**Section 140.505 Informal Hearing Process for Denial of Payment for New ICF/MR Admissions**

a) The Department may deny payment for new admissions to an Intermediate Care Facility for the Mentally Retarded (ICF/MR) that is found to be out of compliance with the applicable conditions of participation (42 CFR 483, Subpart I) as the result of a survey and follow-up survey conducted by the Department of Public Health (DPH). The sanction of denial of payment for new admissions shall be imposed if the facility has failed to correct cited deficiencies and comply with conditions of participation for ICFs/MR within 60 days after the exit date of the DPH initial survey. The Department shall only impose the sanction of denial of payment for new admissions if the facility has been issued a notice of termination/decertification pursuant to 89 Ill. Adm. Code 104.208(d).

b) If, at the end of the 60 days referenced in subsection (a) of this Section, the facility has not achieved compliance, the Department shall issue a written notice to the facility setting forth:

1) A statement that the Department intends to impose the sanction of denial of payment for new admissions; and

2) A statement that the facility is entitled to an informal hearing prior to imposition of the sanction.

c) Informal hearing

1) The sole issue of an informal hearing under this Section is whether the facility is out of compliance with the conditions of participation for an ICF/MR.

2) The informal hearing shall consist of the facility presenting written evidence to the Department for its review, refuting the determination that the facility is out of compliance with the conditions of participation for an ICF/MR. Such written evidence must be received by the Department within 30 days after the date of the Department's notice to the facility under subsection (b) of this Section. The Department shall review the written evidence and provide the facility with a written decision of its determination, setting forth the reasons for its determination.

3) If a facility fails to timely submit the written evidence specified above, the Department shall make a determination that payments for new admissions be denied.

d) If the Department determines, as a result of the informal hearing, that payments for new admissions will be denied, the Department shall issue a written notice to the facility informing it that the denial of payment for new admissions will be imposed on a specified date that shall not be fewer than 15 days after the date of the notice.

e) The denial of payments for new admissions shall remain in effect until the Department is notified by DPH that the facility has come into compliance with the conditions of participation.

(Source: Old Section repealed at 19 Ill. Reg. 15692, effective November 6, 1995; New Section added at 24 Ill. Reg. 18320, effective December 1, 2000)