

containing false information. After reviewing the entire record in this matter, I agree with the ALJ's findings.

The New Jersey Medical Assistance and Health Services Act provides that the Director may suspend, debar or disqualify for good cause any provider who is presently participating or who has applied for participation in the Medicaid program. N.J.S.A. 30:4D-17.1(a). The regulations set forth the circumstances in which DMAHS may exclude a provider from participating for the purpose of protecting the interest of the New Jersey Medicaid programs. N.J.A.C. 10:49-11.1(b). The regulation specifically provides that good cause to deny a provider from participating in the Medicaid program exists when there has been a violation of laws or regulations governing the conduct of regulated industries or when a provider has submitted a false or fraudulent application. See N.J.A.C. 10:49-11.1(d)(7) and (22). In this case, Petitioner acknowledged that the pharmacy was not opened during the hours of operation listed on the application as well as the absence of a pharmacist during an on-site visit by the Office of the Medicaid Inspector General. Additionally, Petitioner failed to disclose that she was employed by another pharmacy at the time of her application. These omissions undermine the credibility of this provider.

The regulatory good cause for denial of the application is based on the fact that a prospective provider has submitted a false or incorrect application. The regulation does not require that the provider intended to deceive, manipulate, or defraud Medicaid, in order for an application to be denied. Rather, the mere submission of false information is grounds for denial. A provider must be held to a high standard in order to preserve the integrity of the Medicaid program. I am not persuaded that a provider who files an application with false information should

receive the same benefit as a provider who has filed an accurate application. Reasonably, pursuant to N.J.A.C. 10:49-3.2(d)(3), the provider may reapply one year from the date of the denial.

THEREFORE, it is on this 31st day of December 2009,

ORDERED:

That the recommended decision affirming the denial of Cagan's Pharmacy's provider application is hereby ADOPTED as the Final Decision.



John R. Guhl, Director
Division of Medical Assistance
and Health Services