**Section 140.1005 Revocation of an Alternate Payee**

a) The Department may seek a revocation of any alternate payee that has participated in the Program, and all owners, officers, a partners, and individuals with management responsibility for the alternate payee shall be permanently prohibited from participating as an owner, an officer, a partner, or an individual with management responsibility with an alternate payee in the Illinois Medical Assistance Program if, after reasonable notice and opportunity for a hearing, the Department finds that:

1) the alternate payee is not complying with Department policy or rules, or with the terms and conditions prescribed by the Department in its alternate payee registration and alternate payee agreements; or

2) the alternate payee is not properly licensed or qualified, or the alternate payee's professional license, certificate, or other authorization has not been renewed or has been revoked, suspended, or otherwise terminated as determined by the appropriate licensing, certifying, or authorizing agency; or

3) the alternate payee has failed to make available for inspection, audit, or copying, after receiving a written request from the Department, records regarding payments claimed as an alternate payee; or

4) the alternate payee has failed to furnish any information requested by the Department regarding payments claimed as an alternate payee; or

5) the alternate payee 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. For purposes of this Section, statements or representations made "knowingly" shall include statements or representations made with actual knowledge that they were false, as well as those statements made when the individual making the statement had knowledge of such facts or information as would cause one to be aware that the statements or representations were false when made; or

6) the alternate payee has submitted claims on behalf of an individual practitioner for services or supplies that were not rendered or delivered by the practitioner for which the alternate payee was designated; or

7) the alternate payee, a person with management responsibility for an alternate payee, an officer or person owning, either directly or indirectly, 5% or more of the shares of stock or other evidences of ownership in a corporate alternate payee, a partner in a partnership alternate payee, or a member of a group practice alternate payee:

A) was previously terminated from participation in the Medical Assistance Program, or was previously revoked as an alternate payee in the Illinois Medical Assistance Program, or was terminated from participation as a vendor in a medical assistance program in another state that is of the same kind as the program of medical assistance provided under Article V of the Public Aid Code; or

B) was a person with management responsibility of a vendor previously terminated from participation as a vendor in the Illinois Medical Assistance Program, or was previously revoked or prohibited as an alternate payee in the Illinois Medical Assistance Program, or was terminated from participation as a vendor in a medical assistance program in another state that is of the same kind as the program of medical assistance provided under Article V of the Public Aid Code, during the time of conduct that was the basis for that vendor's termination or alternate payee's revocation; or

C) was an officer, or person owning, either directly or indirectly, 5% or more of the shares of stock or other evidences of ownership in a corporate vendor previously terminated from participation as a vendor in the Illinois Medical Assistance Program, or was previously revoked or prohibited as an alternate payee in the Illinois Medical Assistance Program, or was terminated from participation as a vendor in a medical assistance program in another state that is of the same kind as the program of medical assistance provided under Article V of the Public Aid Code, during the time of conduct that was the basis for that vendor's termination; or

D) was an owner of a sole proprietorship or partner in a partnership or a member in a group practice previously terminated from participation as a vendor in the Illinois Medical Assistance Program, or was previously revoked or prohibited as an alternate payee in the Illinois Medical Assistance Program, or was terminated from participation as a vendor in a medical assistance program in another state that is of the same kind as the program of medical assistance provided under Article V of the Public Aid Code, during the time of conduct that was the basis for that vendor's termination or alternate payee's revocation; or

8) the alternate payee, a person with management responsibility for an alternate payee, an officer or person owning, either directly or indirectly, 5% or more of the shares of stock or other evidences of ownership in a corporate alternate payee, a partner in a partnership alternate payee or a member in a group practice alternate payee:

A) has engaged in conduct prohibited by applicable federal or State law or regulation relating to the Illinois Medical Assistance Program; or

B) was a person with management responsibility for a vendor or alternate payee at the time the vendor or alternate payee engaged in practices prohibited by applicable federal or State law or regulation relating to the Illinois Medical Assistance Program; or

C) was an officer or person owning, either directly or indirectly, 5% or more of the shares of stock or other evidences of ownership in a vendor or alternate payee at the time the vendor or alternate payee engaged in practices prohibited by applicable federal or State law or regulation relating to the Illinois Medical Assistance Program; or

D) was an owner of a sole proprietorship, partner of a partnership, or member in a group practice that was a vendor or alternate payee engaged in practices prohibited by applicable federal or State law or regulation relating to the Illinois Medical Assistance Program; or

i) For purposes of subsection (a)(8) of this Section, "applicable federal or State law or regulation" shall include licensing or certification standards contained in State or federal law or regulation related to the Medical Assistance Program, any other licensing standards as they related to the alternate payee's practice or business or any federal or State law or regulation related to the Medical Assistance Program;

ii) For purposes of subsection (a)(8) of this Section, conviction or a plea of guilty to activities in violation of applicable federal or State law or regulation shall be conclusive proof that such activities were engaged in; or

9) the alternate payee, a person with management responsibility for an alternate payee, an officer or person owning, either directly or indirectly, 5% or more of the shares of stock or other evidences of ownership in a corporate alternate payee, a partner in a partnership alternate payee, or a member of a group practice alternate payee, has been convicted in this or any other State, or in any federal court, of any felony related to the Medical Assistance Program; or

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

(Source: Added at 31 Ill. Reg. 2413, effective January 19, 2007)