**Section 125.445 Rebate Overpayments**

a) For purposes of this Part, a Rebate overpayment occurs in any of the following circumstances:

1) the monthly Rebate paid was higher than the policyholder's portion of the premium for the individuals enrolled in All Kids Rebate;

2) the monthly Rebate paid per individual was higher than the maximum monthly amount set by the Department pursuant to Section 125.440(c)(1);

3) the Rebate was paid for an individual who was incorrectly enrolled in All Kids Rebate due to inaccurate or untruthful information provided on the application;

4) the Rebate was paid for a period during which the individual was not covered by private or employer-based insurance meeting the requirements of Section 125.400; or

5) the Rebate was paid for an eligible adult for whom an increase in income was not reported within 10 days after the change and the family's income exceeded the upper limit set at Section 125.200(c)(2).

b) Collection action will be initiated by the Department to collect Rebate overpayments.

c) In cases in which the family notified the Department of the loss of insurance of any enrolled individual or the increase of income with respect to an eligible adult within 10 days after the change but past the date when the Department was able to stop issuance or adjust the amount of the next Rebate, the relevant portion of the Rebate is not an overpayment.

d) In cases in which an individual is covered by private or employer-based insurance (regardless of whether the coverage meets the requirements of Section 125.400) and, due to Department error, Department of Human Services error or inaccurate information from an employer or other third party, an individual is enrolled in Rebate that should not have been or a Rebate payment is higher than it would have been if properly calculated based on accurate information, no overpayment occurs, provided the amount sent in any month does not exceed the maximum monthly amount set by the Department pursuant to Section 125.440(c)(1).

(Source: Amended at 37 Ill. Reg. 10253, effective June 27, 2013)