



Rep. Kelly M. Cassidy

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LRB097 15631 KTG 68774 a

1 AMENDMENT TO SENATE BILL 2840

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2840 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Aid Code is amended by  
5 changing Sections 5-5, 11-13, 11-26, 12-4.25, and 12-13.1 as  
6 follows:

7 (305 ILCS 5/5-5) (from Ch. 23, par. 5-5)

8 Sec. 5-5. Medical services. The Illinois Department, by  
9 rule, shall determine the quantity and quality of and the rate  
10 of reimbursement for the medical assistance for which payment  
11 will be authorized, and the medical services to be provided,  
12 which may include all or part of the following: (1) inpatient  
13 hospital services; (2) outpatient hospital services; (3) other  
14 laboratory and X-ray services; (4) skilled nursing home  
15 services; (5) physicians' services whether furnished in the  
16 office, the patient's home, a hospital, a skilled nursing home,

1 or elsewhere; (6) medical care, or any other type of remedial  
2 care furnished by licensed practitioners; (7) home health care  
3 services; (8) private duty nursing service; (9) clinic  
4 services; (10) dental services, including prevention and  
5 treatment of periodontal disease and dental caries disease for  
6 pregnant women, provided by an individual licensed to practice  
7 dentistry or dental surgery; for purposes of this item (10),  
8 "dental services" means diagnostic, preventive, or corrective  
9 procedures provided by or under the supervision of a dentist in  
10 the practice of his or her profession; (11) physical therapy  
11 and related services; (12) prescribed drugs, dentures, and  
12 prosthetic devices; and eyeglasses prescribed by a physician  
13 skilled in the diseases of the eye, or by an optometrist,  
14 whichever the person may select; (13) other diagnostic,  
15 screening, preventive, and rehabilitative services, for  
16 children and adults; (14) transportation and such other  
17 expenses as may be necessary; (15) medical treatment of sexual  
18 assault survivors, as defined in Section 1a of the Sexual  
19 Assault Survivors Emergency Treatment Act, for injuries  
20 sustained as a result of the sexual assault, including  
21 examinations and laboratory tests to discover evidence which  
22 may be used in criminal proceedings arising from the sexual  
23 assault; (16) the diagnosis and treatment of sickle cell  
24 anemia; and (17) any other medical care, and any other type of  
25 remedial care recognized under the laws of this State, but not  
26 including abortions, or induced miscarriages or premature

1 births, unless, in the opinion of a physician, such procedures  
2 are necessary for the preservation of the life of the woman  
3 seeking such treatment, or except an induced premature birth  
4 intended to produce a live viable child and such procedure is  
5 necessary for the health of the mother or her unborn child. The  
6 Illinois Department, by rule, shall prohibit any physician from  
7 providing medical assistance to anyone eligible therefor under  
8 this Code where such physician has been found guilty of  
9 performing an abortion procedure in a wilful and wanton manner  
10 upon a woman who was not pregnant at the time such abortion  
11 procedure was performed. The term "any other type of remedial  
12 care" shall include nursing care and nursing home service for  
13 persons who rely on treatment by spiritual means alone through  
14 prayer for healing.

15 Notwithstanding any other provision of this Section, a  
16 comprehensive tobacco use cessation program that includes  
17 purchasing prescription drugs or prescription medical devices  
18 approved by the Food and Drug Administration shall be covered  
19 under the medical assistance program under this Article for  
20 persons who are otherwise eligible for assistance under this  
21 Article.

22 Notwithstanding any other provision of this Code, the  
23 Illinois Department may not require, as a condition of payment  
24 for any laboratory test authorized under this Article, that a  
25 physician's handwritten signature appear on the laboratory  
26 test order form. The Illinois Department may, however, impose

1 other appropriate requirements regarding laboratory test order  
2 documentation.

3 The Department of Healthcare and Family Services shall  
4 provide the following services to persons eligible for  
5 assistance under this Article who are participating in  
6 education, training or employment programs operated by the  
7 Department of Human Services as successor to the Department of  
8 Public Aid:

9 (1) dental services provided by or under the  
10 supervision of a dentist; and

11 (2) eyeglasses prescribed by a physician skilled in the  
12 diseases of the eye, or by an optometrist, whichever the  
13 person may select.

14 Notwithstanding any other provision of this Code and  
15 subject to federal approval, the Department may adopt rules to  
16 allow a dentist who is volunteering his or her service at no  
17 cost to render dental services through an enrolled  
18 not-for-profit health clinic without the dentist personally  
19 enrolling as a participating provider in the medical assistance  
20 program. A not-for-profit health clinic shall include a public  
21 health clinic or Federally Qualified Health Center or other  
22 enrolled provider, as determined by the Department, through  
23 which dental services covered under this Section are performed.  
24 The Department shall establish a process for payment of claims  
25 for reimbursement for covered dental services rendered under  
26 this provision.

1           The Illinois Department, by rule, may distinguish and  
2           classify the medical services to be provided only in accordance  
3           with the classes of persons designated in Section 5-2.

4           The Department of Healthcare and Family Services must  
5           provide coverage and reimbursement for amino acid-based  
6           elemental formulas, regardless of delivery method, for the  
7           diagnosis and treatment of (i) eosinophilic disorders and (ii)  
8           short bowel syndrome when the prescribing physician has issued  
9           a written order stating that the amino acid-based elemental  
10          formula is medically necessary.

11          The Illinois Department shall authorize the provision of,  
12          and shall authorize payment for, screening by low-dose  
13          mammography for the presence of occult breast cancer for women  
14          35 years of age or older who are eligible for medical  
15          assistance under this Article, as follows:

16                (A) A baseline mammogram for women 35 to 39 years of  
17                age.

18                (B) An annual mammogram for women 40 years of age or  
19                older.

20                (C) A mammogram at the age and intervals considered  
21                medically necessary by the woman's health care provider for  
22                women under 40 years of age and having a family history of  
23                breast cancer, prior personal history of breast cancer,  
24                positive genetic testing, or other risk factors.

25                (D) A comprehensive ultrasound screening of an entire  
26                breast or breasts if a mammogram demonstrates

1 heterogeneous or dense breast tissue, when medically  
2 necessary as determined by a physician licensed to practice  
3 medicine in all of its branches.

4 All screenings shall include a physical breast exam,  
5 instruction on self-examination and information regarding the  
6 frequency of self-examination and its value as a preventative  
7 tool. For purposes of this Section, "low-dose mammography"  
8 means the x-ray examination of the breast using equipment  
9 dedicated specifically for mammography, including the x-ray  
10 tube, filter, compression device, and image receptor, with an  
11 average radiation exposure delivery of less than one rad per  
12 breast for 2 views of an average size breast. The term also  
13 includes digital mammography.

14 On and after January 1, 2012, providers participating in a  
15 quality improvement program approved by the Department shall be  
16 reimbursed for screening and diagnostic mammography at the same  
17 rate as the Medicare program's rates, including the increased  
18 reimbursement for digital mammography.

19 The Department shall convene an expert panel including  
20 representatives of hospitals, free-standing mammography  
21 facilities, and doctors, including radiologists, to establish  
22 quality standards.

23 Subject to federal approval, the Department shall  
24 establish a rate methodology for mammography at federally  
25 qualified health centers and other encounter-rate clinics.  
26 These clinics or centers may also collaborate with other

1 hospital-based mammography facilities.

2 The Department shall establish a methodology to remind  
3 women who are age-appropriate for screening mammography, but  
4 who have not received a mammogram within the previous 18  
5 months, of the importance and benefit of screening mammography.

6 The Department shall establish a performance goal for  
7 primary care providers with respect to their female patients  
8 over age 40 receiving an annual mammogram. This performance  
9 goal shall be used to provide additional reimbursement in the  
10 form of a quality performance bonus to primary care providers  
11 who meet that goal.

12 The Department shall devise a means of case-managing or  
13 patient navigation for beneficiaries diagnosed with breast  
14 cancer. This program shall initially operate as a pilot program  
15 in areas of the State with the highest incidence of mortality  
16 related to breast cancer. At least one pilot program site shall  
17 be in the metropolitan Chicago area and at least one site shall  
18 be outside the metropolitan Chicago area. An evaluation of the  
19 pilot program shall be carried out measuring health outcomes  
20 and cost of care for those served by the pilot program compared  
21 to similarly situated patients who are not served by the pilot  
22 program.

23 Any medical or health care provider shall immediately  
24 recommend, to any pregnant woman who is being provided prenatal  
25 services and is suspected of drug abuse or is addicted as  
26 defined in the Alcoholism and Other Drug Abuse and Dependency

1 Act, referral to a local substance abuse treatment provider  
2 licensed by the Department of Human Services or to a licensed  
3 hospital which provides substance abuse treatment services.  
4 The Department of Healthcare and Family Services shall assure  
5 coverage for the cost of treatment of the drug abuse or  
6 addiction for pregnant recipients in accordance with the  
7 Illinois Medicaid Program in conjunction with the Department of  
8 Human Services.

9 All medical providers providing medical assistance to  
10 pregnant women under this Code shall receive information from  
11 the Department on the availability of services under the Drug  
12 Free Families with a Future or any comparable program providing  
13 case management services for addicted women, including  
14 information on appropriate referrals for other social services  
15 that may be needed by addicted women in addition to treatment  
16 for addiction.

17 The Illinois Department, in cooperation with the  
18 Departments of Human Services (as successor to the Department  
19 of Alcoholism and Substance Abuse) and Public Health, through a  
20 public awareness campaign, may provide information concerning  
21 treatment for alcoholism and drug abuse and addiction, prenatal  
22 health care, and other pertinent programs directed at reducing  
23 the number of drug-affected infants born to recipients of  
24 medical assistance.

25 Neither the Department of Healthcare and Family Services  
26 nor the Department of Human Services shall sanction the



1 recipient solely on the basis of her substance abuse.

2 The Illinois Department shall establish such regulations  
3 governing the dispensing of health services under this Article  
4 as it shall deem appropriate. The Department should seek the  
5 advice of formal professional advisory committees appointed by  
6 the Director of the Illinois Department for the purpose of  
7 providing regular advice on policy and administrative matters,  
8 information dissemination and educational activities for  
9 medical and health care providers, and consistency in  
10 procedures to the Illinois Department.

11 Notwithstanding any other provision of law, a health care  
12 provider under the medical assistance program may elect, in  
13 lieu of receiving direct payment for services provided under  
14 that program, to participate in the State Employees Deferred  
15 Compensation Plan adopted under Article 24 of the Illinois  
16 Pension Code. A health care provider who elects to participate  
17 in the plan does not have a cause of action against the State  
18 for any damages allegedly suffered by the provider as a result  
19 of any delay by the State in crediting the amount of any  
20 contribution to the provider's plan account.

21 The Illinois Department may develop and contract with  
22 Partnerships of medical providers to arrange medical services  
23 for persons eligible under Section 5-2 of this Code.  
24 Implementation of this Section may be by demonstration projects  
25 in certain geographic areas. The Partnership shall be  
26 represented by a sponsor organization. The Department, by rule,

1 shall develop qualifications for sponsors of Partnerships.  
2 Nothing in this Section shall be construed to require that the  
3 sponsor organization be a medical organization.

4 The sponsor must negotiate formal written contracts with  
5 medical providers for physician services, inpatient and  
6 outpatient hospital care, home health services, treatment for  
7 alcoholism and substance abuse, and other services determined  
8 necessary by the Illinois Department by rule for delivery by  
9 Partnerships. Physician services must include prenatal and  
10 obstetrical care. The Illinois Department shall reimburse  
11 medical services delivered by Partnership providers to clients  
12 in target areas according to provisions of this Article and the  
13 Illinois Health Finance Reform Act, except that:

14 (1) Physicians participating in a Partnership and  
15 providing certain services, which shall be determined by  
16 the Illinois Department, to persons in areas covered by the  
17 Partnership may receive an additional surcharge for such  
18 services.

19 (2) The Department may elect to consider and negotiate  
20 financial incentives to encourage the development of  
21 Partnerships and the efficient delivery of medical care.

22 (3) Persons receiving medical services through  
23 Partnerships may receive medical and case management  
24 services above the level usually offered through the  
25 medical assistance program.

26 Medical providers shall be required to meet certain

1 qualifications to participate in Partnerships to ensure the  
2 delivery of high quality medical services. These  
3 qualifications shall be determined by rule of the Illinois  
4 Department and may be higher than qualifications for  
5 participation in the medical assistance program. Partnership  
6 sponsors may prescribe reasonable additional qualifications  
7 for participation by medical providers, only with the prior  
8 written approval of the Illinois Department.

9 Nothing in this Section shall limit the free choice of  
10 practitioners, hospitals, and other providers of medical  
11 services by clients. In order to ensure patient freedom of  
12 choice, the Illinois Department shall immediately promulgate  
13 all rules and take all other necessary actions so that provided  
14 services may be accessed from therapeutically certified  
15 optometrists to the full extent of the Illinois Optometric  
16 Practice Act of 1987 without discriminating between service  
17 providers.

18 The Department shall apply for a waiver from the United  
19 States Health Care Financing Administration to allow for the  
20 implementation of Partnerships under this Section.

21 The Illinois Department shall require health care  
22 providers to maintain records that document the medical care  
23 and services provided to recipients of Medical Assistance under  
24 this Article. Such records must be retained for a period of not  
25 less than 6 years from the date of service or as provided by  
26 applicable State law, whichever period is longer, except that

1 if an audit is initiated within the required retention period  
2 then the records must be retained until the audit is completed  
3 and every exception is resolved. The Illinois Department shall  
4 require health care providers to make available, when  
5 authorized by the patient, in writing, the medical records in a  
6 timely fashion to other health care providers who are treating  
7 or serving persons eligible for Medical Assistance under this  
8 Article. All dispensers of medical services shall be required  
9 to maintain and retain business and professional records  
10 sufficient to fully and accurately document the nature, scope,  
11 details and receipt of the health care provided to persons  
12 eligible for medical assistance under this Code, in accordance  
13 with regulations promulgated by the Illinois Department. The  
14 rules and regulations shall require that proof of the receipt  
15 of prescription drugs, dentures, prosthetic devices and  
16 eyeglasses by eligible persons under this Section accompany  
17 each claim for reimbursement submitted by the dispenser of such  
18 medical services. No such claims for reimbursement shall be  
19 approved for payment by the Illinois Department without such  
20 proof of receipt, unless the Illinois Department shall have put  
21 into effect and shall be operating a system of post-payment  
22 audit and review which shall, on a sampling basis, be deemed  
23 adequate by the Illinois Department to assure that such drugs,  
24 dentures, prosthetic devices and eyeglasses for which payment  
25 is being made are actually being received by eligible  
26 recipients. Within 90 days after the effective date of this

1 amendatory Act of 1984, the Illinois Department shall establish  
2 a current list of acquisition costs for all prosthetic devices  
3 and any other items recognized as medical equipment and  
4 supplies reimbursable under this Article and shall update such  
5 list on a quarterly basis, except that the acquisition costs of  
6 all prescription drugs shall be updated no less frequently than  
7 every 30 days as required by Section 5-5.12.

8 The rules and regulations of the Illinois Department shall  
9 require that a written statement including the required opinion  
10 of a physician shall accompany any claim for reimbursement for  
11 abortions, or induced miscarriages or premature births. This  
12 statement shall indicate what procedures were used in providing  
13 such medical services.

14 The Illinois Department shall require all dispensers of  
15 medical services, other than an individual practitioner or  
16 group of practitioners, desiring to participate in the Medical  
17 Assistance program established under this Article to disclose  
18 all financial, beneficial, ownership, equity, surety or other  
19 interests in any and all firms, corporations, partnerships,  
20 associations, business enterprises, joint ventures, agencies,  
21 institutions or other legal entities providing any form of  
22 health care services in this State under this Article.

23 The Illinois Department may require that all dispensers of  
24 medical services desiring to participate in the medical  
25 assistance program established under this Article disclose,  
26 under such terms and conditions as the Illinois Department may

1 by rule establish, all inquiries from clients and attorneys  
2 regarding medical bills paid by the Illinois Department, which  
3 inquiries could indicate potential existence of claims or liens  
4 for the Illinois Department.

5 Enrollment of a vendor ~~that provides non emergency medical~~  
6 ~~transportation, defined by the Department by rule,~~ shall be  
7 subject to a provisional period and shall be conditional for  
8 one year 180 days. During the period of conditional enrollment  
9 ~~that time,~~ the Department ~~of Healthcare and Family Services~~ may  
10 terminate the vendor's eligibility to participate in, or may  
11 disenroll the vendor from, the medical assistance program  
12 without cause. Such ~~That~~ termination of eligibility or  
13 disenrollment is not subject to the Department's hearing  
14 process. However, a disenrolled provider may reapply without  
15 penalty.

16 The Department has the discretion to limit the conditional  
17 enrollment period for providers.

18 Prior to enrollment and during the conditional enrollment  
19 period in the medical assistance program, all vendors shall be  
20 subject to enhanced oversight, screening, and review based on  
21 risk of fraud, waste, and abuse. The Illinois Department shall  
22 establish the procedures for oversight, screening, and review,  
23 which may include, but need not be limited to: criminal and  
24 financial background checks; fingerprinting; license,  
25 certification, and authorization verifications; unscheduled or  
26 unannounced site visits; database checks; prepayment audit

1 reviews; audits; payment caps; payment suspensions; and other  
2 screening as required by federal or State law.

3 To be eligible for payment consideration, a vendor's  
4 payment claim or bill, either as an initial claim or as a  
5 resubmitted claim following prior rejection, must be received  
6 by the Illinois Department, or its fiscal intermediary, no  
7 later than 180 days after the latest date on the claim on which  
8 medical goods or services were provided, with the following  
9 exceptions:

10 (1) In the case of a provider whose enrollment is in  
11 process by the Illinois Department, the 180-day period  
12 shall not begin until the date on the written notice from  
13 the Illinois Department that the provider enrollment is  
14 complete.

15 (2) In the case of errors attributable to the Illinois  
16 Department or any of its claims processing intermediaries  
17 which result in an inability to receive, process, or  
18 adjudicate a claim, the 180-day period shall not begin  
19 until the provider has been notified of the error.

20 (3) In the case of a provider for whom the Illinois  
21 Department initiates the billing process.

22 For claims for services rendered during a period for which  
23 a recipient received retroactive eligibility, claims must be  
24 filed within 180 days after the recipient was made eligible.  
25 For claims for which the Illinois Department is not the primary  
26 payer, claims must be submitted to the Illinois Department

1 within 180 days after the final adjudication by the primary  
2 payer.

3 In the case of long term care facilities, admission  
4 documents shall be submitted through the Medical Electronic  
5 Data Interchange (MEDI) or the Recipient Eligibility  
6 Verification (REV) System within 5 days of an admission to the  
7 facility. Confirmation numbers assigned to an accepted  
8 transaction shall be retained by a facility to verify timely  
9 submittal. Once an admission transaction has been completed,  
10 all resubmitted claims following prior rejection are subject to  
11 receipt no later than 180 days after the rejection date.

12 Claims that are not submitted and received in compliance  
13 with the foregoing requirements shall not be eligible for  
14 payment under the medical assistance program, and the State  
15 shall have no liability for payment of those claims.

16 To the extent consistent with applicable information,  
17 privacy, security and disclosure laws, State and federal  
18 agencies and departments shall provide the Illinois Department  
19 access to confidential and other information and data necessary  
20 to perform eligibility and payment verifications and other  
21 Illinois Department functions. This includes, but is not  
22 limited to: information pertaining to licensure;  
23 certification; earnings; immigration status; citizenship; wage  
24 reporting; unearned and earned income; pension income;  
25 employment; supplemental security income; social security  
26 numbers; National Provider Identifier (NPI) numbers; the



1 National Practitioner Data Bank (NPDB); program and agency  
2 exclusions; taxpayer identification numbers; tax delinquency;  
3 corporate information; and death records.

4 The Illinois Department shall enter into agreements with  
5 State agencies and departments, and is authorized to enter into  
6 agreements with federal agencies and departments, under which  
7 such agencies and departments shall share data necessary for  
8 medical assistance program integrity functions and oversight.

9 The Illinois Department shall develop, in cooperation with  
10 other State departments and agencies, and in compliance with  
11 applicable federal laws and regulations, appropriate and  
12 effective methods to share such data. At a minimum, and to the  
13 extent necessary to provide data sharing, the Illinois  
14 Department shall enter into agreements with State agencies and  
15 departments, and is authorized to enter into agreements with  
16 federal agencies and departments, including but not limited to:  
17 the Secretary of State; the Department of Revenue; the  
18 Department of Public Health; the Department of Human Services;  
19 and the Department of Financial and Professional Regulation.

20 Beginning in fiscal year 2013, the Illinois Department  
21 shall set forth a request for information to identify the  
22 benefits of a pre-payment, post-adjudication, and post-edit  
23 claims system with the goals of streamlining claims processing  
24 and provider reimbursement, reducing the number of pending or  
25 rejected claims, and helping to ensure a more transparent  
26 adjudication process through the utilization of: (i) provider

1 data verification and provider screening technology; and (ii)  
2 clinical code editing. Such a request for information shall not  
3 be considered as a request for proposal, or as an obligation on  
4 the part of the Illinois Department to take any action or  
5 acquire any products or services.

6 The Illinois Department shall establish policies,  
7 procedures, standards and criteria by rule for the acquisition,  
8 repair and replacement of orthotic and prosthetic devices and  
9 durable medical equipment. Such rules shall provide, but not be  
10 limited to, the following services: (1) immediate repair or  
11 replacement of such devices by recipients without medical  
12 authorization; and (2) rental, lease, purchase or  
13 lease-purchase of durable medical equipment in a  
14 cost-effective manner, taking into consideration the  
15 recipient's medical prognosis, the extent of the recipient's  
16 needs, and the requirements and costs for maintaining such  
17 equipment. Such rules shall enable a recipient to temporarily  
18 acquire and use alternative or substitute devices or equipment  
19 pending repairs or replacements of any device or equipment  
20 previously authorized for such recipient by the Department.

21 The Department shall execute, relative to the nursing home  
22 prescreening project, written inter-agency agreements with the  
23 Department of Human Services and the Department on Aging, to  
24 effect the following: (i) intake procedures and common  
25 eligibility criteria for those persons who are receiving  
26 non-institutional services; and (ii) the establishment and

1 development of non-institutional services in areas of the State  
2 where they are not currently available or are undeveloped.

3 The Illinois Department shall develop and operate, in  
4 cooperation with other State Departments and agencies and in  
5 compliance with applicable federal laws and regulations,  
6 appropriate and effective systems of health care evaluation and  
7 programs for monitoring of utilization of health care services  
8 and facilities, as it affects persons eligible for medical  
9 assistance under this Code.

10 The Illinois Department shall report annually to the  
11 General Assembly, no later than the second Friday in April of  
12 1979 and each year thereafter, in regard to:

13 (a) actual statistics and trends in utilization of  
14 medical services by public aid recipients;

15 (b) actual statistics and trends in the provision of  
16 the various medical services by medical vendors;

17 (c) current rate structures and proposed changes in  
18 those rate structures for the various medical vendors; and

19 (d) efforts at utilization review and control by the  
20 Illinois Department.

21 The period covered by each report shall be the 3 years  
22 ending on the June 30 prior to the report. The report shall  
23 include suggested legislation for consideration by the General  
24 Assembly. The filing of one copy of the report with the  
25 Speaker, one copy with the Minority Leader and one copy with  
26 the Clerk of the House of Representatives, one copy with the

1 President, one copy with the Minority Leader and one copy with  
2 the Secretary of the Senate, one copy with the Legislative  
3 Research Unit, and such additional copies with the State  
4 Government Report Distribution Center for the General Assembly  
5 as is required under paragraph (t) of Section 7 of the State  
6 Library Act shall be deemed sufficient to comply with this  
7 Section.

8 Rulemaking authority to implement Public Act 95-1045, if  
9 any, is conditioned on the rules being adopted in accordance  
10 with all provisions of the Illinois Administrative Procedure  
11 Act and all rules and procedures of the Joint Committee on  
12 Administrative Rules; any purported rule not so adopted, for  
13 whatever reason, is unauthorized.

14 (Source: P.A. 96-156, eff. 1-1-10; 96-806, eff. 7-1-10; 96-926,  
15 eff. 1-1-11; 96-1000, eff. 7-2-10; 97-48, eff. 6-28-11; 97-638,  
16 eff. 1-1-12.)

17 (305 ILCS 5/11-13) (from Ch. 23, par. 11-13)

18 Sec. 11-13. Conditions For Receipt of Vendor Payments -  
19 Limitation Period For Vendor Action - Penalty For Violation. A  
20 vendor payment, as defined in Section 2-5 of Article II, shall  
21 constitute payment in full for the goods or services covered  
22 thereby. Acceptance of the payment by or in behalf of the  
23 vendor shall bar him from obtaining, or attempting to obtain,  
24 additional payment therefor from the recipient or any other  
25 person. A vendor payment shall not, however, bar recovery of

1 the value of goods and services the obligation for which, under  
2 the rules and regulations of the Illinois Department, is to be  
3 met from the income and resources available to the recipient,  
4 and in respect to which the vendor payment of the Illinois  
5 Department or the local governmental unit represents  
6 supplementation of such available income and resources.

7 Vendors seeking to enforce obligations of a governmental  
8 unit or the Illinois Department for goods or services (1)  
9 furnished to or in behalf of recipients and (2) subject to a  
10 vendor payment as defined in Section 2-5, shall commence their  
11 actions in the appropriate Circuit Court or the Court of  
12 Claims, as the case may require, within one year next after the  
13 cause of action accrued.

14 A cause of action accrues within the meaning of this  
15 Section upon the following date:

16 (1) If the vendor can prove that he submitted a bill for  
17 the service rendered to the Illinois Department or a  
18 governmental unit within 180 days after ~~12 months of~~ the date  
19 the service was rendered, then (a) upon the date the Illinois  
20 Department or a governmental unit mails to the vendor  
21 information that it is paying a bill in part or is refusing to  
22 pay a bill in whole or in part, or (b) upon the date one year  
23 following the date the vendor submitted such bill if the  
24 Illinois Department or a governmental unit fails to mail to the  
25 vendor such payment information within one year following the  
26 date the vendor submitted the bill; or

1           (2) If the vendor cannot prove that he submitted a bill for  
2 the service rendered within 180 days after ~~12 months of~~ the  
3 date the service was rendered, then upon the date 12 months  
4 following the date the vendor rendered the service to the  
5 recipient.

6           In the case of long term care facilities, where the  
7 Illinois Department initiates the billing process for the  
8 vendor, the cause of action shall accrue 12 months after the  
9 last day of the month the service was rendered.

10           This paragraph governs only vendor payments as defined in  
11 this Code and as limited by regulations of the Illinois  
12 Department; it does not apply to goods or services purchased or  
13 contracted for by a recipient under circumstances in which the  
14 payment is to be made directly by the recipient.

15           Any vendor who accepts a vendor payment and who knowingly  
16 obtains or attempts to obtain additional payment for the goods  
17 or services covered by the vendor payment from the recipient or  
18 any other person shall be guilty of a Class B misdemeanor.

19           (Source: P.A. 86-430.)

20           (305 ILCS 5/11-26) (from Ch. 23, par. 11-26)

21           Sec. 11-26. Recipient's abuse of medical care;  
22 restrictions on access to medical care.

23           (a) When the Department determines, on the basis of  
24 statistical norms and medical judgment, that a medical care  
25 recipient has received medical services in excess of need and

1 with such frequency or in such a manner as to constitute an  
2 abuse of the recipient's medical care privileges, the  
3 recipient's access to medical care may be restricted.

4 (b) When the Department has determined that a recipient is  
5 abusing his or her medical care privileges as described in this  
6 Section, it may require that the recipient designate a primary  
7 provider type of the recipient's own choosing to assume  
8 responsibility for the recipient's care. For the purposes of  
9 this subsection, "primary provider type" means a a provider  
10 type as determined by the Department ~~primary care provider,~~  
11 ~~primary care pharmacy, primary dentist, primary podiatrist, or~~  
12 ~~primary durable medical equipment provider.~~ Instead of  
13 requiring a recipient to make a designation as provided in this  
14 subsection, the Department, pursuant to rules adopted by the  
15 Department and without regard to any choice of an entity that  
16 the recipient might otherwise make, may initially designate a  
17 primary provider type provided that the primary provider type  
18 is willing to provide that care.

19 (c) When the Department has requested that a recipient  
20 designate a primary provider type and the recipient fails or  
21 refuses to do so, the Department may, after a reasonable period  
22 of time, assign the recipient to a primary provider type of its  
23 own choice and determination, provided such primary provider  
24 type is willing to provide such care.

25 (d) When a recipient has been restricted to a designated  
26 primary provider type, the recipient may change the primary

1 provider type:

2 (1) when the designated source becomes unavailable, as  
3 the Department shall determine by rule; or

4 (2) when the designated primary provider type notifies  
5 the Department that it wishes to withdraw from any  
6 obligation as primary provider type; or

7 (3) in other situations, as the Department shall  
8 provide by rule.

9 The Department shall, by rule, establish procedures for  
10 providing medical or pharmaceutical services when the  
11 designated source becomes unavailable or wishes to withdraw  
12 from any obligation as primary provider type, shall, by rule,  
13 take into consideration the need for emergency or temporary  
14 medical assistance and shall ensure that the recipient has  
15 continuous and unrestricted access to medical care from the  
16 date on which such unavailability or withdrawal becomes  
17 effective until such time as the recipient designates a primary  
18 provider type or a primary provider type willing to provide  
19 such care is designated by the Department consistent with  
20 subsections (b) and (c) and such restriction becomes effective.

21 (e) Prior to initiating any action to restrict a  
22 recipient's access to medical or pharmaceutical care, the  
23 Department shall notify the recipient of its intended action.  
24 Such notification shall be in writing and shall set forth the  
25 reasons for and nature of the proposed action. In addition, the  
26 notification shall:



1           (1) inform the recipient that (i) the recipient has a  
2 right to designate a primary provider type of the  
3 recipient's own choosing willing to accept such  
4 designation and that the recipient's failure to do so  
5 within a reasonable time may result in such designation  
6 being made by the Department or (ii) the Department has  
7 designated a primary provider type to assume  
8 responsibility for the recipient's care; and

9           (2) inform the recipient that the recipient has a right  
10 to appeal the Department's determination to restrict the  
11 recipient's access to medical care and provide the  
12 recipient with an explanation of how such appeal is to be  
13 made. The notification shall also inform the recipient of  
14 the circumstances under which unrestricted medical  
15 eligibility shall continue until a decision is made on  
16 appeal and that if the recipient chooses to appeal, the  
17 recipient will be able to review the medical payment data  
18 that was utilized by the Department to decide that the  
19 recipient's access to medical care should be restricted.

20           (f) The Department shall, by rule or regulation, establish  
21 procedures for appealing a determination to restrict a  
22 recipient's access to medical care, which procedures shall, at  
23 a minimum, provide for a reasonable opportunity to be heard  
24 and, where the appeal is denied, for a written statement of the  
25 reason or reasons for such denial.

26           (g) Except as otherwise provided in this subsection, when a

1 recipient has had his or her medical card restricted for 4 full  
2 quarters (without regard to any period of ineligibility for  
3 medical assistance under this Code, or any period for which the  
4 recipient voluntarily terminates his or her receipt of medical  
5 assistance, that may occur before the expiration of those 4  
6 full quarters), the Department shall reevaluate the  
7 recipient's medical usage to determine whether it is still in  
8 excess of need and with such frequency or in such a manner as  
9 to constitute an abuse of the receipt of medical assistance. If  
10 it is still in excess of need, the restriction shall be  
11 continued for another 4 full quarters. If it is no longer in  
12 excess of need, the restriction shall be discontinued. If a  
13 recipient's access to medical care has been restricted under  
14 this Section and the Department then determines, either at  
15 reevaluation or after the restriction has been discontinued, to  
16 restrict the recipient's access to medical care a second or  
17 subsequent time, the second or subsequent restriction may be  
18 imposed for a period of more than 4 full quarters. If the  
19 Department restricts a recipient's access to medical care for a  
20 period of more than 4 full quarters, as determined by rule, the  
21 Department shall reevaluate the recipient's medical usage  
22 after the end of the restriction period rather than after the  
23 end of 4 full quarters. The Department shall notify the  
24 recipient, in writing, of any decision to continue the  
25 restriction and the reason or reasons therefor. A "quarter",  
26 for purposes of this Section, shall be defined as one of the

1 following 3-month periods of time: January-March, April-June,  
2 July-September or October-December.

3 (h) In addition to any other recipient whose acquisition of  
4 medical care is determined to be in excess of need, the  
5 Department may restrict the medical care privileges of the  
6 following persons:

7 (1) recipients found to have loaned or altered their  
8 cards or misused or falsely represented medical coverage;

9 (2) recipients found in possession of blank or forged  
10 prescription pads;

11 (3) recipients who knowingly assist providers in  
12 rendering excessive services or defrauding the medical  
13 assistance program.

14 The procedural safeguards in this Section shall apply to  
15 the above individuals.

16 (i) Restrictions under this Section shall be in addition to  
17 and shall not in any way be limited by or limit any actions  
18 taken under Article VIII-A of this Code.

19 (Source: P.A. 96-1501, eff. 1-25-11.)

20 (305 ILCS 5/12-4.25) (from Ch. 23, par. 12-4.25)

21 Sec. 12-4.25. Medical assistance program; vendor  
22 participation.

23 (A) The Illinois Department may deny, suspend, exclude, or  
24 terminate the eligibility of any person, firm, corporation,  
25 association, agency, institution or other legal entity to

1 participate as a vendor of goods or services to recipients  
2 under the medical assistance program under Article V, and may  
3 deny, suspend, or recover payments if after reasonable notice  
4 and opportunity for a hearing the Illinois Department finds:

5 (a) Such vendor is not complying with the Department's  
6 policy or rules and regulations, or with the terms and  
7 conditions prescribed by the Illinois Department in its  
8 vendor agreement, which document shall be developed by the  
9 Department as a result of negotiations with each vendor  
10 category, including physicians, hospitals, long term care  
11 facilities, pharmacists, optometrists, podiatrists and  
12 dentists setting forth the terms and conditions applicable  
13 to the participation of each vendor group in the program;  
14 or

15 (b) Such vendor has failed to keep or make available  
16 for inspection, audit or copying, after receiving a written  
17 request from the Illinois Department, such records  
18 regarding payments claimed for providing services. This  
19 section does not require vendors to make available patient  
20 records of patients for whom services are not reimbursed  
21 under this Code; or

22 (c) Such vendor has failed to furnish any information  
23 requested by the Department regarding payments for  
24 providing goods or services; or

25 (d) Such vendor has knowingly made, or caused to be  
26 made, any false statement or representation of a material

1 fact in connection with the administration of the medical  
2 assistance program; or

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

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

15 (1) was previously terminated, suspended, or  
16 excluded from participation in the Illinois medical  
17 assistance program, or was terminated, suspended, or  
18 excluded from participation in another state or  
19 federal medical assistance or health care program ~~a~~  
20 ~~medical assistance program in another state that is of~~  
21 ~~the same kind as the program of medical assistance~~  
22 ~~provided under Article V of this Code; or~~

23 (2) was a person with management responsibility  
24 for a vendor previously terminated, suspended, or  
25 excluded from participation in the Illinois medical  
26 assistance program, or terminated, suspended, or

1           excluded from participation in another state or  
2           federal ~~a~~ medical assistance or health care 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, suspension, or  
7           exclusion; or

8           (3) was an officer, or person owning, either  
9           directly or indirectly, 5% or more of the shares of  
10          stock or other evidences of ownership in a corporate  
11          vendor previously terminated, suspended, or excluded  
12          from participation in the Illinois medical assistance  
13          program, or terminated, suspended, or excluded from  
14          participation in a state or federal medical assistance  
15          or health care program ~~in another state that is of the~~  
16          ~~same kind as the program of medical assistance provided~~  
17          ~~under Article V of this Code,~~ during the time of  
18          conduct which was the basis for that vendor's  
19          termination, suspension, or exclusion; or

20          (4) was an owner of a sole proprietorship or  
21          partner of a partnership previously terminated,   
22          suspended, or excluded from participation in the  
23          Illinois medical assistance program, or terminated,   
24          suspended, or excluded from participation in a state or  
25          federal medical assistance or health care program ~~in~~  
26          ~~another state that is of the same kind as the program~~

1 ~~of medical assistance provided under Article V of this~~  
2 ~~Code,~~ during the time of conduct which was the basis  
3 for that vendor's termination, suspension, or  
4 exclusion; or

5 (f-1) Such vendor has a delinquent debt owed to the  
6 Illinois Department; or

7 (g) The vendor; a person with management  
8 responsibility for a vendor; an officer or person owning,  
9 either directly or indirectly, 5% or more of the shares of  
10 stock or other evidences of ownership in a corporate  
11 vendor; an owner of a sole proprietorship which is a  
12 vendor; or a partner in a partnership which is a vendor,  
13 either:

14 (1) has engaged in practices prohibited by  
15 applicable federal or State law or regulation ~~relating~~  
16 ~~to the medical assistance program;~~ or

17 (2) was a person with management responsibility  
18 for a vendor at the time that such vendor engaged in  
19 practices prohibited by applicable federal or State  
20 law or regulation ~~relating to the medical assistance~~  
21 ~~program;~~ or

22 (3) was an officer, or person owning, either  
23 directly or indirectly, 5% or more of the shares of  
24 stock or other evidences of ownership in a vendor at  
25 the time such vendor engaged in practices prohibited by  
26 applicable federal or State law or regulation ~~relating~~

1 ~~to the medical assistance program; or~~

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

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

18 (A-5) The Illinois Department may deny, suspend, ~~or~~  
19 terminate, or exclude the eligibility of any person, firm,  
20 corporation, association, agency, institution, or other legal  
21 entity to participate as a vendor of goods or services to  
22 recipients under the medical assistance program under Article V  
23 if, after reasonable notice and opportunity for a hearing, the  
24 Illinois Department finds that the vendor; a person with  
25 management responsibility for a vendor; an officer or person  
26 owning, either directly or indirectly, 5% or more of the shares



1 of stock or other evidences of ownership in a corporate vendor;  
2 an owner of a sole proprietorship that is a vendor; or a  
3 partner in a partnership that is a vendor has been convicted of  
4 an a-felony offense based on fraud or willful misrepresentation  
5 related to any of the following:

6 (1) The medical assistance program under Article V of  
7 this Code.

8 (2) A medical assistance or health care program in  
9 another state ~~that is of the same kind as the program of~~  
10 ~~medical assistance provided under Article V of this Code.~~

11 (3) The Medicare program under Title XVIII of the  
12 Social Security Act.

13 (4) The provision of health care services.

14 (5) A violation of this Code, as provided in Article  
15 VIIIA, or another state or federal medical assistance  
16 program or health care program.

17 (A-10) The Illinois Department may deny, suspend, ~~or~~  
18 terminate, or exclude the eligibility of any person, firm,  
19 corporation, association, agency, institution, or other legal  
20 entity to participate as a vendor of goods or services to  
21 recipients under the medical assistance program under Article V  
22 if, after reasonable notice and opportunity for a hearing, the  
23 Illinois Department finds that (i) the vendor, (ii) a person  
24 with management responsibility for a vendor, (iii) an officer  
25 or person owning, either directly or indirectly, 5% or more of  
26 the shares of stock or other evidences of ownership in a

1 corporate vendor, (iv) an owner of a sole proprietorship that  
2 is a vendor, or (v) a partner in a partnership that is a vendor  
3 has been convicted of an a felony offense related to any of the  
4 following:

5 (1) Murder.

6 (2) A Class X felony under the Criminal Code of 1961.

7 (3) Sexual misconduct that may subject recipients to an  
8 undue risk of harm.

9 (4) A criminal offense that may subject recipients to  
10 an undue risk of harm.

11 (5) A crime of fraud or dishonesty.

12 (6) A crime involving a controlled substance.

13 (7) A misdemeanor relating to fraud, theft,  
14 embezzlement, breach of fiduciary responsibility, or other  
15 financial misconduct related to a health care program.

16 (A-15) The Illinois Department may deny the eligibility of  
17 any person, firm, corporation, association, agency,  
18 institution, or other legal entity to participate as a vendor  
19 of goods or services to recipients under the medical assistance  
20 program under Article V if, after reasonable notice and  
21 opportunity for a hearing, the Illinois Department finds:

22 (1) The applicant or any person with management  
23 responsibility for the applicant; an officer or member of  
24 the board of directors of an applicant; an entity owning  
25 (directly or indirectly) 5% or more of the shares of stock  
26 or other evidences of ownership in a corporate vendor

1       applicant; an owner of a sole proprietorship applicant; a  
2       partner in a partnership applicant; or a technical or other  
3       advisor to an applicant has a debt owed to the Illinois  
4       Department, and no payment arrangements acceptable to the  
5       Illinois Department have been made by the applicant.

6       (2) The applicant or any person with management  
7       responsibility for the applicant; an officer or member of  
8       the board of directors of an applicant; an entity owning  
9       (directly or indirectly) 5% or more of the shares of stock  
10       or other evidences of ownership in a corporate vendor  
11       applicant; an owner of a sole proprietorship applicant; a  
12       partner in a partnership vendor applicant; or a technical  
13       or other advisor to an applicant was (i) a person with  
14       management responsibility, (ii) an officer or member of the  
15       board of directors of an applicant, (iii) an entity owning  
16       (directly or indirectly) 5% or more of the shares of stock  
17       or other evidences of ownership in a corporate vendor, (iv)  
18       an owner of a sole proprietorship, (v) a partner in a  
19       partnership vendor, (vi) a technical or other advisor to a  
20       vendor, during a period of time where the conduct of that  
21       vendor resulted in a debt owed to the Illinois Department,  
22       and no payment arrangements acceptable to the Illinois  
23       Department have been made by that vendor.

24       (3) There is a credible allegation of the use,  
25       transfer, or lease of assets of any kind to an applicant  
26       from a current or prior vendor who has a debt owed to the

1 Illinois Department, no payment arrangements acceptable to  
2 the Illinois Department have been made by that vendor or  
3 the vendor's alternate payee, and the applicant knows or  
4 should have known of such debt.

5 (4) There is a credible allegation of a transfer of  
6 management responsibilities, or direct or indirect  
7 ownership, to an applicant from a current or prior vendor  
8 who has a debt owed to the Illinois Department, and no  
9 payment arrangements acceptable to the Illinois Department  
10 have been made by that vendor or the vendor's alternate  
11 payee, and the applicant knows or should have known of such  
12 debt.

13 (5) There is a credible allegation of the use,  
14 transfer, or lease of assets of any kind to an applicant  
15 who is a spouse, child, brother, sister, parent,  
16 grandparent, grandchild, uncle, aunt, niece, relative by  
17 marriage, nephew, cousin, or relative of a current or prior  
18 vendor who has a debt owed to the Illinois Department and  
19 no payment arrangements acceptable to the Illinois  
20 Department have been made.

21 (6) There is a credible allegation that the applicant's  
22 previous affiliations with a provider of medical services  
23 that has an uncollected debt, a provider that has been or  
24 is subject to a payment suspension under a federal health  
25 care program, or a provider that has been previously  
26 excluded from participation in the medical assistance

1 program, poses a risk of fraud, waste, or abuse to the  
2 Illinois Department.

3 As used in this subsection, "credible allegation" is  
4 defined to include an allegation from any source, including,  
5 but not limited to, fraud hotline complaints, claims data  
6 mining, patterns identified through provider audits, civil  
7 actions filed under the False Claims Act, and law enforcement  
8 investigations. An allegation is considered to be credible when  
9 it has indicia of reliability.

10 (B) The Illinois Department shall deny, suspend, ~~or~~  
11 terminate, or exclude the eligibility of any person, firm,  
12 corporation, association, agency, institution or other legal  
13 entity to participate as a vendor of goods or services to  
14 recipients under the medical assistance program under Article  
15 V:

16 (1) if such vendor is not properly licensed, certified,  
17 or authorized;

18 (2) within 30 days of the date when such vendor's  
19 professional license, certification or other authorization  
20 has been refused renewal, restricted, ~~or has been~~ revoked,  
21 suspended, or otherwise terminated; or

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

24 (C) Upon termination, suspension, or exclusion of a vendor  
25 of goods or services from participation in the medical  
26 assistance program authorized by this Article, a person with

1 management responsibility for such vendor during the time of  
2 any conduct which served as the basis for that vendor's  
3 termination, suspension, or exclusion is barred from  
4 participation in the medical assistance program.

5 Upon termination, suspension, or exclusion of a corporate  
6 vendor, the officers and persons owning, directly or  
7 indirectly, 5% or more of the shares of stock or other  
8 evidences of ownership in the vendor during the time of any  
9 conduct which served as the basis for that vendor's  
10 termination, suspension, or exclusion are barred from  
11 participation in the medical assistance program. A person who  
12 owns, directly or indirectly, 5% or more of the shares of stock  
13 or other evidences of ownership in a terminated, suspended, or  
14 excluded ~~corporate~~ vendor may not transfer his or her ownership  
15 interest in that vendor to his or her spouse, child, brother,  
16 sister, parent, grandparent, grandchild, uncle, aunt, niece,  
17 nephew, cousin, or relative by marriage.

18 Upon termination, suspension, or exclusion of a sole  
19 proprietorship or partnership, the owner or partners during the  
20 time of any conduct which served as the basis for that vendor's  
21 termination, suspension, or exclusion are barred from  
22 participation in the medical assistance program. The owner of a  
23 terminated, suspended, or excluded vendor that is a sole  
24 proprietorship, and a partner in a terminated, suspended, or  
25 excluded vendor that is a partnership, may not transfer his or  
26 her ownership or partnership interest in that vendor to his or

1 her spouse, child, brother, sister, parent, grandparent,  
2 grandchild, uncle, aunt, niece, nephew, cousin, or relative by  
3 marriage.

4 A person who owns, directly or indirectly, 5% or more of  
5 the shares of stock or other evidences of ownership in a vendor  
6 who owes a debt to the Illinois Department, if that vendor has  
7 not made payment arrangements acceptable to the Illinois  
8 Department, shall not transfer his or her ownership interest in  
9 that vendor, or vendor assets of any kind, to his or her  
10 spouse, child, brother, sister, parent, grandparent,  
11 grandchild, uncle, aunt, niece, nephew, cousin, or relative by  
12 marriage.

13 Rules adopted by the Illinois Department to implement these  
14 provisions shall specifically include a definition of the term  
15 "management responsibility" as used in this Section. Such  
16 definition shall include, but not be limited to, typical job  
17 titles, and duties and descriptions which will be considered as  
18 within the definition of individuals with management  
19 responsibility for a provider.

20 A vendor or a prior vendor who has been terminated,  
21 excluded, or suspended from the medical assistance program, or  
22 from another state or federal medical assistance or health care  
23 program, and any individual currently or previously barred from  
24 the medical assistance program, or from another state or  
25 federal medical assistance or health care program, as a result  
26 of being an officer or a person owning, directly, or

1 indirectly, 5% or more of the shares of stock or other  
2 evidences of ownership in a vendor during the time of any  
3 conduct which served as the basis for that vendor's  
4 termination, suspension, or exclusion, may be required to post  
5 a surety bond as part of a condition of enrollment or  
6 participation in the medical assistance program. The Illinois  
7 Department shall establish, by rule, the criteria and  
8 requirements for determining when a surety bond must be posted  
9 and the value of the bond.

10 A vendor or a prior vendor who has a debt owed to the  
11 Illinois Department and any individual currently or previously  
12 barred from the medical assistance program, or from another  
13 state or federal medical assistance or health care program, as  
14 a result of being an officer or a person owning, directly or  
15 indirectly, 5% or more of the shares of stock or other  
16 evidences of ownership in that vendor during the time of any  
17 conduct which served as the basis for the debt, may be required  
18 to post a surety bond as part of a condition of enrollment or  
19 participation in the medical assistance program. The Illinois  
20 Department shall establish, by rule, the criteria and  
21 requirements for determining when a surety bond must be posted  
22 and the value of the bond.

23 (D) If a vendor has been suspended from the medical  
24 assistance program under Article V of the Code, the Director  
25 may require that such vendor correct any deficiencies which  
26 served as the basis for the suspension. The Director shall



1 specify in the suspension order a specific period of time,  
2 which shall not exceed one year from the date of the order,  
3 during which a suspended vendor shall not be eligible to  
4 participate. At the conclusion of the period of suspension the  
5 Director shall reinstate such vendor, unless he finds that such  
6 vendor has not corrected deficiencies upon which the suspension  
7 was based.

8 If a vendor has been terminated, suspended, or excluded  
9 from the medical assistance program under Article V, such  
10 vendor shall be barred from participation for at least one  
11 year, except that if a vendor has been terminated, suspended,  
12 or excluded based on a conviction of a violation of Article  
13 VIIIA or a conviction of a felony based on fraud or a willful  
14 misrepresentation related to (i) the medical assistance  
15 program under Article V, (ii) a federal or another state's  
16 medical assistance or health care program ~~in another state that~~  
17 ~~is of the kind provided under Article V,~~ (iii) ~~the Medicare~~  
18 ~~program under Title XVIII of the Social Security Act,~~ or (iii)  
19 ~~(iv)~~ the provision of health care services, then the vendor  
20 shall be barred from participation for 5 years or for the  
21 length of the vendor's sentence for that conviction, whichever  
22 is longer. At the end of one year a vendor who has been  
23 terminated, suspended, or excluded may apply for reinstatement  
24 to the program. Upon proper application to be reinstated such  
25 vendor may be deemed eligible by the Director providing that  
26 such vendor meets the requirements for eligibility under this

1 Code. If such vendor is deemed not eligible for reinstatement,  
2 he shall be barred from again applying for reinstatement for  
3 one year from the date his application for reinstatement is  
4 denied.

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

16 If a vendor has been terminated, suspended, or excluded and  
17 reinstated to the medical assistance program under Article V  
18 and the vendor is terminated, suspended, or excluded a second  
19 or subsequent time from the medical assistance program, the  
20 vendor shall be barred from participation for at least 2 years,  
21 except that if a vendor has been terminated, suspended, or  
22 excluded a second time based on a conviction of a violation of  
23 Article VIII A or a conviction of a felony based on fraud or a  
24 willful misrepresentation related to (i) the medical  
25 assistance program under Article V, (ii) a federal or another  
26 state's medical assistance or health care program ~~in another~~

1 ~~state that is of the kind provided under Article V, (iii) the~~  
2 ~~Medicare program under Title XVIII of the Social Security Act,~~  
3 or (iii) ~~(iv)~~ the provision of health care services, then the  
4 vendor shall be barred from participation for life. At the end  
5 of 2 years, a vendor who has been terminated, suspended, or  
6 excluded may apply for reinstatement to the program. Upon  
7 application to be reinstated, the vendor may be deemed eligible  
8 if the vendor meets the requirements for eligibility under this  
9 Code. If the vendor is deemed not eligible for reinstatement,  
10 the vendor shall be barred from again applying for  
11 reinstatement for 2 years from the date the vendor's  
12 application for reinstatement is denied.

13 (E) The Illinois Department may recover money improperly or  
14 erroneously paid, or overpayments, either by setoff, crediting  
15 against future billings or by requiring direct repayment to the  
16 Illinois Department. The Illinois Department may suspend or  
17 deny payment, in whole or in part, if such payment would be  
18 improper or erroneous or would otherwise result in overpayment.

19 (1) Payments may be suspended, denied, or recovered  
20 from a vendor or alternate payee: (i) for services rendered  
21 in violation of the Illinois Department's provider notice,  
22 statutes, rules, and regulations; (ii) for services  
23 rendered in violation of the terms and conditions  
24 prescribed by the Illinois Department in its vendor  
25 agreement; (iii) for any vendor who fails to grant the  
26 Office of Inspector General timely access to full and

1 complete records, including, but not limited to, records  
2 relating to recipients under the medical assistance  
3 program for the most recent 6 years, in accordance with  
4 Section 140.28 of Title 89 of the Illinois Administrative  
5 Code, and other information for the purpose of audits,  
6 investigations, or other program integrity functions,  
7 after reasonable written request by the Inspector General;  
8 this subsection (E) does not require vendors to make  
9 available the medical records of patients for whom services  
10 are not reimbursed under this Code, or to provide access to  
11 medical records more than 6 years old; (iv) when the vendor  
12 has knowingly made, or caused to be made, any false  
13 statement or representation of a material fact in  
14 connection with the administration of the medical  
15 assistance program; or (v) when the vendor previously  
16 rendered services while terminated, suspended, or excluded  
17 from participation in the medical assistance program, or  
18 while terminated or excluded from participation in another  
19 state or federal medical assistance or health care program.

20 (2) Notwithstanding any other provision of law, if a  
21 vendor has the same taxpayer identification number  
22 (assigned under Section 6109 of the Internal Revenue Code  
23 of 1986) as is assigned to a vendor with past-due financial  
24 obligations to the Illinois Department, the Illinois  
25 Department may make any necessary adjustments to payments  
26 to that vendor in order to satisfy any past-due

1 obligations, regardless of whether the vendor is assigned a  
2 different billing number under the medical assistance  
3 program.

4 If the Illinois Department establishes through an  
5 administrative hearing that the overpayments resulted from the  
6 vendor or alternate payee knowingly ~~willfully~~ making, using, or  
7 causing to be made or used, a false record or statement to  
8 obtain payment or other benefit from ~~or misrepresentation of a~~  
9 ~~material fact in connection with billings and payments under~~  
10 the medical assistance program under Article V, the Department  
11 may recover interest on the amount of the payment or other  
12 benefit ~~overpayments~~ at the rate of 5% per annum. In addition  
13 to any other penalties that may be prescribed by law, such a  
14 vendor or alternate payee shall be subject to civil penalties  
15 consisting of an amount not to exceed 3 times the amount of  
16 payment or other benefit resulting from each such false record  
17 or statement, and the sum of \$2,000 for each such false record  
18 or statement for payment or other benefit. For purposes of this  
19 paragraph, "knowingly" ~~"willfully"~~ means that a vendor or  
20 alternate payee with respect to information: (i) has ~~person~~  
21 ~~makes a statement or representation with~~ actual knowledge of  
22 the information, (ii) acts in deliberate ignorance of the truth  
23 or falsity of the information, or (iii) acts in reckless  
24 disregard of the truth or falsity of the information. No proof  
25 of specific intent to defraud is required. ~~that it was false,~~  
26 ~~or makes a statement or representation with knowledge of facts~~

1 ~~or information that would cause one to be aware that the~~  
2 ~~statement or representation was false when made.~~

3 (F) The Illinois Department may withhold payments to any  
4 vendor or alternate payee prior to or during the pendency of  
5 any audit or proceeding under this Section, and through the  
6 pendency of any administrative appeal or administrative review  
7 by any court proceeding. The Illinois Department shall state by  
8 rule with as much specificity as practicable the conditions  
9 under which payments will not be withheld ~~during the pendency~~  
10 ~~of any proceeding~~ under this Section. Payments may be denied  
11 for bills submitted with service dates occurring during the  
12 pendency of a proceeding, after a final decision has been  
13 rendered, or after the conclusion of any administrative appeal,  
14 where the final administrative decision is to terminate,  
15 exclude, or suspend eligibility to participate in the medical  
16 assistance program. The Illinois Department shall state by rule  
17 with as much specificity as practicable the conditions under  
18 which payments will not be denied for such bills. The Illinois  
19 Department shall state by rule a process and criteria by which  
20 a vendor or alternate payee may request full or partial release  
21 of payments withheld under this subsection. The Department must  
22 complete a proceeding under this Section in a timely manner.

23 Notwithstanding recovery allowed under subsection (E) or  
24 this subsection (F) of this Section, the Illinois Department  
25 may withhold payments to any vendor or alternate payee who is  
26 not properly licensed, certified, or in compliance with State

1 or federal agency regulations. Payments may be denied for bills  
2 submitted with service dates occurring during the period of  
3 time wherein a vendor is not properly licensed, certified, or  
4 in compliance with State or federal regulations. Facilities  
5 licensed under the Nursing Home Care Act shall be exempt from  
6 this paragraph.

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

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

23 (2) If the vendor is a sole proprietorship: the owner  
24 of the sole proprietorship.

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

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

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

18           (F-10) If the Illinois Department establishes that the  
19 vendor or alternate payee owes a debt to the Illinois  
20 Department, and the vendor or alternate payee subsequently  
21 fails to pay or make satisfactory payment arrangements with the  
22 Illinois Department for the debt owed, the Illinois Department  
23 may seek all remedies available under the law of this State to  
24 recover the debt, including, but not limited to, wage  
25 garnishment or the filing of claims or liens against the vendor  
26 or alternate payee.



1       (F-15) Enforcement of judgment.

2           (1) Any fine, recovery amount, other sanction, or costs  
3 imposed, or part of any fine, recovery amount, other  
4 sanction, or cost imposed, remaining unpaid after the  
5 exhaustion of or the failure to exhaust judicial review  
6 procedures under the Illinois Administrative Review Law is  
7 a debt due and owing the State and may be collected using  
8 all remedies available under the law.

9           (2) After expiration of the period in which judicial  
10 review under the Illinois Administrative Review Law may be  
11 sought for a final administrative decision, unless stayed  
12 by a court of competent jurisdiction, the findings,  
13 decision, and order of the Director may be enforced in the  
14 same manner as a judgment entered by a court of competent  
15 jurisdiction.

16           (3) In any case in which any person or entity has  
17 failed to comply with a judgment ordering or imposing any  
18 fine or other sanction, any expenses incurred by the State  
19 agency to enforce the judgment, including, but not limited  
20 to, attorney's fees, court costs, and costs related to  
21 property demolition or foreclosure, after they are fixed by  
22 a court of competent jurisdiction or the Director, shall be  
23 a debt due and owing the State and may be collected in  
24 accordance with applicable law. Prior to any expenses being  
25 fixed by a final administrative decision pursuant to this  
26 subsection (F-15), the Illinois Department or appropriate

1 body shall provide notice to the individual or entity that  
2 states that the individual shall appear at a hearing before  
3 the administrative hearing officer to determine whether  
4 the defendant has failed to comply with the judgment. The  
5 notice shall set the date for such a hearing, which shall  
6 not be less than 7 days from the date that notice is  
7 served. If notice is served by mail, the 7-day period shall  
8 begin to run on the date that the notice was deposited in  
9 the mail.

10 (4) Upon being recorded in the manner required by  
11 Article XII of the Code of Civil Procedure or by the  
12 Uniform Commercial Code, a lien shall be imposed on the  
13 real estate or personal estate, or both, of the individual  
14 or entity in the amount of any debt due and owing the State  
15 under this Section. The lien may be enforced in the same  
16 manner as a judgment of a court of competent jurisdiction.  
17 A lien shall attach to all property and assets of such  
18 person, firm, corporation, association, agency,  
19 institution, or other legal entity until the judgment is  
20 satisfied.

21 (5) The Director may set aside any judgment entered by  
22 default and set a new hearing date upon a petition filed  
23 within 21 days after the issuance of the order of default,  
24 if the hearing officer determines that the petitioner's  
25 failure to appear at the hearing was for good cause or at  
26 any time if the petitioner's failure to appear at the

1 hearing was for good cause or at any time if the petitioner  
2 established that the Department did not provide proper  
3 service of process. If any judgment is set aside pursuant  
4 to this paragraph (5), the hearing officer shall have  
5 authority to enter an order extinguishing any lien which  
6 has been recorded for any debt due and owing the Illinois  
7 Department as a result of the vacated default judgment.

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

15 (G-5) Vendors who pose a risk of fraud, waste, abuse, or  
16 harm ~~Non-emergency transportation.~~

17 (1) Notwithstanding any other provision in this  
18 Section, ~~for non-emergency transportation vendors,~~ the  
19 Department may terminate, suspend, or exclude vendors who  
20 pose a risk of fraud, waste, abuse, or harm ~~the vendor~~ from  
21 participation in the medical assistance program prior to an  
22 evidentiary hearing but after reasonable notice and  
23 opportunity to respond as established by the Department by  
24 rule.

25 (2) Vendors who pose a risk of fraud, waste, abuse, or  
26 harm ~~of non-emergency medical transportation services, as~~

1 ~~defined by the Department by rule,~~ shall submit to a  
2 fingerprint-based criminal background check on current and  
3 future information available in the State system and  
4 current information available through the Federal Bureau  
5 of Investigation's system by submitting all necessary fees  
6 and information in the form and manner prescribed by the  
7 Department of State Police. The following individuals  
8 shall be subject to the check:

9 (A) In the case of a vendor that is a corporation,  
10 every shareholder who owns, directly or indirectly, 5%  
11 or more of the outstanding shares of the corporation.

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

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

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

17 Each such vendor shall be responsible for payment of  
18 the cost of the criminal background check.

19 (3) Vendors who pose a risk of fraud, waste, abuse, or  
20 harm of non-emergency medical transportation services may  
21 be required to post a surety bond. The Department shall  
22 establish, by rule, the criteria and requirements for  
23 determining when a surety bond must be posted and the value  
24 of the bond.

25 (4) The Department, or its agents, may refuse to accept  
26 requests for authorization from specific vendors who pose a

1 risk of fraud, waste, abuse or harm ~~non-emergency~~  
2 ~~transportation authorizations~~, including prior-approval  
3 and post-approval requests, ~~for a specific non-emergency~~  
4 ~~transportation vendor~~ if:

5 (A) the Department has initiated a notice of  
6 termination, suspension, or exclusion of the vendor  
7 from participation in the medical assistance program;  
8 or

9 (B) the Department has issued notification of its  
10 withholding of payments pursuant to subsection (F-5)  
11 of this Section; or

12 (C) the Department has issued a notification of its  
13 withholding of payments due to reliable evidence of  
14 fraud or willful misrepresentation pending  
15 investigation.

16 (5) As used in this subsection, the following terms are  
17 defined as follows:

18 (A) "Fraud" means an intentional deception or  
19 misrepresentation made by a person with the knowledge  
20 that the deception could result in some unauthorized  
21 benefit to himself or herself or some other person. It  
22 includes any act that constitutes fraud under  
23 applicable federal or State law.

24 (B) "Abuse" means provider practices that are  
25 inconsistent with sound fiscal, business, or medical  
26 practices and that result in an unnecessary cost to the

1           medical assistance program or in reimbursement for  
2           services that are not medically necessary or that fail  
3           to meet professionally recognized standards for health  
4           care. It also includes recipient practices that result  
5           in unnecessary cost to the medical assistance program.

6           (C) "Waste" means the unintentional misuse of  
7           medical assistance resources, resulting in unnecessary  
8           cost to the medical assistance program.

9           (D) "Harm" means physical, mental, or monetary  
10          damage to recipients or to the medical assistance  
11          program.

12          (G-6) The Illinois Department, upon making a determination  
13          based upon information in the possession of the Illinois  
14          Department, that commencement or continuation of participation  
15          in the medical assistance program by a vendor would constitute  
16          an immediate danger to the public, may immediately suspend such  
17          vendor's participation in the medical assistance program  
18          without a hearing. In instances in which the Illinois  
19          Department immediately suspends the medical assistance program  
20          participation of a vendor under this Section, a hearing upon  
21          the vendor's participation must be convened by the Illinois  
22          Department within 15 days after such suspension and completed  
23          without appreciable delay. Such hearing shall be held to  
24          determine whether to recommend to the Director that the  
25          vendor's medical assistance program participation be denied,  
26          terminated, suspended, placed on provisional status, or

1 reinstated. In the hearing, any evidence relevant to the vendor  
2 constituting an immediate danger to the public may be  
3 introduced against such vendor; provided, however, that the  
4 vendor, or his or her counsel, shall have the opportunity to  
5 discredit, impeach, and submit evidence rebutting such  
6 evidence.

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

10 (I) Based on a finding of noncompliance on the part of a  
11 nursing home with any requirement for certification under Title  
12 XVIII or XIX of the Social Security Act (42 U.S.C. Sec. 1395 et  
13 seq. or 42 U.S.C. Sec. 1396 et seq.), the Illinois Department  
14 may impose one or more of the following remedies after notice  
15 to the facility:

16 (1) Termination of the provider agreement.

17 (2) Temporary management.

18 (3) Denial of payment for new admissions.

19 (4) Civil money penalties.

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

22 (6) State monitoring.

23 (7) Denial of all payments when the U.S. Department of  
24 Health and Human Services ~~Health Care Finance~~  
25 ~~Administration~~ has imposed this sanction.

26 The Illinois Department shall by rule establish criteria

1 governing continued payments to a nursing facility subsequent  
2 to termination of the facility's provider agreement if, in the  
3 sole discretion of the Illinois Department, circumstances  
4 affecting the health, safety, and welfare of the facility's  
5 residents require those continued payments. The Illinois  
6 Department may condition those continued payments on the  
7 appointment of temporary management, sale of the facility to  
8 new owners or operators, or other arrangements that the  
9 Illinois Department determines best serve the needs of the  
10 facility's residents.

11 Except in the case of a facility that has a right to a  
12 hearing on the finding of noncompliance before an agency of the  
13 federal government, a facility may request a hearing before a  
14 State agency on any finding of noncompliance within 60 days  
15 after the notice of the intent to impose a remedy. Except in  
16 the case of civil money penalties, a request for a hearing  
17 shall not delay imposition of the penalty. The choice of  
18 remedies is not appealable at a hearing. The level of  
19 noncompliance may be challenged only in the case of a civil  
20 money penalty. The Illinois Department shall provide by rule  
21 for the State agency that will conduct the evidentiary  
22 hearings.

23 The Illinois Department may collect interest on unpaid  
24 civil money penalties.

25 The Illinois Department may adopt all rules necessary to  
26 implement this subsection (I).



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

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

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

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

22           (d) The Illinois Department may seek a revocation of  
23 any alternate payee, and all owners, officers, and  
24 individuals with management responsibility for such  
25 alternate payee shall be permanently prohibited from  
26 participating as an owner, an officer, or an individual

1 with management responsibility with an alternate payee in  
2 the Illinois Medical Assistance Program, if after  
3 reasonable notice and opportunity for a hearing the  
4 Illinois Department finds that:

5 (1) the alternate payee is not complying with the  
6 Department's policy or rules and regulations, or with  
7 the terms and conditions prescribed by the Illinois  
8 Department in its alternate payee registration  
9 agreement; or

10 (2) the alternate payee has failed to keep or make  
11 available for inspection, audit, or copying, after  
12 receiving a written request from the Illinois  
13 Department, such records regarding payments claimed as  
14 an alternate payee; or

15 (3) the alternate payee has failed to furnish any  
16 information requested by the Illinois Department  
17 regarding payments claimed as an alternate payee; or

18 (4) the alternate payee has knowingly made, or  
19 caused to be made, any false statement or  
20 representation of a material fact in connection with  
21 the administration of the Illinois Medical Assistance  
22 Program; or

23 (5) the alternate payee, a person with management  
24 responsibility for an alternate payee, an officer or  
25 person owning, either directly or indirectly, 5% or  
26 more of the shares of stock or other evidences of

1 ownership in a corporate alternate payee, or a partner  
2 in a partnership which is an alternate payee:

3 (a) was previously terminated, suspended, or  
4 excluded from participation as a vendor in the  
5 Illinois Medical Assistance Program, or was  
6 previously revoked as an alternate payee in the  
7 Illinois Medical Assistance Program, or was  
8 terminated, suspended, or excluded from  
9 participation as a vendor in a medical assistance  
10 program in another state that is of the same kind  
11 as the program of medical assistance provided  
12 under Article V of this Code; or

13 (b) was a person with management  
14 responsibility for a vendor previously terminated, suspended, or excluded  
15 suspended, or excluded from participation as a  
16 vendor in the Illinois Medical Assistance Program,  
17 or was previously revoked as an alternate payee in  
18 the Illinois Medical Assistance Program, or was  
19 terminated, suspended, or excluded from  
20 participation as a vendor in a medical assistance  
21 program in another state that is of the same kind  
22 as the program of medical assistance provided  
23 under Article V of this Code, during the time of  
24 conduct which was the basis for that vendor's  
25 termination, suspension, or exclusion or alternate  
26 payee's revocation; or

1           (c) was an officer, or person owning, either  
2 directly or indirectly, 5% or more of the shares of  
3 stock or other evidences of ownership in a  
4 corporate vendor previously terminated, suspended,  
5 or excluded from participation as a vendor in the  
6 Illinois Medical Assistance Program, or was  
7 previously revoked as an alternate payee in the  
8 Illinois Medical Assistance Program, or was  
9 terminated, suspended, or excluded from  
10 participation as a vendor in a medical assistance  
11 program in another state that is of the same kind  
12 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, suspension, or exclusion; or

16           (d) was an owner of a sole proprietorship or  
17 partner in a partnership previously terminated, suspended,  
18 or excluded from participation as a  
19 vendor in the Illinois Medical Assistance Program,  
20 or was previously revoked as an alternate payee in  
21 the Illinois Medical Assistance Program, or was  
22 terminated, suspended, or excluded from  
23 participation as a vendor in a medical assistance  
24 program in another state that is of the same kind  
25 as the program of medical assistance provided  
26 under Article V of this Code, during the time of

1           conduct which was the basis for that vendor's  
2           termination, suspension, or exclusion or alternate  
3           payee's revocation; or

4           (6) the alternate payee, a person with management  
5           responsibility for an alternate payee, an officer or  
6           person owning, either directly or indirectly, 5% or  
7           more of the shares of stock or other evidences of  
8           ownership in a corporate alternate payee, or a partner  
9           in a partnership which is an alternate payee:

10           (a) has engaged in conduct prohibited by  
11           applicable federal or State law or regulation  
12           relating to the Illinois Medical Assistance  
13           Program; or

14           (b) was a person with management  
15           responsibility for a vendor or alternate payee at  
16           the time that the vendor or alternate payee engaged  
17           in practices prohibited by applicable federal or  
18           State law or regulation relating to the Illinois  
19           Medical Assistance Program; or

20           (c) was an officer, or person owning, either  
21           directly or indirectly, 5% or more of the shares of  
22           stock or other evidences of ownership in a vendor  
23           or alternate payee at the time such vendor or  
24           alternate payee engaged in practices prohibited by  
25           applicable federal or State law or regulation  
26           relating to the Illinois Medical Assistance

1 Program; or

2 (d) was an owner of a sole proprietorship or  
3 partner in a partnership which was a vendor or  
4 alternate payee at the time such vendor or  
5 alternate payee engaged in practices prohibited by  
6 applicable federal or State law or regulation  
7 relating to the Illinois Medical Assistance  
8 Program; or

9 (7) the direct or indirect ownership of the vendor  
10 or alternate payee (including the ownership of a vendor  
11 or alternate payee that is a partner's interest in a  
12 vendor or alternate payee, or ownership of 5% or more  
13 of the shares of stock or other evidences of ownership  
14 in a corporate vendor or alternate payee) has been  
15 transferred by an individual who is terminated,  
16 suspended, or excluded or barred from participating as  
17 a vendor or is prohibited or revoked as an alternate  
18 payee to the individual's spouse, child, brother,  
19 sister, parent, grandparent, grandchild, uncle, aunt,  
20 niece, nephew, cousin, or relative by marriage.

21 (K) The Illinois Department of Healthcare and Family  
22 Services may withhold payments, in whole or in part, to a  
23 provider or alternate payee where there is credible ~~upon~~  
24 ~~receipt of~~ evidence, received from State or federal law  
25 enforcement or federal oversight agencies or from the results  
26 of a preliminary Department audit ~~and determined by the~~

1 ~~Department to be credible~~, that the circumstances giving rise  
2 to the need for a withholding of payments may involve fraud or  
3 willful misrepresentation under the Illinois Medical  
4 Assistance program. The Department shall by rule define what  
5 constitutes "credible" evidence for purposes of this  
6 subsection. The Department may withhold payments without first  
7 notifying the provider or alternate payee of its intention to  
8 withhold such payments. A provider or alternate payee may  
9 request a reconsideration of payment withholding, and the  
10 Department must grant such a request. The Department shall  
11 state by rule a process and criteria by which a provider or  
12 alternate payee may request full or partial release of payments  
13 withheld under this subsection. This request may be made at any  
14 time after the Department first withholds such payments.

15 (a) The Illinois Department must send notice of its  
16 withholding of program payments within 5 days of taking  
17 such action. The notice must set forth the general  
18 allegations as to the nature of the withholding action, but  
19 need not disclose any specific information concerning its  
20 ongoing investigation. The notice must do all of the  
21 following:

22 (1) State that payments are being withheld in  
23 accordance with this subsection.

24 (2) State that the withholding is for a temporary  
25 period, as stated in paragraph (b) of this subsection,  
26 and cite the circumstances under which withholding

1 will be terminated.

2 (3) Specify, when appropriate, which type or types  
3 of Medicaid claims withholding is effective.

4 (4) Inform the provider or alternate payee of the  
5 right to submit written evidence for reconsideration  
6 of the withholding by the Illinois Department.

7 (5) Inform the provider or alternate payee that a  
8 written request may be made to the Illinois Department  
9 for full or partial release of withheld payments and  
10 that such requests may be made at any time after the  
11 Department first withholds such payments.

12 (b) All withholding-of-payment actions under this  
13 subsection shall be temporary and shall not continue after  
14 any of the following:

15 (1) The Illinois Department or the prosecuting  
16 authorities determine that there is insufficient  
17 evidence of fraud or willful misrepresentation by the  
18 provider or alternate payee.

19 (2) Legal proceedings related to the provider's or  
20 alternate payee's alleged fraud, willful  
21 misrepresentation, violations of this Act, or  
22 violations of the Illinois Department's administrative  
23 rules are completed.

24 (3) The withholding of payments for a period of 3  
25 years.

26 (c) The Illinois Department may adopt all rules



1           necessary to implement this subsection (K).

2           (K-5) The Illinois Department may withhold payments, in  
3 whole or in part, to a provider or alternate payee upon  
4 initiation of an audit, quality of care review, or  
5 investigation when there is a credible allegation of fraud, or  
6 the provider or alternate payee demonstrates a clear failure to  
7 cooperate with the Illinois Department such that the  
8 circumstances give rise to the need for a withholding of  
9 payments. As used in this subsection, "credible allegation" is  
10 defined to include an allegation from any source, including,  
11 but not limited to, fraud hotline complaints, claims data  
12 mining, patterns identified through provider audits, civil  
13 actions filed under the False Claims Act, and law enforcement  
14 investigations. An allegation is considered to be credible when  
15 it has indicia of reliability. The Illinois Department may  
16 withhold payments without first notifying the provider or  
17 alternate payee of its intention to withhold such payments. A  
18 provider or alternate payee may request a reconsideration of  
19 payment withholding, and the Illinois Department must grant  
20 such a request. The Illinois Department shall state by rule a  
21 process and criteria by which a provider or alternate payee may  
22 request full or partial release of payments withheld under this  
23 subsection. This request may be made at any time after the  
24 Illinois Department first withholds such payments.

25           (a) The Illinois Department must send notice of its  
26 withholding of program payments within 5 days of taking

1       such action. The notice must set forth the general  
2       allegations as to the nature of the withholding action but  
3       need not disclose any specific information concerning its  
4       ongoing investigation. The notice must do all of the  
5       following:

6               (1) State that payments are being withheld in  
7               accordance with this subsection.

8               (2) State that the withholding is for a temporary  
9               period, as stated in paragraph (b) of this subsection,  
10              and cite the circumstances under which withholding  
11              will be terminated.

12              (3) Specify, when appropriate, which type or types  
13              of claims are withheld.

14              (4) Inform the provider or alternate payee of the  
15              right to submit written evidence for reconsideration  
16              of the withholding by the Illinois Department.

17              (5) Inform the provider or alternate payee that a  
18              written request may be made to the Illinois Department  
19              for full or partial release of withheld payments and  
20              that such requests may be made at any time after the  
21              Illinois Department first withholds such payments.

22              (b) All withholding of payment actions under this  
23              subsection shall be temporary and shall not continue after  
24              any of the following:

25                      (1) The Illinois Department determines that there  
26                      is insufficient evidence of fraud, or the provider or

1 alternate payee demonstrates clear cooperation with  
2 the Illinois Department, as determined by the Illinois  
3 Department, such that the circumstances do not give  
4 rise to the need for withholding of payments; or

5 (2) The withholding of payments has lasted for a  
6 period in excess of 3 years.

7 (c) The Illinois Department may adopt all rules  
8 necessary to implement this subsection (K-5).

9 (L) The Illinois Department shall establish a protocol to  
10 enable health care providers to disclose an actual or potential  
11 violation of this Section pursuant to a self-referral  
12 disclosure protocol, referred to in this Section as "the  
13 protocol". The protocol shall include direction for health care  
14 providers on a specific person, official, or office to whom  
15 such disclosures shall be made. The Illinois Department shall  
16 post information on the protocol on the Illinois Department's  
17 public website. The Illinois Department may adopt rules  
18 necessary to implement this subsection (L). In addition to  
19 other factors that the Illinois Department finds appropriate,  
20 the Illinois Department may consider a health care provider's  
21 timely use or failure to use the protocol in considering the  
22 provider's failure to comply with this Code.

23 (M) Notwithstanding any other provision of this Code, the  
24 Illinois Department, at its discretion, may exempt entities  
25 licensed under the Nursing Home Care Act and the ID/DD  
26 Community Care Act from the provisions of subsections (A-15),

1 (B), and (C) of this Section if the licensed entity is in  
2 receivership.

3 (Source: P.A. 94-265, eff. 1-1-06; 94-975, eff. 6-30-06.)

4 (305 ILCS 5/12-13.1)

5 Sec. 12-13.1. Inspector General.

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

12 (b) In order to prevent, detect, and eliminate fraud,  
13 waste, abuse, mismanagement, and misconduct, the Inspector  
14 General shall oversee the Department of Healthcare and Family  
15 Services' integrity functions, which include, but are not  
16 limited to, the following:

17 (1) Investigation of misconduct by employees, vendors,  
18 contractors and medical providers, except for allegations  
19 of violations of the State Officials and Employees Ethics  
20 Act which shall be referred to the Office of the Governor's  
21 Executive Inspector General for investigation.

22 (2) Prepayment and post-payment audits ~~Audits~~ of  
23 medical providers related to ensuring that appropriate  
24 payments are made for services rendered and to the  
25 prevention and recovery of overpayments.

1           (3) Monitoring of quality assurance programs  
2           administered by the Department of Healthcare and Family  
3           Services ~~generally related to the medical assistance~~  
4           ~~program and specifically related to any managed care~~  
5           ~~program.~~

6           (4) Quality control measurements of the programs  
7           administered by the Department of Healthcare and Family  
8           Services.

9           (5) Investigations of fraud or intentional program  
10          violations committed by clients of the Department of  
11          Healthcare and Family Services.

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

14               (A) Violations of the medical assistance program.

15               (B) Sanctions against providers brought in  
16               conjunction with the Department of Public Health or the  
17               Department of Human Services (as successor to the  
18               Department of Mental Health and Developmental  
19               Disabilities).

20               (C) Recoveries of assessments against hospitals  
21               and long-term care facilities.

22               (D) Sanctions mandated by the United States  
23               Department of Health and Human Services against  
24               medical providers.

25               (E) Violations of contracts related to any  
26               programs administered by the Department of Healthcare

1           and Family Services ~~managed care programs.~~

2           (7) Representation of the Department of Healthcare and  
3           Family Services at hearings with the Illinois Department of  
4           Financial and Professional Regulation in actions taken  
5           against professional licenses held by persons who are in  
6           violation of orders for child support payments.

7           (b-5) At the request of the Secretary of Human Services,  
8           the Inspector General shall, in relation to any function  
9           performed by the Department of Human Services as successor to  
10          the Department of Public Aid, exercise one or more of the  
11          powers provided under this Section as if those powers related  
12          to the Department of Human Services; in such matters, the  
13          Inspector General shall report his or her findings to the  
14          Secretary of Human Services.

15          (c) Notwithstanding, and in addition to, any other  
16          provision of law, the ~~The~~ Inspector General shall have access  
17          to all information, personnel and facilities of the Department  
18          of Healthcare and Family Services and the Department of Human  
19          Services (as successor to the Department of Public Aid), their  
20          employees, vendors, contractors and medical providers and any  
21          federal, State or local governmental agency that are necessary  
22          to perform the duties of the Office as directly related to  
23          public assistance programs administered by those departments.  
24          No medical provider shall be compelled, however, to provide  
25          individual medical records of patients who are not clients of  
26          the programs administered by the Department of Healthcare and

1 Family Services ~~Medical Assistance Program~~. State and local  
2 governmental agencies are authorized and directed to provide  
3 the requested information, assistance or cooperation.

4 For purposes of enhanced program integrity functions and  
5 oversight, and to the extent consistent with applicable  
6 information, privacy, security, and disclosure laws, State  
7 agencies and departments shall provide the Office of Inspector  
8 General access to confidential and other information and data,  
9 and the Inspector General is authorized to enter into  
10 agreements with appropriate federal agencies and departments  
11 to secure similar data. This includes, but is not limited to,  
12 information pertaining to: licensure; certification; earnings;  
13 immigration status; citizenship; wage reporting; unearned and  
14 earned income; pension income; employment; supplemental  
15 security income; social security numbers; National Provider  
16 Identifier (NPI) numbers; the National Practitioner Data Bank  
17 (NPDB); program and agency exclusions; taxpayer identification  
18 numbers; tax delinquency; corporate information; and death  
19 records.

20 The Illinois Department shall enter into agreements with  
21 State agencies and departments, and is authorized to enter into  
22 agreements with federal agencies and departments, under which  
23 such agencies and departments shall share data necessary for  
24 medical assistance program integrity functions and oversight.  
25 The Illinois Department shall enter into agreements with State  
26 agencies and departments, and is authorized to enter into

1 agreements with federal agencies and departments, under which  
2 such agencies shall share data necessary for recipient or  
3 vendor screening, review, investigation, and payment and  
4 eligibility verification. The Illinois Department shall  
5 develop, in cooperation with other State and federal agencies  
6 and departments, and in compliance with applicable federal laws  
7 and regulations, appropriate and effective methods to share  
8 such data. The Illinois Department shall enter into agreements  
9 with State agencies and departments, and is authorized to enter  
10 into agreements with federal agencies and departments,  
11 including but not limited to: the Secretary of State; the  
12 Department of Revenue; the Department of Public Health; the  
13 Department of Human Services; and the Department of Financial  
14 and Professional Regulation.

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

17 The Inspector General shall have the authority to deny or  
18 suspend payment to, and deny, terminate, or suspend the  
19 eligibility of, any vendor who fails to grant the Inspector  
20 General timely access to full and complete records, including  
21 records of recipients under the medical assistance program for  
22 the most recent 6 years, in accordance with Section 140.28 of  
23 Title 89 of the Illinois Administrative Code, and other  
24 information for the purpose of audits, investigations, or other  
25 program integrity functions, after reasonable written request  
26 by the Inspector General.



1 (d) The Inspector General shall serve as the Department of  
2 Healthcare and Family Services' primary liaison with law  
3 enforcement, investigatory and prosecutorial agencies,  
4 including but not limited to the following:

5 (1) The Department of State Police.

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

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

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

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

17 (6) The several State's Attorneys.

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

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

26 (e) All investigations conducted by the Inspector General

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

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

26 (g) The Inspector General shall report all convictions,

1 terminations, and suspensions taken against vendors,  
2 contractors and medical providers to the Department of  
3 Healthcare and Family Services and to any agency responsible  
4 for licensing or regulating those persons or entities.

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

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

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

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

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

25 (5) A detailed summary of the investigations  
26 undertaken in the previous fiscal year. These summaries

1 shall comply with all laws and rules regarding maintaining  
2 confidentiality in the public aid programs.

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

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

15 (Source: P.A. 95-331, eff. 8-21-07; 96-555, eff. 8-18-09;  
16 96-1316, eff. 1-1-11.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.".