**Section 140.15 Suspension and Denial of Payment, Recovery of Money and Penalties**

a) Effective July 1, 2012, theDepartment may suspend or deny payment, in whole or in part, to a vendor or the vendor's alternate payee if the payment would be improper or erroneous or would otherwise result in overpayment. The Department may recover money improperly or erroneously paid, or overpayments (see subsection (b) of this Section for exception to recovery of money), made to a vendor or vendor's alternate payee, either by setoff (deducting from Department obligations to the vendor or the designated alternate payee), deductions from future billings or by requiring direct repayment. Payments may be suspended, denied or recovered from a vendor or alternate payee:

1) for services rendered in violation of the Department's provider notices, statutes, rules and regulations;

2) for services rendered in violation of the terms and conditions prescribed by the Department in its vendor agreement;

3) for any vendor who fails to grant the Office of Inspector General of the Department timely access to full and complete records, including, but not limited to, records relating to recipients under the Medical Assistance Program for the most recent six years, in accordance with Section 140.28, and other information for the purpose of audits, investigations or other program integrity functions, after reasonable written request by the Inspector General; provided, however, that this subsection (a)(3) does not require vendors to make available the medical records of patients for whom services are not reimbursed under this Part or to provide access to medical records more than six years old;

4) when the vendor has knowingly made, or caused to be made, any false statement or representation of a material fact in connection with the administration of the Medical Assistance Program;

5) when the vendor previously rendered services while terminated, suspended or excluded from participation in the Medical Assistance Program or while terminated or excluded from participation in another state or federal medical assistance or health care program; or

6) for ground ambulance services rendered as the result of improper or false certification. Overpayments can be recovered from a vendor, including, but not limited to, from the discharging physician, the discharging facility, and the ground ambulance service provider.

b) If a practitioner designates an alternate payee, the practitioner and the alternate payee shall be jointly and severally liable to the Department for payments made to the alternate payee. Recoveries by the Department may be made against either party or both, at the Department's option.

c) The Department shall not recoup from any long term care provider any amounts subsequently determined to be owed by a client due to an error in the initial determination of medical eligibility.

d) Effective July 1, 2012, if it is established through an administrative hearing that an overpayment resulted from a vendor or the designated alternate payee knowingly making, using, or causing to be made or used, a false record or statement to obtain payment or other benefit from the medical assistance program, in addition to any other penalties that may be prescribed by law:

1) the Department may recover interest (based on criteria in 89 Ill. Adm. Code 104.206(d)(2)) on the amount of the overpayment or other benefit from the vendor or alternate payee at the rate of 5% per annum;

2) the vendor or alternate payee shall be subject to civil penalties consisting of an amount not to exceed three times the amount of payment or other benefit resulting from each false record or statement; and

3) the vendor or alternate payee shall be subject to payment of a penalty of $2,000 for each false record or statement for payment or other benefit.

e) Effective July 1, 2012, for purposes of this Section, "knowingly" means that a vendor or alternate payee, with respect to information:

1) has actual knowledge of the information;

2) acts in deliberate ignorance of the truth or falsity of the information; or

3) acts in reckless disregard of the truth or falsity of the information. No proof of specific intent to defraud is required.

f) If a vendor has the same taxpayer identification number (assigned under section 6109 of the Internal Revenue Code of 1986) as is assigned to a vendor with past-due financial obligations to the Department, the Department may make any necessary adjustments to payments to that vendor in order to satisfy any past-due obligations, regardless of whether the vendor is assigned a different billing number under the Medical Assistance Program.

(Source: Amended at 37 Ill. Reg. 10282, effective June 27, 2013)