

1 AN ACT concerning public aid.

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

4 Section 5. The Illinois Public Aid Code is amended by
5 changing Sections 8A-2.5, 8A-13, and 8A-15 as follows:

6 (305 ILCS 5/8A-2.5)

7 Sec. 8A-2.5. Unauthorized use of medical assistance.

8 (a) Any person who knowingly uses, acquires, possesses, or
9 transfers a medical card in any manner not authorized by law or
10 by rules and regulations of the Illinois Department, or who
11 knowingly alters a medical card, or who knowingly uses,
12 acquires, possesses, or transfers an altered medical card, is
13 guilty of a violation of this Article and shall be punished as
14 provided in Section 8A-6.

15 (b) Any person who knowingly obtains unauthorized medical
16 benefits or causes to be obtained unauthorized medical benefits
17 with or without use of a medical card is guilty of a violation
18 of this Article and shall be punished as provided in Section
19 8A-6.

20 (b-5) Any vendor that knowingly assists a person in
21 committing a violation under subsection (a) or (b) of this
22 Section is guilty of a violation of this Article and shall be
23 punished as provided in Section 8A-6.

1 (b-6) Any person (including a vendor, organization,
2 agency, or other entity) that, in any matter related to the
3 medical assistance program, knowingly or willfully falsifies,
4 conceals, or omits by any trick, scheme, artifice, or device a
5 material fact, or makes any false, fictitious, or fraudulent
6 statement or representation, or makes or uses any false writing
7 or document, knowing the same to contain any false, fictitious,
8 or fraudulent statement or entry in connection with the
9 provision of health care or related services, is guilty of a
10 violation of this Article and shall be punished as provided in
11 Section 8A-6.

12 (c) The Department may seek to recover any and all State
13 and federal monies for which it has improperly and erroneously
14 paid benefits as a result of a fraudulent action and any civil
15 penalties authorized in this Section. Pursuant to Section
16 11-14.5 of this Code, the Department may determine the monetary
17 value of benefits improperly and erroneously received. The
18 Department may recover the monies paid for such benefits and
19 interest on that amount at the rate of 5% per annum for the
20 period from which payment was made to the date upon which
21 repayment is made to the State. Prior to the recovery of any
22 amount paid for benefits allegedly obtained by fraudulent
23 means, the recipient or payee of such benefits shall be
24 afforded an opportunity for a hearing after reasonable notice.
25 The notice shall be served personally or by certified or
26 registered mail or as otherwise provided by law upon the

1 parties or their agents appointed to receive service of process
2 and shall include the following:

3 (1) A statement of the time, place and nature of the
4 hearing.

5 (2) A statement of the legal authority and jurisdiction
6 under which the hearing is to be held.

7 (3) A reference to the particular Sections of the
8 substantive and procedural statutes and rules involved.

9 (4) Except where a more detailed statement is otherwise
10 provided for by law, a short and plain statement of the
11 matters asserted, the consequences of a failure to respond,
12 and the official file or other reference number.

13 (5) A statement of the monetary value of the benefits
14 fraudulently received by the person accused.

15 (6) A statement that, in addition to any other
16 penalties provided by law, a civil penalty in an amount not
17 to exceed \$2,000 may be imposed for each fraudulent claim
18 for benefits or payments.

19 (7) A statement providing that the determination of the
20 monetary value may be contested by petitioning the
21 Department for an administrative hearing within 30 days
22 from the date of mailing the notice.

23 (8) The names and mailing addresses of the
24 administrative law judge, all parties, and all other
25 persons to whom the agency gives notice of the hearing
26 unless otherwise confidential by law.

1 An opportunity shall be afforded all parties to be
2 represented by legal counsel and to respond and present
3 evidence and argument.

4 Unless precluded by law, disposition may be made of any
5 contested case by stipulation, agreed settlement, consent
6 order, or default.

7 Any final order, decision, or other determination made,
8 issued or executed by the Director under the provisions of this
9 Article whereby any person is aggrieved shall be subject to
10 review in accordance with the provisions of the Administrative
11 Review Law, and the rules adopted pursuant thereto, which shall
12 apply to and govern all proceedings for the judicial review of
13 final administrative decisions of the Director.

14 Upon entry of a final administrative decision for repayment
15 of any benefits obtained by fraudulent means, or for any civil
16 penalties assessed, a lien shall attach to all property and
17 assets of such person, firm, corporation, association, agency,
18 institution, vendor, or other legal entity until the judgment
19 is satisfied.

20 Within 18 months of the effective date of this amendatory
21 Act of the 96th General Assembly, the Department of Healthcare
22 and Family Services will report to the General Assembly on the
23 number of fraud cases identified and pursued, and the fines
24 assessed and collected. The report will also include the
25 Department's analysis as to the use of private sector resources
26 to bring action, investigate, and collect monies owed.

1 (d) In subsections (a), (b), (b-5) and (b-6), "knowledge"
2 has the meaning ascribed to that term in Section 4-5 of the
3 Criminal Code of 2012. For any administrative action brought
4 under subsection (c) pursuant to a violation of this Section,
5 the Department shall define "knowing" by rule.

6 (Source: P.A. 96-1501, eff. 1-25-11; 97-23, eff. 1-1-12.)

7 (305 ILCS 5/8A-13)

8 Sec. 8A-13. Managed health care fraud.

9 (a) As used in this Section, "health plan" means any of the
10 following:

11 (1) Any health care reimbursement plan sponsored
12 wholly or partially by the State.

13 (2) Any private insurance carrier, health care
14 cooperative or alliance, health maintenance organization,
15 insurer, organization, entity, association, affiliation,
16 or person that contracts to provide or provides goods or
17 services that are reimbursed by or are a required benefit
18 of a health benefits program funded wholly or partially by
19 the State.

20 (3) Anyone who provides or contracts to provide goods
21 and services to an entity described in paragraph (1) or (2)
22 of this subsection.

23 For purposes of item (2) in subsection (b),
24 "representation" and "statement" include, but are not limited
25 to, reports, claims, certifications, acknowledgments and

1 ratifications of financial information, enrollment claims,
2 demographic statistics, encounter data, health services
3 available or rendered, and the qualifications of person
4 rendering health care and ancillary services.

5 (b) Any person, firm, corporation, association, agency,
6 institution, or other legal entity that, with the intent to
7 obtain benefits or payments under this Code to which the person
8 or entity is not entitled or in a greater amount than that to
9 which the person or entity is entitled, knowingly or willfully:

10 ~~executes or conspires to execute a scheme or artifice~~

11 (1) executes or conspires to execute a scheme or
12 artifice to defraud any State or federally funded or
13 mandated health plan in connection with the delivery of or
14 payment for health care benefits, items, or services; ~~or~~

15 (2) executes or conspires to execute a scheme or
16 artifice to obtain by means of false or fraudulent
17 pretense, representation, statement, or promise money or
18 anything of value in connection with the delivery of or
19 payment for health care benefits, items, or services that
20 are in whole or in part paid for, reimbursed, or subsidized
21 by, or are a required benefit of, a State or federally
22 funded or mandated health plan;

23 (3) falsifies, conceals, or covers up by any trick,
24 scheme, or device a material fact in connection with the
25 delivery of or payment for health care benefits, items, or
26 services that are in whole or in part paid for or

1 reimbursed by a State or federal health plan;

2 (4) makes any materially false, fictitious, or
3 fraudulent statements or representations, or makes or uses
4 any materially false writing or document knowing the same
5 to contain any materially false, fictitious, or fraudulent
6 statement or entry, in connection with the delivery of or
7 payment for health care benefits, items, or services that
8 are in whole or in part paid for or reimbursed by a State
9 or federal health plan; or

10 (5) makes or uses any false writing or document knowing
11 the same to contain any materially false, fictitious, or
12 fraudulent statement or entry in connection with the
13 delivery of or payment for health care benefits, items, or
14 services that are in whole or in part paid for or
15 reimbursed by a State or federal health plan;

16 is guilty of a violation of this Article and shall be punished
17 as provided in Section 8A-6.

18 (Source: P.A. 90-538, eff. 12-1-97.)

19 (305 ILCS 5/8A-15)

20 Sec. 8A-15. False statements relating to health care
21 delivery. Any person, firm, corporation, association, agency,
22 institution, or other legal entity that, in any matter related
23 to a State or federally funded or mandated health plan,
24 knowingly and wilfully falsifies, conceals, or omits by any
25 trick, scheme, artifice, or device a material fact, or makes

1 any false, fictitious, or fraudulent statement or
2 representation, or makes or uses any false writing or document,
3 knowing the same to contain any false, fictitious, or
4 fraudulent statement or entry in connection with the provision
5 of health care or related services, is guilty of a Class 4
6 felony ~~A misdemeanor~~.

7 (Source: P.A. 90-538, eff. 12-1-97.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.