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State Comptroller's Office secures return of \$900,000 in Medicaid funds from CVS Pharmacy

OSC investigation finds pharmacy chain received Medicaid funds for prescriptions filled by a pharmacist operating despite a federal ban

CVS Pharmacy has agreed to reimburse taxpayers \$900,000 after an Office of the State Comptroller (OSC) investigation revealed the chain had received state Medicaid funds for prescriptions filled by a pharmacist who had been banned from the Medicaid program.

Athanasios Mastrokostas of Freehold has been excluded by the federal government from the Medicaid program since Sept. 20, 2005 because of a prior Medicaid fraud conviction in New York. Under the exclusion, any items and services provided by Mastrokostas are not reimbursable under the health care program.

OSC's Medicaid Fraud Division discovered the violation after a review of billings and payments made from Oct. 1, 2007 through May 31, 2009 revealed that Mastrokostas improperly filled Medicaid and PAAD prescriptions for a CVS pharmacy in Toms River.

OSC found that CVS Pharmacy was responsible for the total amount billed by Mastrokostas because the pharmacy failed to investigate whether the pharmacist was excluded by the federal government and because it failed to follow its own procedures regarding prior convictions and exclusions of its employees. Mastrokostas had indicated on his employment application that he had been convicted of a crime.

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