

State of Illinois – Medicaid Provider Exclusion and Criminal History Background Check Screening

1.0 Provider Screening Based on Risk Level

The Federal Government requires the State Medicaid Agency, the Illinois Department of Healthcare and Family Services (HFS), to screen all initial Provider applications, including applications for a new practice location, and any applications received in response to a re-enrollment, reinstatement, or revalidation of enrollment request based on a *category risk level* of “limited,” “moderate,” or “high” (risk level is assigned based on the type of Provider not on an individual Provider). If a Provider can fit within more than one risk level described in this section, the highest level of screening is applicable.

The screening process is conducted on all Providers that are required to enroll through the IMPACT system, any person with ownership or control interest of 5% or more in the disclosing entity, any subcontractor in which the disclosing entity has a direct or indirect ownership of 5% or more and any **fiscal** agent or managing employee of the Provider.

For purposes of this document a managing employee is defined as a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an institution, organization, or agency.

1.1 Screening for Providers Designated as *Limited* Categorical Risk

When the State Medicaid agency designates a Provider as a *limited categorical risk*, the State Medicaid agency must do the following:

1. Verify that a Provider meets any applicable Federal regulations, or State requirements for the Provider type, prior to making an enrollment determination.
2. Conduct license verifications, including State licensure verifications in States other than where the Provider is enrolling, in accordance with § [455.412](#).
3. Conduct database checks on a pre- and post-enrollment basis to ensure that Providers continue to meet the enrollment criteria for their Provider type, in accordance with § [455.436](#).

All Providers not categorized as “moderate” or “high” risk are considered to be limited risk Providers. Upon application approval, limited risk Providers will serve a nine month conditional enrollment.

1.2 Screening for Providers Designated as *Moderate* Categorical Risk

When the State Medicaid agency designates a Provider as a *moderate categorical risk*, the State Medicaid agency must do the following:

1. Perform the “limited” screening requirements described in Section 1.1.
2. Conduct on-site visits in accordance with § [455.432](#).

All moderate risk Providers are referred to the State of Illinois Office of the Inspector General (OIG) for the advanced screening requirements outlined above. Upon application approval, moderate risk Providers will serve a one year conditional enrollment.

1.3 Screening for Providers Designated as *High* Categorical Risk

When the State Medicaid agency designates a Provider as a *high categorical risk*, the State Medicaid agency must do the following:

1. Perform the “limited” and “moderate” screening requirements described in Sections 1.1 and 1.2.
2. Conduct on-site visits in accordance with § [455.432](#).
3. Conduct a criminal background check; and
 - a. Require the submission of a set of fingerprints in accordance with § [455.434](#). This shall include fingerprints of the Provider, any person with a 5% more direct or indirect ownership interest, managing employees and in the case of a transportation Provider, the dispatchers.

All high risk Providers are referred to the OIG for the advanced screening requirements outlined above. Upon application approval, high risk Providers will serve a one year conditional enrollment.

2.0 Provider Discipline (Sanctions) - Exclusion from Participation in Federal Health Care Programs

The State of Illinois is required by the Federal Government to confirm the identity and determine the exclusion status of Providers and any person with an ownership or control interest of 5% or more in the disclosing entity or any agent or managing employee of the Provider through routine Federal database checks. These Federal database checks are conducted through the Social Security Administration’s Death Master File, the National Plan and Provider Enumeration System (NPES), the List of Excluded Individuals/Entities (LEIE) and the System for Award Management (SAM) which includes the Excluded Parties List System (EPLS). The IMPACT system conducts an automated check of the above databases at enrollment, re-enrollment, revalidation, reinstatement and when a Provider’s information is modified as well as no less frequently than monthly thereafter.

Any finding related to the exclusion of a Provider is referred to OIG for further review. If OIG determines that the finding does not exclude a Provider, the application will be referred to the appropriate agency. If OIG determines that there is a valid exclusion, OIG will deny the application and notify the Provider.

3.0 Criminal History Background Checks

For every Provider application, the IMPACT system conducts an automated criminal history background check (CHBC) for the Provider and for all persons listed within the application at enrollment, re-enrollment, revalidation, reinstatement and when a Provider’s information is modified. In addition, all enrolled Providers and all persons listed within the application will have a CHBC conducted on a monthly basis thereafter.

Information is gathered from a variety of sources, including but not limited to, county arrest and court records and Departments of Correction. The following categories of criminal activity/history are screened: alcohol, arson, assault, breaking & entering, burglary, child abuse, computer crimes, drugs, embezzlement, illegal use/possession of firearms, forgery, fraud, homicide, kidnapping, larceny, property crimes, robbery, sexual misconduct, theft, traffic violations, vehicle crimes, other violence and weapon crimes.

Any negative findings associated with the CHBC will cause the application to automatically be referred to OIG for review. OIG will review the Provider's criminal history as defined by Illinois State Code 305 ILCS 5/12-4.25:

(A-10) The Illinois Department may deny, suspend, or terminate the eligibility of any person, firm, corporation, association, agency, institution, or other legal entity to participate as a vendor of goods or services to recipients under the medical assistance program under Article V, or may exclude any such person or entity from participation as such a vendor, if, after reasonable notice and opportunity for a hearing, the Illinois Department finds that (i) the vendor, (ii) a person with management responsibility for a vendor, (iii) 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, (iv) an owner of a sole proprietorship that is a vendor, or (v) a partner in a partnership that is a vendor has been convicted of an offense related to any of the following:

- (1) Murder.*
- (2) A Class X felony under the Criminal Code of 1961 or the Criminal Code of 2012.*
- (3) Sexual misconduct that may subject recipients to an undue risk of harm.*
- (4) A criminal offense that may subject recipients to an undue risk of harm.*
- (5) A crime of fraud or dishonesty.*
- (6) A crime involving a controlled substance.*
- (7) A misdemeanor relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct related to a health care program.*

If OIG determines that the CHBC finding does not exclude a Provider, the application will be referred to the appropriate agency for further review. If OIG determines that the Provider's criminal history may exclude them from being a Medicaid Provider they will communicate with the appropriate agency to coordinate a decision regarding eligibility.

Agencies should continue to conduct criminal history background checks on Providers as they have in the past. Any negative findings and/or denials associated with these checks should be communicated to OIG.