441—170.5(237A) Adverse actions.

170.5(1) *Provider agreement.* The department may refuse to enter into or may revoke a child care assistance provider agreement if any of the following occur:

a. The department finds the provider is not following the minimum health and safety regulatory requirements as set forth in 441—Chapters 109 and 110.

b. The provider has submitted claims for payment for which the provider is not entitled.

c. The provider fails to cooperate with an investigation conducted by the department of inspections, appeals, and licensing to determine whether information the provider supplied to the department regarding payment for child care services is complete and correct. Once the agreement is revoked for failure to cooperate, the department will not enter into a new agreement with the provider until cooperation occurs.

d. The provider does not meet one of the applicable requirements set forth in subrule 170.4(2).

e. The provider fails to comply with any of the terms and conditions of the department.

f. An overpayment of funds with a balance of $3,000 or more exists for a provider and that provider fails to enter into a repayment agreement with the department of inspections, appeals, and licensing or does not make payments according to the repayment agreement on file.

170.5(2) *Provider agreement sanction.* If the provider agreement is terminated for any of the reasons in subrule 170.5(1), the agreement will remain terminated for the time periods set forth below:

a. The first time the agreement is terminated, the provider may reapply for another agreement at any time.

b. The second time the agreement is terminated, the provider cannot reapply for another agreement for 12 months from the effective date of termination.

c. The third or subsequent time the agreement is terminated, the provider cannot reapply for another agreement for 36 months from the effective date of termination.

d. The department will not act on an application for a child care assistance provider agreement submitted by a provider during the sanction period.

e. The department is not required to approve an application submitted by a provider following the sanction period. When the provider has an overpayment on record, evidence of an active payment agreement and payments made will be taken into consideration.

170.5(3) *Client child care assistance benefits sanction.* If child care assistance is terminated for any of the reasons in subparagraphs 170.3(6)*"c"*(5) through *"c"*(7), the case will remain terminated for the time periods set forth below:

a. The first time the case is terminated, the client may submit a new application for assistance at any time.

b. The second time the case is terminated, the client cannot reapply for 12 months from the effective date of termination.

c. The third time the case is terminated, the client cannot reapply for 36 months from the effective date of termination.

d. The department will not act on an application for child care assistance submitted by a client during the sanction period.

e. The department is not required to approve an application submitted by a client following the sanction period. When the client has an overpayment on record, evidence of an active payment agreement and payments made will be taken into consideration.

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