



Office of the State Comptroller

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FOR IMMEDIATE RELEASE

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State Comptroller Medicaid Fraud Audit Finds Archway Programs, Inc., Received Overpayment of \$1.3 Million in Medicaid Funds

TRENTON – The State Comptroller’s Office released an audit report finding Archway Programs, Inc., billed for and received an overpayment of \$1,311,001 in Medicaid funds. MFD’s audit found that 56 percent of the claims reviewed included hours that Archway should not have billed, such as mealtimes, or for which Archway lacked supporting documentation.

Archway is a private non-profit mental health and substance abuse facility located in Atco, New Jersey. It provides partial-care services to children and adults such as group and individual therapy, prevocational services, and medication management.

Medicaid Fraud Division (MFD) of the Comptroller’s Office statistically selected a sample of Archway’s Medicaid partial-care claims covering the period from 2014 to 2019. MFD’s analysis found that for more than half of these claims, Archway billed for hours that were not supported by Archway’s documentation. In particular, MFD determined that in 86 out of the 192 sampled claims, Archway billed Medicaid for active programming during periods when it was providing meals to Medicaid beneficiaries, which is not permitted by Medicaid regulations. MFD also found that in an additional 22 claims, Archway’s sign-in sheets and attendance records did not match the hours of active programming for which Archway billed the Medicaid program.

“Our audit revealed that over \$1.3 million in Medicaid funds were overpaid to Archway for hours they should not have billed for because the services were not provided to individuals for the amount of time they claimed,” said **OSC Medicaid Fraud Division Director Joshua Lichtblau**. “Providers who receive public funds through Medicaid are expected to comply with the rules. Partial care providers cannot bill Medicaid for mealtimes or other hours not spent providing direct care to program participants. And they

are required to properly document the services they provide. We will continue to audit providers to ensure that people served by Medicaid get the services New Jersey pays for. ”

The full Archway Programs, Inc., audit report can be found [on OSC’s website](#).

If you suspect Medicaid fraud or abuse, call 1-888-937-2835 [or file a claim](#).

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The Office of the State Comptroller (OSC) is an independent state agency that works to advance transparency and integrity throughout New Jersey government and to ensure taxpayer funds are spent efficiently and effectively. The OSC conducts audits and investigations of government agencies throughout New Jersey, reviews certain government contracts, and works to detect and prevent Medicaid fraud.

Suspected government mismanagement or fraud can be reported to the OSC anonymously by calling 1-855-OSC-TIPS (1-855-672-8477) or by email at comptrollertips@osc.nj.gov.

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