

HB5364



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5364

Introduced 2/10/2026, by Rep. Maura Hirschauer

SYNOPSIS AS INTRODUCED:

305 ILCS 5/12-13.1

Amends the Administration Article of the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services' Inspector General to, at the request of the Secretary of Early Childhood, exercise one or more specified statutory powers as if those powers related to the Department of Early Childhood. Requires the Inspector General to report his or her findings to the Secretary of Early Childhood.

LRB104 19659 KTG 33108 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 12-13.1 as follows:

6 (305 ILCS 5/12-13.1)

7 Sec. 12-13.1. Inspector General.

8 (a) The Governor shall appoint, and the Senate shall
9 confirm, an Inspector General who shall function within the
10 Illinois Department of Public Aid (now Healthcare and Family
11 Services) and report to the Governor. The term of the
12 Inspector General shall expire on the third Monday of January,
13 1997 and every 4 years thereafter.

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

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

1 (2) Prepayment and post-payment audits of medical
2 providers related to ensuring that appropriate payments
3 are made for services rendered and to the prevention and
4 recovery of overpayments.

5 (3) Monitoring of quality assurance programs
6 administered by the Department of Healthcare and Family
7 Services and the Community Care Program administered by
8 the Department on Aging.

9 (4) Quality control measurements of the programs
10 administered by the Department of Healthcare and Family
11 Services and the Community Care Program administered by
12 the Department on Aging.

13 (5) Investigations of fraud or intentional program
14 violations committed by clients of the Department of
15 Healthcare and Family Services and the Community Care
16 Program administered by the Department on Aging.

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

19 (A) Violations of the medical assistance program
20 and the Community Care Program administered by the
21 Department on Aging.

22 (B) Sanctions against providers brought in
23 conjunction with the Department of Public Health or
24 the Department of Human Services (as successor to the
25 Department of Mental Health and Developmental
26 Disabilities).

1 (C) Recoveries of assessments against hospitals
2 and long-term care facilities.

3 (D) Sanctions mandated by the United States
4 Department of Health and Human Services against
5 medical providers.

6 (E) Violations of contracts related to any
7 programs administered by the Department of Healthcare
8 and Family Services and the Community Care Program
9 administered by the Department on Aging.

10 (7) Representation of the Department of Healthcare and
11 Family Services at hearings with the Illinois Department
12 of Financial and Professional Regulation in actions taken
13 against professional licenses held by persons who are in
14 violation of orders for child support payments.

15 (b-5) At the request of the Secretary of Human Services or
16 the Secretary of Early Childhood, the Inspector General shall,
17 in relation to any function performed by the Department of
18 Human Services as successor to the Department of Public Aid,
19 exercise one or more of the powers provided under this Section
20 as if those powers related to the Department of Human Services
21 or the Department of Early Childhood; in such matters, the
22 Inspector General shall report his or her findings to the
23 Secretary of Human Services or the Secretary of Early
24 Childhood, respectively.

25 (c) Notwithstanding, and in addition to, any other
26 provision of law, the Inspector General shall have access to

1 all information, personnel and facilities of the Department of
2 Healthcare and Family Services and the Department of Human
3 Services (as successor to the Department of Public Aid), their
4 employees, vendors, contractors and medical providers and any
5 federal, State or local governmental agency that are necessary
6 to perform the duties of the Office as directly related to
7 public assistance programs administered by those departments.
8 No medical provider shall be compelled, however, to provide
9 individual medical records of patients who are not clients of
10 the programs administered by the Department of Healthcare and
11 Family Services. State and local governmental agencies are
12 authorized and directed to provide the requested information,
13 assistance or cooperation.

14 For purposes of enhanced program integrity functions and
15 oversight, and to the extent consistent with applicable
16 information and privacy, security, and disclosure laws, State
17 agencies and departments shall provide the Office of Inspector
18 General access to confidential and other information and data,
19 and the Inspector General is authorized to enter into
20 agreements with appropriate federal agencies and departments
21 to secure similar data. This includes, but is not limited to,
22 information pertaining to: licensure; certification; earnings;
23 immigration status; citizenship; wage reporting; unearned and
24 earned income; pension income; employment; supplemental
25 security income; social security numbers; National Provider
26 Identifier (NPI) numbers; the National Practitioner Data Bank

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

4 The Inspector General shall enter into agreements with
5 State agencies and departments, and is authorized to enter
6 into agreements with federal agencies and departments, under
7 which such agencies and departments shall share data necessary
8 for medical assistance program integrity functions and
9 oversight. The Inspector General shall enter into agreements
10 with State agencies and departments, and is authorized to
11 enter into agreements with federal agencies and departments,
12 under which such agencies shall share data necessary for
13 recipient and vendor screening, review, and investigation,
14 including but not limited to vendor payment and recipient
15 eligibility verification. The Inspector General shall develop,
16 in cooperation with other State and federal agencies and
17 departments, and in compliance with applicable federal laws
18 and regulations, appropriate and effective methods to share
19 such data. The Inspector General shall enter into agreements
20 with State agencies and departments, and is authorized to
21 enter into agreements with federal agencies and departments,
22 including, but not limited to: the Secretary of State; the
23 Department of Revenue; the Department of Public Health; the
24 Department of Human Services; and the Department of Financial
25 and Professional Regulation.

26 The Inspector General shall have the authority to deny

1 payment, prevent overpayments, and recover overpayments.

2 The Inspector General shall have the authority to deny or
3 suspend payment to, and deny, terminate, or suspend the
4 eligibility of, any vendor who fails to grant the Inspector
5 General timely access to full and complete records, including
6 records of recipients under the medical assistance program for
7 the most recent 6 years, in accordance with Section 140.28 of
8 Title 89 of the Illinois Administrative Code, and other
9 information for the purpose of audits, investigations, or
10 other program integrity functions, after reasonable written
11 request by the Inspector General.

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

16 (1) The Department of State Police.

17 (2) The Federal Bureau of Investigation and other
18 federal law enforcement agencies.

19 (3) The various Inspectors General of federal agencies
20 overseeing the programs administered by the Department of
21 Healthcare and Family Services.

22 (4) The various Inspectors General of any other State
23 agencies with responsibilities for portions of programs
24 primarily administered by the Department of Healthcare and
25 Family Services.

26 (5) The Offices of the several United States Attorneys

1 in Illinois.

2 (6) The several State's Attorneys.

3 (7) The offices of the Centers for Medicare and
4 Medicaid Services that administer the Medicare and
5 Medicaid integrity programs.

6 The Inspector General shall meet on a regular basis with
7 these entities to share information regarding possible
8 misconduct by any persons or entities involved with the public
9 aid programs administered by the Department of Healthcare and
10 Family Services.

11 (e) All investigations conducted by the Inspector General
12 shall be conducted in a manner that ensures the preservation
13 of evidence for use in criminal prosecutions. If the Inspector
14 General determines that a possible criminal act relating to
15 fraud in the provision or administration of the medical
16 assistance program has been committed, the Inspector General
17 shall immediately notify the Medicaid Fraud Control Unit. If
18 the Inspector General determines that a possible criminal act
19 has been committed within the jurisdiction of the Office, the
20 Inspector General may request the special expertise of the
21 Department of State Police. The Inspector General may present
22 for prosecution the findings of any criminal investigation to
23 the Office of the Attorney General, the Offices of the several
24 United States Attorneys in Illinois or the several State's
25 Attorneys.

26 (f) To carry out his or her duties as described in this

1 Section, the Inspector General and his or her designees shall
2 have the power to compel by subpoena the attendance and
3 testimony of witnesses and the production of books, electronic
4 records and papers as directly related to public assistance
5 programs administered by the Department of Healthcare and
6 Family Services or the Department of Human Services (as
7 successor to the Department of Public Aid). No medical
8 provider shall be compelled, however, to provide individual
9 medical records of patients who are not clients of the Medical
10 Assistance Program.

11 (g) The Inspector General shall report all convictions,
12 terminations, and suspensions taken against vendors,
13 contractors and medical providers to the Department of
14 Healthcare and Family Services and to any agency responsible
15 for licensing or regulating those persons or entities.

16 (h) The Inspector General shall make annual reports,
17 findings, and recommendations regarding the Office's
18 investigations into reports of fraud, waste, abuse,
19 mismanagement, or misconduct relating to any programs
20 administered by the Department of Healthcare and Family
21 Services or the Department of Human Services (as successor to
22 the Department of Public Aid) to the General Assembly and the
23 Governor. These reports shall include, but not be limited to,
24 the following information:

25 (1) Aggregate provider billing and payment
26 information, including the number of providers at various

1 Medicaid earning levels.

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

5 (3) The number of prescriptions rejected annually
6 under the Department of Healthcare and Family Services'
7 Refill Too Soon program and the dollar savings resulting
8 from that program.

9 (4) Provider sanctions, in the aggregate, including
10 terminations and suspensions.

11 (5) A detailed summary of the investigations
12 undertaken in the previous fiscal year. These summaries
13 shall comply with all laws and rules regarding maintaining
14 confidentiality in the public aid programs.

15 (i) Nothing in this Section shall limit investigations by
16 the Department of Healthcare and Family Services or the
17 Department of Human Services that may otherwise be required by
18 law or that may be necessary in their capacity as the central
19 administrative authorities responsible for administration of
20 their agency's programs in this State.

21 (j) The Inspector General may issue shields or other
22 distinctive identification to his or her employees not
23 exercising the powers of a peace officer if the Inspector
24 General determines that a shield or distinctive identification
25 is needed by an employee to carry out his or her
26 responsibilities.

1 (Source: P.A. 97-689, eff. 6-14-12; 98-8, eff. 5-3-13.)