporate vendor may not
28 transfer his or her ownership interest in that vendor to his or
29 her spouse, child, brother, sister, parent, grandparent,
30 grandchild, uncle, aunt, niece, nephew, cousin, or relative by
31 marriage.

32 Upon termination of a sole proprietorship or partnership,
33 the owner or partners during the time of any conduct which
34 served as the basis for that vendor's termination are barred
35 from participation in the medical assistance program. The owner
36 of a terminated vendor that is a sole proprietorship, and a

1 partner in a terminated vendor that is a partnership, may not
2 transfer his or her ownership or partnership interest in that
3 vendor to his or her spouse, child, brother, sister, parent,
4 grandparent, grandchild, uncle, aunt, niece, nephew, cousin,
5 or relative by marriage.

6 Rules adopted by the Illinois Department to implement these
7 provisions shall specifically include a definition of the term
8 "management responsibility" as used in this Section. Such
9 definition shall include, but not be limited to, typical job
10 titles, and duties and descriptions which will be considered as
11 within the definition of individuals with management
12 responsibility for a provider.

13 (D) If a vendor has been suspended from the medical
14 assistance program under Article V of the Code, the Director
15 may require that such vendor correct any deficiencies which
16 served as the basis for the suspension. The Director shall
17 specify in the suspension order a specific period of time,
18 which shall not exceed one year from the date of the order,
19 during which a suspended vendor shall not be eligible to
20 participate. At the conclusion of the period of suspension the
21 Director shall reinstate such vendor, unless he finds that such
22 vendor has not corrected deficiencies upon which the suspension
23 was based.

24 If a vendor has been terminated from the medical assistance
25 program under Article V, such vendor shall be barred from
26 participation for at least one year, except that if a vendor
27 has been terminated based on a conviction of a violation of
28 Article VIII A or a conviction of a felony based on fraud or a
29 willful misrepresentation related to (i) the medical
30 assistance program under Article V, (ii) a medical assistance
31 program in another state that is of the kind provided under
32 Article V, (iii) the Medicare program under Title XVIII of the
33 Social Security Act, or (iv) the provision of health care
34 services, then the vendor shall be barred from participation
35 for 5 years or for the length of the vendor's sentence for that
36 conviction, whichever is longer. At the end of one year a

1 vendor who has been terminated may apply for reinstatement to
2 the program. Upon proper application to be reinstated such
3 vendor may be deemed eligible by the Director providing that
4 such vendor meets the requirements for eligibility under this
5 Code. If such vendor is deemed not eligible for reinstatement,
6 he shall be barred from again applying for reinstatement for
7 one year from the date his application for reinstatement is
8 denied.

9 A vendor whose termination from participation in the
10 Illinois medical assistance program under Article V was based
11 solely on an action by a governmental entity other than the
12 Illinois Department may, upon reinstatement by that
13 governmental entity or upon reversal of the termination, apply
14 for rescission of the termination from participation in the
15 Illinois medical assistance program. Upon proper application
16 for rescission, the vendor may be deemed eligible by the
17 Director if the vendor meets the requirements for eligibility
18 under this Code.

19 If a vendor has been terminated and reinstated to the
20 medical assistance program under Article V and the vendor is
21 terminated a second or subsequent time from the medical
22 assistance program, the vendor shall be barred from
23 participation for at least 2 years, except that if a vendor has
24 been terminated a second time based on a conviction of a
25 violation of Article VIIIA or a conviction of a felony based on
26 fraud or a willful misrepresentation related to (i) the medical
27 assistance program under Article V, (ii) a medical assistance
28 program in another state that is of the kind provided under
29 Article V, (iii) the Medicare program under Title XVIII of the
30 Social Security Act, or (iv) the provision of health care
31 services, then the vendor shall be barred from participation
32 for life. At the end of 2 years, a vendor who has been
33 terminated may apply for reinstatement to the program. Upon
34 application to be reinstated, the vendor may be deemed eligible
35 if the vendor meets the requirements for eligibility under this
36 Code. If the vendor is deemed not eligible for reinstatement,

1 the vendor shall be barred from again applying for
2 reinstatement for 2 years from the date the vendor's
3 application for reinstatement is denied.

4 (E) The Illinois Department may recover money improperly or
5 erroneously paid, or overpayments, either by setoff, crediting
6 against future billings or by requiring direct repayment to the
7 Illinois Department.

8 If the Illinois Department ~~of Public Aid~~ establishes
9 through an administrative hearing that the overpayments
10 resulted from the vendor or alternate payee willfully making,
11 or causing to be made, a false statement or misrepresentation
12 of a material fact in connection with billings and payments
13 under the medical assistance program under Article V, the
14 Department may recover interest on the amount of the
15 overpayments at the rate of 5% per annum. For purposes of this
16 paragraph, "willfully" means that a person makes a statement or
17 representation with actual knowledge that it was false, or
18 makes a statement or representation with knowledge of facts or
19 information that would cause one to be aware that the statement
20 or representation was false when made.

21 Notwithstanding any other provision of this subsection
22 (E), the Department of Healthcare and Family Services may not
23 recover any overpayment or money improperly or erroneously paid
24 to the extent that the overpayment or improper or erroneous
25 payment was to a long-term care facility and resulted from the
26 failure of personnel in a County Department of Public Aid
27 office or local office of the Department of Human Services to
28 document the income of residents of the facility for the
29 purpose of adjusting the amounts paid by the Department of
30 Healthcare and Family Services (formerly Department of Public
31 Aid) to the facility for services provided to those residents.

32 (F) The Illinois Department may withhold payments to any
33 vendor or alternate payee during the pendency of any proceeding
34 under this Section. The Illinois Department shall state by rule
35 with as much specificity as practicable the conditions under
36 which payments will not be withheld during the pendency of any

1 proceeding under this Section. Payments may be denied for bills
2 submitted with service dates occurring during the pendency of a
3 proceeding where the final administrative decision is to
4 terminate eligibility to participate in the medical assistance
5 program. The Illinois Department shall state by rule with as
6 much specificity as practicable the conditions under which
7 payments will not be denied for such bills. The Illinois
8 Department ~~of Public Aid~~ shall state by rule a process and
9 criteria by which a vendor or alternate payee may request full
10 or partial release of payments withheld under this subsection.
11 The Department must complete a proceeding under this Section in
12 a timely manner.

13 (F-5) The Illinois Department may temporarily withhold
14 payments to a vendor or alternate payee if any of the following
15 individuals have been indicted or otherwise charged under a law
16 of the United States or this or any other state with a felony
17 offense that is based on alleged fraud or willful
18 misrepresentation on the part of the individual related to (i)
19 the medical assistance program under Article V of this Code,
20 (ii) a medical assistance program provided in another state
21 which is of the kind provided under Article V of this Code,
22 (iii) the Medicare program under Title XVIII of the Social
23 Security Act, or (iv) the provision of health care services:

24 (1) If the vendor or alternate payee is a corporation:
25 an officer of the corporation or an individual who owns,
26 either directly or indirectly, 5% or more of the shares of
27 stock or other evidence of ownership of the corporation.

28 (2) If the vendor is a sole proprietorship: the owner
29 of the sole proprietorship.

30 (3) If the vendor or alternate payee is a partnership:
31 a partner in the partnership.

32 (4) If the vendor or alternate payee is any other
33 business entity authorized by law to transact business in
34 this State: an officer of the entity or an individual who
35 owns, either directly or indirectly, 5% or more of the
36 evidences of ownership of the entity.

1 If the Illinois Department withholds payments to a vendor
2 or alternate payee under this subsection, the Department shall
3 not release those payments to the vendor or alternate payee
4 while any criminal proceeding related to the indictment or
5 charge is pending unless the Department determines that there
6 is good cause to release the payments before completion of the
7 proceeding. If the indictment or charge results in the
8 individual's conviction, the Illinois Department shall retain
9 all withheld payments, which shall be considered forfeited to
10 the Department. If the indictment or charge does not result in
11 the individual's conviction, the Illinois Department shall
12 release to the vendor or alternate payee all withheld payments.

13 (G) The provisions of the Administrative Review Law, as now
14 or hereafter amended, and the rules adopted pursuant thereto,
15 shall apply to and govern all proceedings for the judicial
16 review of final administrative decisions of the Illinois
17 Department under this Section. The term "administrative
18 decision" is defined as in Section 3-101 of the Code of Civil
19 Procedure.

20 (G-5) Non-emergency transportation.

21 (1) Notwithstanding any other provision in this
22 Section, for non-emergency transportation vendors, the
23 Department may terminate the vendor from participation in
24 the medical assistance program prior to an evidentiary
25 hearing but after reasonable notice and opportunity to
26 respond as established by the Department by rule.

27 (2) Vendors of non-emergency medical transportation
28 services, as defined by the Department by rule, shall
29 submit to a fingerprint-based criminal background check on
30 current and future information available in the State
31 system and current information available through the
32 Federal Bureau of Investigation's system by submitting all
33 necessary fees and information in the form and manner
34 prescribed by the Department of State Police. The following
35 individuals shall be subject to the check:

36 (A) In the case of a vendor that is a corporation,

1 every shareholder who owns, directly or indirectly, 5%
2 or more of the outstanding shares of the corporation.

3 (B) In the case of a vendor that is a partnership,
4 every partner.

5 (C) In the case of a vendor that is a sole
6 proprietorship, the sole proprietor.

7 (D) Each officer or manager of the vendor.

8 Each such vendor shall be responsible for payment of
9 the cost of the criminal background check.

10 (3) Vendors of non-emergency medical transportation
11 services may be required to post a surety bond. The
12 Department shall establish, by rule, the criteria and
13 requirements for determining when a surety bond must be
14 posted and the value of the bond.

15 (4) The Department, or its agents, may refuse to accept
16 requests for non-emergency transportation authorizations,
17 including prior-approval and post-approval requests, for a
18 specific non-emergency transportation vendor if:

19 (A) the Department has initiated a notice of
20 termination of the vendor from participation in the
21 medical assistance program; or

22 (B) the Department has issued notification of its
23 withholding of payments pursuant to subsection (F-5)
24 of this Section; or

25 (C) the Department has issued a notification of its
26 withholding of payments due to reliable evidence of
27 fraud or willful misrepresentation pending
28 investigation.

29 (H) Nothing contained in this Code shall in any way limit
30 or otherwise impair the authority or power of any State agency
31 responsible for licensing of vendors.

32 (I) Based on a finding of noncompliance on the part of a
33 nursing home with any requirement for certification under Title
34 XVIII or XIX of the Social Security Act (42 U.S.C. Sec. 1395 et
35 seq. or 42 U.S.C. Sec. 1396 et seq.), the Illinois Department
36 may impose one or more of the following remedies after notice

1 to the facility:

2 (1) Termination of the provider agreement.

3 (2) Temporary management.

4 (3) Denial of payment for new admissions.

5 (4) Civil money penalties.

6 (5) Closure of the facility in emergency situations or
7 transfer of residents, or both.

8 (6) State monitoring.

9 (7) Denial of all payments when the Health Care Finance
10 Administration has imposed this sanction.

11 The Illinois Department shall by rule establish criteria
12 governing continued payments to a nursing facility subsequent
13 to termination of the facility's provider agreement if, in the
14 sole discretion of the Illinois Department, circumstances
15 affecting the health, safety, and welfare of the facility's
16 residents require those continued payments. The Illinois
17 Department may condition those continued payments on the
18 appointment of temporary management, sale of the facility to
19 new owners or operators, or other arrangements that the
20 Illinois Department determines best serve the needs of the
21 facility's residents.

22 Except in the case of a facility that has a right to a
23 hearing on the finding of noncompliance before an agency of the
24 federal government, a facility may request a hearing before a
25 State agency on any finding of noncompliance within 60 days
26 after the notice of the intent to impose a remedy. Except in
27 the case of civil money penalties, a request for a hearing
28 shall not delay imposition of the penalty. The choice of
29 remedies is not appealable at a hearing. The level of
30 noncompliance may be challenged only in the case of a civil
31 money penalty. The Illinois Department shall provide by rule
32 for the State agency that will conduct the evidentiary
33 hearings.

34 The Illinois Department may collect interest on unpaid
35 civil money penalties.

36 The Illinois Department may adopt all rules necessary to

1 implement this subsection (I).

2 (J) The Illinois Department, by rule, may permit individual
3 practitioners to designate that Department payments that may be
4 due the practitioner be made to an alternate payee or alternate
5 payees.

6 (a) Such alternate payee or alternate payees shall be
7 required to register as an alternate payee in the Medical
8 Assistance Program with the Illinois Department.

9 (b) If a practitioner designates an alternate payee,
10 the alternate payee and practitioner shall be jointly and
11 severally liable to the Department for payments made to the
12 alternate payee. Pursuant to subsection (E) of this
13 Section, any Department action to recover money or
14 overpayments from an alternate payee shall be subject to an
15 administrative hearing.

16 (c) Registration as an alternate payee or alternate
17 payees in the Illinois Medical Assistance Program shall be
18 conditional. At any time, the Illinois Department may deny
19 or cancel any alternate payee's registration in the
20 Illinois Medical Assistance Program without cause. Any
21 such denial or cancellation is not subject to an
22 administrative hearing.

23 (d) The Illinois Department may seek a revocation of
24 any alternate payee, and all owners, officers, and
25 individuals with management responsibility for such
26 alternate payee shall be permanently prohibited from
27 participating as an owner, an officer, or an individual
28 with management responsibility with an alternate payee in
29 the Illinois Medical Assistance Program, if after
30 reasonable notice and opportunity for a hearing the
31 Illinois Department finds that:

32 (1) the alternate payee is not complying with the
33 Department's policy or rules and regulations, or with
34 the terms and conditions prescribed by the Illinois
35 Department in its alternate payee registration
36 agreement; or

1 (2) the alternate payee has failed to keep or make
2 available for inspection, audit, or copying, after
3 receiving a written request from the Illinois
4 Department, such records regarding payments claimed as
5 an alternate payee; or

6 (3) the alternate payee has failed to furnish any
7 information requested by the Illinois Department
8 regarding payments claimed as an alternate payee; or

9 (4) the alternate payee has knowingly made, or
10 caused to be made, any false statement or
11 representation of a material fact in connection with
12 the administration of the Illinois Medical Assistance
13 Program; or

14 (5) the alternate payee, a person with management
15 responsibility for an alternate payee, an officer or
16 person owning, either directly or indirectly, 5% or
17 more of the shares of stock or other evidences of
18 ownership in a corporate alternate payee, or a partner
19 in a partnership which is an alternate payee:

20 (a) was previously terminated from
21 participation as a vendor in the Illinois Medical
22 Assistance Program, or was previously revoked as
23 an alternate payee in the Illinois Medical
24 Assistance Program, or was terminated from
25 participation as a vendor in a medical assistance
26 program in another state that is of the same kind
27 as the program of medical assistance provided
28 under Article V of this Code; or

29 (b) was a person with management
30 responsibility for a vendor previously terminated
31 from participation as a vendor in the Illinois
32 Medical Assistance Program, or was previously
33 revoked as an alternate payee in the Illinois
34 Medical Assistance Program, or was terminated from
35 participation as a vendor in a medical assistance
36 program in another state that is of the same kind

1 as the program of medical assistance provided
2 under Article V of this Code, during the time of
3 conduct which was the basis for that vendor's
4 termination or alternate payee's revocation; or

5 (c) was an officer, or person owning, either
6 directly or indirectly, 5% or more of the shares of
7 stock or other evidences of ownership in a
8 corporate vendor previously terminated from
9 participation as a vendor in the Illinois Medical
10 Assistance Program, or was previously revoked as
11 an alternate payee in the Illinois Medical
12 Assistance Program, or was terminated from
13 participation as a vendor in a medical assistance
14 program in another state that is of the same kind
15 as the program of medical assistance provided
16 under Article V of this Code, during the time of
17 conduct which was the basis for that vendor's
18 termination; or

19 (d) was an owner of a sole proprietorship or
20 partner in a partnership previously terminated
21 from participation as a vendor in the Illinois
22 Medical Assistance Program, or was previously
23 revoked as an alternate payee in the Illinois
24 Medical Assistance Program, or was terminated from
25 participation as a vendor in a medical assistance
26 program in another state that is of the same kind
27 as the program of medical assistance provided
28 under Article V of this Code, during the time of
29 conduct which was the basis for that vendor's
30 termination or alternate payee's revocation; or

31 (6) the alternate payee, a person with management
32 responsibility for an alternate payee, an officer or
33 person owning, either directly or indirectly, 5% or
34 more of the shares of stock or other evidences of
35 ownership in a corporate alternate payee, or a partner
36 in a partnership which is an alternate payee:

1 (a) has engaged in conduct prohibited by
2 applicable federal or State law or regulation
3 relating to the Illinois Medical Assistance
4 Program; or

5 (b) was a person with management
6 responsibility for a vendor or alternate payee at
7 the time that the vendor or alternate payee engaged
8 in practices prohibited by applicable federal or
9 State law or regulation relating to the Illinois
10 Medical Assistance Program; or

11 (c) was an officer, or person owning, either
12 directly or indirectly, 5% or more of the shares of
13 stock or other evidences of ownership in a vendor
14 or alternate payee at the time such vendor or
15 alternate payee engaged in practices prohibited by
16 applicable federal or State law or regulation
17 relating to the Illinois Medical Assistance
18 Program; or

19 (d) was an owner of a sole proprietorship or
20 partner in a partnership which was a vendor or
21 alternate payee at the time such vendor or
22 alternate payee engaged in practices prohibited by
23 applicable federal or State law or regulation
24 relating to the Illinois Medical Assistance
25 Program; or

26 (7) the direct or indirect ownership of the vendor
27 or alternate payee (including the ownership of a vendor
28 or alternate payee that is a partner's interest in a
29 vendor or alternate payee, or ownership of 5% or more
30 of the shares of stock or other evidences of ownership
31 in a corporate vendor or alternate payee) has been
32 transferred by an individual who is terminated or
33 barred from participating as a vendor or is prohibited
34 or revoked as an alternate payee to the individual's
35 spouse, child, brother, sister, parent, grandparent,
36 grandchild, uncle, aunt, niece, nephew, cousin, or

1 relative by marriage.

2 (Source: P.A. 94-265, eff. 1-1-06; revised 12-15-05.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.