



State of New Jersey

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Office of the State Comptroller Reaches \$600,000 Settlement with Passaic Pharmacy over Unsupported Prescription Claims

TRENTON -- The Office of the State Comptroller, Medicaid Fraud Division, has reached a \$600,000 settlement with Passaic Community Pharmacy over thousands of claims submitted by Passaic for which Passaic was reimbursed with funds from the Medicaid program.

During an investigation covering the period from July 1, 2010 to October 1, 2013, the Medicaid Fraud Division (MFD) determined that this pharmacy had submitted more than 7,000 reimbursement claims that were unsupported by corresponding wholesaler invoices for such billed medications. Providers, including pharmacies, are required by State law and regulation to retain such supporting documentation in order to be reimbursed by Medicaid program funds. Passaic's failure to keep and maintain such records created the basis for MFD's recovery.

"Proper record keeping is essential to ensuring taxpayers and the Medicaid program are not overbilled by pharmacies," said Philip James Degnan, Acting State Comptroller. "As part of this settlement, the pharmacy will implement a corrective action plan to ensure its employees properly maintain records and submit reimbursement claims."

The corrective action plan, in effect for the next three years starting yesterday, contains the following elements:

- Assignment of a coordinator to ensure all prescription purchase records are retained, organized and filed;
- Submission of reports to MFD documenting the results of quarterly inventory analysis;
- Only billing Medicaid for prescriptions when the medication is in stock;
- Not billing Medicaid for prescriptions that are not intended for packaging and immediate dispensing;
- Reversing Medicaid claims for medications that are not picked up within 14 days; and
- Retraining staff to ensure the terms of the corrective action plan are met.

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. 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 mail at comptrollertips@osc.nj.gov .

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