



State of New Jersey

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Medicaid Fraud Investigations Involving Unsupported Pharmacy Claims Yielded \$5.6 Million in Settlements in 2016

TRENTON – Medicaid Fraud Division (MFD) staff within the Office of the State Comptroller (OSC) identified and investigated pharmacies throughout New Jersey for potential waste, fraud or abuse, with their efforts resulting in settlements totaling \$5.6 million paid back to the Medicaid program in the last year alone.

Medicaid providers, which include pharmacies, are required by State law to document services in order to be reimbursed by Medicaid program funds. During 2016, MFD staff resolved claims with 15 pharmacies that could not produce records to support Medicaid reimbursement requests that they submitted. In total, MFD staff uncovered tens of thousands of unsupported claims during their investigations of these pharmacies.

"Proper record keeping is the law and we expect compliance from all pharmacies," State Comptroller Philip James Degnan said. "While MFD did not uncover evidence of fraud in these cases, compliance with the record-keeping requirements of the Medicaid program is vital to our efforts to prevent and combat the waste, fraud and abuse of these important public funds. We will continue to pursue these types of investigations to ensure that the provider community is aware of its obligation and the costs that are associated with a failure to meet that obligation."

The pharmacies listed below entered into settlements with the MFD in 2016:

Pharmacy	Settlement Amount
Community Pharmacy (Perth Amboy, N.J.)	\$50,000
Cross Roads Pharmacy (Elizabeth, N.J.)	\$1,900,000
Excel Pharmacy (Jersey City, N.J.)	\$90,054
Giannotto's Pharmacy (Newark, N.J.)	\$37,634
Healthcare Pharmacy (Jersey City, N.J.)	\$15,394
Herbert's Drug and Surgical (Jersey City, N.J.)	\$825,300
Kings Pharmacy (Newark, N.J.)	\$1,188
Lan Pharmacy (Pennsauken, N.J.)	\$105,860
Main Fair Pharmacy (Paterson, N.J.)	\$827,091
Metro Pharmacy (Newark, N.J.)	\$952,162
Noveck's Pharmacy (North Bergen, N.J.)	\$28,902
Passaic Community Pharmacy (Passaic, N.J.)	\$600,000
Roseville Pharmacy (Newark, N.J.)	\$70,911
Salem Pharmacy (Salem, N.J.)	\$27,980

United Drugs
(Newark, N.J.)

\$71,248

"The settlements can be viewed here."

MFD serves as the State's independent watchdog for New Jersey's various Medicaid programs and works to ensure that the State's Medicaid dollars are being spent effectively and efficiently. As part of its oversight role, MFD audits and investigates health care providers, managed care organizations and Medicaid recipients to identify and recover improperly expended Medicaid funds.

Suspected Medicaid waste, fraud or abuse can be reported to the MFD by calling its toll-free hotline at 1-888-937-2835 or by submitting a complaint form:

<http://www.state.nj.us/comptroller/divisions/medicaid/complaint.html>

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