



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB2490

Introduced 2/17/2005, by Rep. David E. Miller

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/12-4.25

from Ch. 23, par. 12-4.25

Amends the Illinois Public Aid Code. Authorizes the Department of Public Aid to permit an individual practitioner to designate that Medicaid payments due to the practitioner be paid to an alternate payee, and requires that alternate payees register with the Department. Imposes certain requirements on alternate payees. Provides that the Department may seek revocation of an alternate payee under certain conditions and may permanently prohibit owners, officers, or persons with management responsibility for an alternate payee from participating in the Medicaid program.

LRB094 03692 DRJ 41250 b

FISCAL NOTE ACT  
MAY APPLY

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 12-4.25 as follows:

6 (305 ILCS 5/12-4.25) (from Ch. 23, par. 12-4.25)

7 Sec. 12-4.25. Medical assistance program; vendor  
8 participation.

9 (A) The Illinois Department may deny, suspend or terminate  
10 the eligibility of any person, firm, corporation, association,  
11 agency, institution or other legal entity to participate as a  
12 vendor of goods or services to recipients under the medical  
13 assistance program under Article V, if after reasonable notice  
14 and opportunity for a hearing the Illinois Department finds:

15 (a) Such vendor is not complying with the Department's  
16 policy or rules and regulations, or with the terms and  
17 conditions prescribed by the Illinois Department in its  
18 vendor agreement, which document shall be developed by the  
19 Department as a result of negotiations with each vendor  
20 category, including physicians, hospitals, long term care  
21 facilities, pharmacists, optometrists, podiatrists and  
22 dentists setting forth the terms and conditions applicable  
23 to the participation of each vendor group in the program;  
24 or

25 (b) Such vendor has failed to keep or make available  
26 for inspection, audit or copying, after receiving a written  
27 request from the Illinois Department, such records  
28 regarding payments claimed for providing services. This  
29 section does not require vendors to make available patient  
30 records of patients for whom services are not reimbursed  
31 under this Code; or

32 (c) Such vendor has failed to furnish any information

1 requested by the Department regarding payments for  
2 providing goods or services; or

3 (d) Such vendor has knowingly made, or caused to be  
4 made, any false statement or representation of a material  
5 fact in connection with the administration of the medical  
6 assistance program; or

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

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

19 (1) was previously terminated from participation  
20 in the Illinois medical assistance program, or was  
21 terminated from participation in a medical assistance  
22 program in another state that is of the same kind as  
23 the program of medical assistance provided under  
24 Article V of this Code; or

25 (2) was a person with management responsibility  
26 for a vendor previously terminated from participation  
27 in the Illinois medical assistance program, or  
28 terminated from participation in a medical assistance  
29 program in another state that is of the same kind as  
30 the program of medical assistance provided under  
31 Article V of this Code, during the time of conduct  
32 which was the basis for that vendor's termination; or

33 (3) was an officer, or person owning, either  
34 directly or indirectly, 5% or more of the shares of  
35 stock or other evidences of ownership in a corporate  
36 vendor previously terminated from participation in the

1 Illinois medical assistance program, or terminated  
2 from participation in a medical assistance 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; or

7 (4) was an owner of a sole proprietorship or  
8 partner of a partnership previously terminated from  
9 participation in the Illinois medical assistance  
10 program, or terminated from participation in a medical  
11 assistance program in another state that is of the same  
12 kind 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; or

16 (g) The vendor; a person with management  
17 responsibility for a vendor; an officer or person owning,  
18 either directly or indirectly, 5% or more of the shares of  
19 stock or other evidences of ownership in a corporate  
20 vendor; an owner of a sole proprietorship which is a  
21 vendor; or a partner in a partnership which is a vendor,  
22 either:

23 (1) has engaged in practices prohibited by  
24 applicable federal or State law or regulation relating  
25 to the medical assistance program; or

26 (2) was a person with management responsibility  
27 for a vendor at the time that such vendor engaged in  
28 practices prohibited by applicable federal or State  
29 law or regulation relating to the medical assistance  
30 program; or

31 (3) was an officer, or person owning, either  
32 directly or indirectly, 5% or more of the shares of  
33 stock or other evidences of ownership in a vendor at  
34 the time such vendor engaged in practices prohibited by  
35 applicable federal or State law or regulation relating  
36 to the medical assistance program; or

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

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

16           (A-5) The Illinois Department may deny, suspend, or  
17 terminate the eligibility of any person, firm, corporation,  
18 association, agency, institution, or other legal entity to  
19 participate as a vendor of goods or services to recipients  
20 under the medical assistance program under Article V if, after  
21 reasonable notice and opportunity for a hearing, the Illinois  
22 Department finds that the vendor; a person with management  
23 responsibility for a vendor; an officer or person owning,  
24 either directly or indirectly, 5% or more of the shares of  
25 stock or other evidences of ownership in a corporate vendor; an  
26 owner of a sole proprietorship that is a vendor; or a partner  
27 in a partnership that is a vendor has been convicted of a  
28 felony offense based on fraud or willful misrepresentation  
29 related to any of the following:

30           (1) The medical assistance program under Article V of  
31 this Code.

32           (2) A medical assistance program in another state that  
33 is of the same kind as the program of medical assistance  
34 provided under Article V of this Code.

35           (3) The Medicare program under Title XVIII of the  
36 Social Security Act.

1 (4) The provision of health care services.

2 (B) The Illinois Department shall deny, suspend or  
3 terminate the eligibility of any person, firm, corporation,  
4 association, agency, institution or other legal entity to  
5 participate as a vendor of goods or services to recipients  
6 under the medical assistance program under Article V:

7 (1) if such vendor is not properly licensed;

8 (2) within 30 days of the date when such vendor's  
9 professional license, certification or other authorization  
10 has been refused renewal or has been revoked, suspended or  
11 otherwise terminated; or

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

14 (C) Upon termination of a vendor of goods or services from  
15 participation in the medical assistance program authorized by  
16 this Article, a person with management responsibility for such  
17 vendor during the time of any conduct which served as the basis  
18 for that vendor's termination is barred from participation in  
19 the medical assistance program.

20 Upon termination of a corporate vendor, the officers and  
21 persons owning, directly or indirectly, 5% or more of the  
22 shares of stock or other evidences of ownership in the vendor  
23 during the time of any conduct which served as the basis for  
24 that vendor's termination are barred from participation in the  
25 medical assistance program. A person who owns, directly or  
26 indirectly, 5% or more of the shares of stock or other  
27 evidences of ownership in a terminated corporate vendor may not  
28 transfer his or her ownership interest in that vendor to his or  
29 her spouse, child, brother, sister, parent, grandparent,  
30 grandchild, uncle, aunt, niece, nephew, cousin, or relative by  
31 marriage.

32 Upon termination of a sole proprietorship or partnership,  
33 the owner or partners during the time of any conduct which  
34 served as the basis for that vendor's termination are barred  
35 from participation in the medical assistance program. The owner  
36 of a terminated vendor that is a sole proprietorship, and a

1 partner in a terminated vendor that is a partnership, may not  
2 transfer his or her ownership or partnership interest in that  
3 vendor to his or her spouse, child, brother, sister, parent,  
4 grandparent, grandchild, uncle, aunt, niece, nephew, cousin,  
5 or relative by marriage.

6 Rules adopted by the Illinois Department to implement these  
7 provisions shall specifically include a definition of the term  
8 "management responsibility" as used in this Section. Such  
9 definition shall include, but not be limited to, typical job  
10 titles, and duties and descriptions which will be considered as  
11 within the definition of individuals with management  
12 responsibility for a provider.

13 (D) If a vendor has been suspended from the medical  
14 assistance program under Article V of the Code, the Director  
15 may require that such vendor correct any deficiencies which  
16 served as the basis for the suspension. The Director shall  
17 specify in the suspension order a specific period of time,  
18 which shall not exceed one year from the date of the order,  
19 during which a suspended vendor shall not be eligible to  
20 participate. At the conclusion of the period of suspension the  
21 Director shall reinstate such vendor, unless he finds that such  
22 vendor has not corrected deficiencies upon which the suspension  
23 was based.

24 If a vendor has been terminated from the medical assistance  
25 program under Article V, such vendor shall be barred from  
26 participation for at least one year, except that if a vendor  
27 has been terminated based on a conviction of a violation of  
28 Article VIII A or a conviction of a felony based on fraud or a  
29 willful misrepresentation related to (i) the medical  
30 assistance program under Article V, (ii) a medical assistance  
31 program in another state that is of the kind provided under  
32 Article V, (iii) the Medicare program under Title XVIII of the  
33 Social Security Act, or (iv) the provision of health care  
34 services, then the vendor shall be barred from participation  
35 for 5 years or for the length of the vendor's sentence for that  
36 conviction, whichever is longer. At the end of one year a

1 vendor who has been terminated may apply for reinstatement to  
2 the program. Upon proper application to be reinstated such  
3 vendor may be deemed eligible by the Director providing that  
4 such vendor meets the requirements for eligibility under this  
5 Code. If such vendor is deemed not eligible for reinstatement,  
6 he shall be barred from again applying for reinstatement for  
7 one year from the date his application for reinstatement is  
8 denied.

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

19 If a vendor has been terminated and reinstated to the  
20 medical assistance program under Article V and the vendor is  
21 terminated a second or subsequent time from the medical  
22 assistance program, the vendor shall be barred from  
23 participation for at least 2 years, except that if a vendor has  
24 been terminated a second time based on a conviction of a  
25 violation of Article VIIIA or a conviction of a felony based on  
26 fraud or a willful misrepresentation related to (i) the medical  
27 assistance program under Article V, (ii) a medical assistance  
28 program in another state that is of the kind provided under  
29 Article V, (iii) the Medicare program under Title XVIII of the  
30 Social Security Act, or (iv) the provision of health care  
31 services, then the vendor shall be barred from participation  
32 for life. At the end of 2 years, a vendor who has been  
33 terminated may apply for reinstatement to the program. Upon  
34 application to be reinstated, the vendor may be deemed eligible  
35 if the vendor meets the requirements for eligibility under this  
36 Code. If the vendor is deemed not eligible for reinstatement,



1 the vendor shall be barred from again applying for  
2 reinstatement for 2 years from the date the vendor's  
3 application for reinstatement is denied.

4 (E) The Illinois Department may recover money improperly or  
5 erroneously paid, or overpayments, either by setoff, crediting  
6 against future billings or by requiring direct repayment to the  
7 Illinois Department.

8 If the Department of Public Aid establishes through an  
9 administrative hearing that the overpayments resulted from the  
10 vendor or alternate payee willfully making, or causing to be  
11 made, a false statement or misrepresentation of a material fact  
12 in connection with billings and payments under the medical  
13 assistance program under Article V, the Department may recover  
14 interest on the amount of the overpayments at the rate of 5%  
15 per annum. For purposes of this paragraph, "willfully" means  
16 that a person makes a statement or representation with actual  
17 knowledge that it was false, or makes a statement or  
18 representation with knowledge of facts or information that  
19 would cause one to be aware that the statement or  
20 representation was false when made.

21 (F) The Illinois Department may withhold payments to any  
22 vendor or alternate payee during the pendency of any proceeding  
23 under this Section. The Illinois Department shall state by rule  
24 with as much specificity as practicable the conditions under  
25 which payments will not be withheld during the pendency of any  
26 proceeding under this Section. Payments may be denied for bills  
27 submitted with service dates occurring during the pendency of a  
28 proceeding where the final administrative decision is to  
29 terminate eligibility to participate in the medical assistance  
30 program. The Illinois Department shall state by rule with as  
31 much specificity as practicable the conditions under which  
32 payments will not be denied for such bills. The Department of  
33 Public Aid shall state by rule a process and criteria by which  
34 a vendor or alternate payee may request full or partial release  
35 of payments withheld under this subsection. The Department must  
36 complete a proceeding under this Section in a timely manner.

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

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

16 (2) If the vendor is a sole proprietorship: the owner  
17 of the sole proprietorship.

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

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

25 If the Illinois Department withholds payments to a vendor  
26 or alternate payee under this subsection, the Department shall  
27 not release those payments to the vendor or alternate payee  
28 while any criminal proceeding related to the indictment or  
29 charge is pending unless the Department determines that there  
30 is good cause to release the payments before completion of the  
31 proceeding. If the indictment or charge results in the  
32 individual's conviction, the Illinois Department shall retain  
33 all withheld payments, which shall be considered forfeited to  
34 the Department. If the indictment or charge does not result in  
35 the individual's conviction, the Illinois Department shall  
36 release to the vendor or alternate payee all withheld payments.

1 (G) The provisions of the Administrative Review Law, as now  
2 or hereafter amended, and the rules adopted pursuant thereto,  
3 shall apply to and govern all proceedings for the judicial  
4 review of final administrative decisions of the Illinois  
5 Department under this Section. The term "administrative  
6 decision" is defined as in Section 3-101 of the Code of Civil  
7 Procedure.

8 (G-5) Non-emergency transportation.

9 (1) Notwithstanding any other provision in this  
10 Section, for non-emergency transportation vendors, the  
11 Department may terminate the vendor from participation in  
12 the medical assistance program prior to an evidentiary  
13 hearing but after reasonable notice and opportunity to  
14 respond as established by the Department by rule.

15 (2) Vendors of non-emergency medical transportation  
16 services, as defined by the Department by rule, shall  
17 submit to a fingerprint-based criminal background check on  
18 current and future information available in the State  
19 system and current information available through the  
20 Federal Bureau of Investigation's system by submitting all  
21 necessary fees and information in the form and manner  
22 prescribed by the Department of State Police. The following  
23 individuals shall be subject to the check:

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

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

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

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

32 Each such vendor shall be responsible for payment of  
33 the cost of the criminal background check.

34 (3) Vendors of non-emergency medical transportation  
35 services may be required to post a surety bond. The  
36 Department shall establish, by rule, the criteria and

1 requirements for determining when a surety bond must be  
2 posted and the value of the bond.

3 (4) The Department, or its agents, may refuse to accept  
4 requests for non-emergency transportation authorizations,  
5 including prior-approval and post-approval requests, for a  
6 specific non-emergency transportation vendor if:

7 (A) the Department has initiated a notice of  
8 termination of the vendor from participation in the  
9 medical assistance program; or

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

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

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

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

26 (1) Termination of the provider agreement.

27 (2) Temporary management.

28 (3) Denial of payment for new admissions.

29 (4) Civil money penalties.

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

32 (6) State monitoring.

33 (7) Denial of all payments when the Health Care Finance  
34 Administration has imposed this sanction.

35 The Illinois Department shall by rule establish criteria  
36 governing continued payments to a nursing facility subsequent

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

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

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

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

26 (J) The Illinois Department, by rule, may permit individual  
27 practitioners to designate that Department payments that may be  
28 due the practitioner be made to an alternate payee or alternate  
29 payees.

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

33 (b) If a practitioner designates an alternate payee,  
34 the alternate payee and practitioner shall be jointly and  
35 severally liable to the Department for payments made to the  
36 alternate payee. Pursuant to subsection (E) of this

1 Section, any Department action to recover money or  
2 overpayments from an alternate payee shall be subject to an  
3 administrative hearing.

4 (c) Registration as an alternate payee or alternate  
5 payees in the Illinois Medical Assistance Program shall be  
6 conditional. At any time, the Illinois Department may deny  
7 or cancel any alternate payee's registration in the  
8 Illinois Medical Assistance Program without cause. Any  
9 such denial or cancellation is not subject to an  
10 administrative hearing.

11 (d) The Illinois Department may seek a revocation of  
12 any alternate payee, and all owners, officers, and  
13 individuals with management responsibility for such  
14 alternate payee shall be permanently prohibited from  
15 participating as an owner, an officer, or an individual  
16 with management responsibility with an alternate payee in  
17 the Illinois Medical Assistance Program, if after  
18 reasonable notice and opportunity for a hearing the  
19 Illinois Department finds that:

20 (1) the alternate payee is not complying with the  
21 Department's policy or rules and regulations, or with  
22 the terms and conditions prescribed by the Illinois  
23 Department in its alternate payee registration  
24 agreement; or

25 (2) the alternate payee has failed to keep or make  
26 available for inspection, audit, or copying, after  
27 receiving a written request from the Illinois  
28 Department, such records regarding payments claimed as  
29 an alternate payee; or

30 (3) the alternate payee has failed to furnish any  
31 information requested by the Illinois Department  
32 regarding payments claimed as an alternate payee; or

33 (4) the alternate payee has knowingly made, or  
34 caused to be made, any false statement or  
35 representation of a material fact in connection with  
36 the administration of the Illinois Medical Assistance

1           Program; or

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

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

17                   (b) was a person with management  
18                   responsibility for a vendor previously terminated  
19                   from participation as a vendor in the Illinois  
20                   Medical Assistance Program, or was previously  
21                   revoked as an alternate payee in the Illinois  
22                   Medical Assistance Program, or was terminated 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  
27                   conduct which was the basis for that vendor's  
28                   termination or alternate payee's revocation; or

29                   (c) was an officer, or person owning, either  
30                   directly or indirectly, 5% or more of the shares of  
31                   stock or other evidences of ownership in a  
32                   corporate vendor previously terminated from  
33                   participation as a vendor in the Illinois Medical  
34                   Assistance Program, or was previously revoked as  
35                   an alternate payee in the Illinois Medical  
36                   Assistance Program, or was terminated from

1 participation as a vendor in a medical assistance  
2 program in another state that is of the same kind  
3 as the program of medical assistance provided  
4 under Article V of this Code, during the time of  
5 conduct which was the basis for that vendor's  
6 termination; or

7 (d) was an owner of a sole proprietorship or  
8 partner in a partnership previously terminated  
9 from participation as a vendor in the Illinois  
10 Medical Assistance Program, or was previously  
11 revoked as an alternate payee in the Illinois  
12 Medical Assistance Program, or was terminated from  
13 participation as a vendor in a medical assistance  
14 program in another state that is of the same kind  
15 as the program of medical assistance provided  
16 under Article V of this Code, during the time of  
17 conduct which was the basis for that vendor's  
18 termination or alternate payee's revocation; or

19 (6) the alternate payee, a person with management  
20 responsibility for an alternate payee, an officer or  
21 person owning, either directly or indirectly, 5% or  
22 more of the shares of stock or other evidences of  
23 ownership in a corporate alternate payee, or a partner  
24 in a partnership which is a alternate payee:

25 (a) has engaged in conduct prohibited by  
26 applicable federal or State law or regulation  
27 relating to the Illinois Medical Assistance  
28 Program; or

29 (b) was a person with management  
30 responsibility for a vendor or alternate payee at  
31 the time that the vendor or alternate payee engaged  
32 in practices prohibited by applicable federal or  
33 State law or regulation relating to the Illinois  
34 Medical Assistance Program; or

35 (c) was an officer, or person owning, either  
36 directly or indirectly, 5% or more of the shares of



1 stock or other evidences of ownership in a vendor  
2 or alternate payee at the time such vendor or  
3 alternate payee engaged in practices prohibited by  
4 applicable federal or State law or regulation  
5 relating to the Illinois Medical Assistance  
6 Program; or

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

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

26 (Source: P.A. 92-327, eff. 1-1-02; 92-651, eff. 7-11-02;  
27 92-789, eff 8-6-02.)