



# State of New Jersey

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## **Office of the State Comptroller Reaches \$1.9 Million Settlement with Elizabeth Pharmacy over Unsupported Medicaid Claims**

TRENTON – An Elizabeth pharmacy has agreed to pay \$1.9 million for thousands of claims for which it was paid but could not provide proper documentation, under a settlement between the pharmacy and the Office of the State Comptroller, Medicaid Fraud Division.

During its investigation, which covered the period from January 1, 2011 through January 1, 2014, the Medicaid Fraud Division (MFD) determined that Cross Roads Pharmacy had submitted more than 3,800 claims for pharmaceutical products for which it did not have purchase records. State law requires Medicaid providers, including pharmacies, to retain supporting documentation in order to be reimbursed by Medicaid program funds.

As part of the settlement, Cross Roads agreed to implement a Corrective Action Plan (CAP). The CAP requires, among other things, that Cross Roads' owner assign a coordinator to ensure that all his pharmacies, including Cross Roads, retain records reflecting all medications purchased. The plan also requires the owner to submit reports to MFD documenting the results of regular inventory analyses and to bill Medicaid only for pharmaceutical products that are in stock. The plan will be in effect for the next three years.

“It is essential for all Medicaid providers to keep proper documentation in order to be reimbursed by Medicaid,” said Acting State Comptroller Philip James Degnan. “The agreed upon Corrective Action Plan provides a roadmap for Cross Roads to come into compliance.”

The Office of the State Comptroller, an independent State agency, serves the public by conducting audits and investigations of government agencies throughout New Jersey. The Office also reviews government contracts and works to detect and prevent Medicaid fraud, waste and abuse. The Office strives to enhance the efficiency and transparency of government and to ensure public funds are spent effectively and efficiently.

Suspected government mismanagement or fraud can be reported to the Office of the State Comptroller by calling 1-855-OSC-TIPS (1-855-672-8477) or via email at [comptrollertips@osc.nj.gov](mailto:comptrollertips@osc.nj.gov). Suspected Medicaid fraud or abuse can be reported to MFD by calling 1-888-937-2835.

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