



State of New Jersey

OFFICE OF THE STATE COMPTROLLER
P.O. Box 024
TRENTON, NJ 08625-0024

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

A. MATTHEW BOXER
State Comptroller

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Contact: Pete McAleer
609-633-2377

Office of the State Comptroller files claim against shoe store that billed Medicaid for basketball sneakers

The Office of the State Comptroller (OSC) today filed an administrative action seeking recoveries from a Camden shoe store that allegedly misclassified hundreds of name-brand basketball sneakers as orthopedic footwear in order to collect reimbursements from Medicaid.

OSC's investigation, conducted by its Medicaid Fraud Division, determined that Shapiro's Shoes billed the Medicaid program for high-top Nike sneakers, Timberland boots and other shoes that were not eligible for Medicaid reimbursement. According to its notice of claim, OSC reviewed more than 300 reimbursement claims from Shapiro's Shoes and found that they each lacked the appropriate supporting documentation, resulting in a Medicaid overpayment of \$36,416.

An on-site visit by OSC investigators found that Shapiro's Shoes did not even keep orthopedic shoes in stock and did not have the equipment required to fit patients for orthopedic shoes, according to the notice of claim.

"The Medicaid program is designed to help those in need cover the costs of legitimate medical expenses," State Comptroller Matthew Boxer said. "It should not be used to provide free pairs of Nike high-tops funded by taxpayers."

While the owner of Shapiro's Shoes told OSC investigators that the high-top Nike sneakers the store dispensed were authorized orthopedic footwear, a Nike official told OSC that the company does not manufacture a high-top corrective basketball shoe.

The notice of claim further states that Nike's only corrective shoe is a walking shoe that Shapiro's Shoes did not have in its inventory.

Similarly, the notice of claim states that one of the physicians who prescribed orthopedic footwear for a Shapiro's Shoes customer noted to OSC that he has never written a prescription for a high-top sneaker in his 38 years of practicing medicine.

OSC commenced its investigation of Shapiro's Shoes upon receiving information from a third party that the store was billing Medicaid for its sale of Converse "Chuck Taylor All Star" sneakers as corrective footwear.

The notice of claim seeks more than \$2.5 million in recoveries and penalties from the shoe store. Penalties are assessed on a per claim basis. OSC also has suspended any further Medicaid payments to the shoe store.

The statements in OSC's notice of claim are only allegations. Shapiro's Shoes has the right to contest OSC's claims and seek a hearing before the Office of Administrative Law.

Boxer thanked the state's Department of Human Services for its assistance with OSC's investigation.