

HB4756



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4756

by Rep. Norma Hernandez

SYNOPSIS AS INTRODUCED:

305 ILCS 5/12-9

from Ch. 23, par. 12-9

Amends the Administration Article of the Illinois Public Aid Code. Provides that disbursements shall be made from the Public Aid Recoveries Trust Fund for the payment of contingency fees to third-party entities that the Office of Inspector General authorizes to conduct payment recapture audits and other specified audits under the medical assistance program.

LRB104 20182 KTG 33633 b

A BILL FOR

1 AN ACT concerning public aid.

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

4 Section 5. The Illinois Public Aid Code is amended by
5 changing Section 12-9 as follows:

6 (305 ILCS 5/12-9) (from Ch. 23, par. 12-9)

7 Sec. 12-9. Public Aid Recoveries Trust Fund; uses. The
8 Public Aid Recoveries Trust Fund shall consist of (1)
9 recoveries by the Department of Healthcare and Family Services
10 (formerly Illinois Department of Public Aid) authorized by
11 this Code in respect to applicants or recipients under
12 Articles III, IV, V, and VI, including recoveries made by the
13 Department of Healthcare and Family Services (formerly
14 Illinois Department of Public Aid) from the estates of
15 deceased recipients, (2) recoveries made by the Department of
16 Healthcare and Family Services (formerly Illinois Department
17 of Public Aid) in respect to applicants and recipients under
18 the Children's Health Insurance Program Act, and the Covering
19 ALL KIDS Health Insurance Act, (2.5) recoveries made by the
20 Department of Healthcare and Family Services in connection
21 with the imposition of an administrative penalty as provided
22 under Section 12-4.45, (3) federal funds received on behalf of
23 and earned by State universities, other State agencies or

1 departments, and local governmental entities for services
2 provided to applicants or recipients covered under this Code,
3 the Children's Health Insurance Program Act, and the Covering
4 ALL KIDS Health Insurance Act, (3.5) federal financial
5 participation revenue related to eligible disbursements made
6 by the Department of Healthcare and Family Services from
7 appropriations required by this Section, and (4) all other
8 moneys received to the Fund, including interest thereon. The
9 Fund shall be held as a special fund in the State Treasury.

10 Disbursements from this Fund shall be only (1) for the
11 reimbursement of claims collected by the Department of
12 Healthcare and Family Services (formerly Illinois Department
13 of Public Aid) through error or mistake, (2) for payment to
14 persons or agencies designated as payees or co-payees on any
15 instrument, whether or not negotiable, delivered to the
16 Department of Healthcare and Family Services (formerly
17 Illinois Department of Public Aid) as a recovery under this
18 Section, such payment to be in proportion to the respective
19 interests of the payees in the amount so collected, (3) for
20 payments to the Department of Human Services for collections
21 made by the Department of Healthcare and Family Services
22 (formerly Illinois Department of Public Aid) on behalf of the
23 Department of Human Services under this Code, the Children's
24 Health Insurance Program Act, and the Covering ALL KIDS Health
25 Insurance Act, (4) for payment of administrative expenses
26 incurred in performing the activities authorized under this

1 Code, the Children's Health Insurance Program Act, and the
2 Covering ALL KIDS Health Insurance Act, (5) for payment of
3 fees to persons or agencies in the performance of activities
4 pursuant to the collection of monies owed the State that are
5 collected under this Code, the Children's Health Insurance
6 Program Act, and the Covering ALL KIDS Health Insurance Act,
7 (6) separate from those disbursements allowed under items (4)
8 and (5), for payment of contingency fees to third-party
9 entities that the Office of Inspector General authorizes to
10 conduct audits under Sections 12-4.25 and 12-4.40, or any
11 similar audits required by State or federal law, (7) for
12 payments of any amounts which are reimbursable to the federal
13 government which are required to be paid by State warrant by
14 either the State or federal government, and (8) ~~(7)~~ for
15 payments to State universities, other State agencies or
16 departments, and local governmental entities of federal funds
17 for services provided to applicants or recipients covered
18 under this Code, the Children's Health Insurance Program Act,
19 and the Covering ALL KIDS Health Insurance Act. Disbursements
20 from this Fund for purposes of items (4) and (5) of this
21 paragraph shall be subject to appropriations from the Fund to
22 the Department of Healthcare and Family Services (formerly
23 Illinois Department of Public Aid).

24 The balance in this Fund after payment therefrom of any
25 amounts reimbursable to the federal government, and minus the
26 amount anticipated to be needed to make the disbursements

1 authorized by this Section, shall be certified by the Director
2 of Healthcare and Family Services and transferred by the State
3 Comptroller to the Drug Rebate Fund or the Healthcare Provider
4 Relief Fund in the State Treasury, as appropriate, on at least
5 an annual basis by June 30th of each fiscal year. The Director
6 of Healthcare and Family Services may certify and the State
7 Comptroller shall transfer to the Drug Rebate Fund or the
8 Healthcare Provider Relief Fund amounts on a more frequent
9 basis.

10 (Source: P.A. 103-593, eff. 6-7-24.)