

FOR IMMEDIATE RELEASE
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**Office of the Medicaid Inspector General to Recover More Than
\$270,000 from Long Island-Based Pharmacy
*Echo Pharmacy, LLC, Filed False Claims for Deceased Patients in
Nursing Home***

Albany, NY – Echo Pharmacy, LLC, and its owner, Bryan McCutcheon, RPh, of Miller Place, NY, will repay New York State \$269,173, plus interest, following audit and investigation activity by the Office of the Medicaid Inspector General (OMIG) that revealed that the pharmacy filed false claims for 17 deceased recipients.

The false claims represented drugs reportedly purchased and dispensed between June 2, 2002 and December 31, 2006, for residents of a nursing home's in-house pharmacy. OMIG auditors and investigators reviewed claims and performed an inventory review, which revealed that the claims were for deceased recipients, and that a number of the drugs allegedly delivered to patients were not supported by evidence of drug purchases from wholesalers.

“This case demonstrates the effectiveness of our data mining, audit and investigative teams,” said Medicaid Inspector General James G. Sheehan. “New York State cannot tolerate fraud, waste or abuse in the Medicaid program, whether it involves billing for deceased patients, double billing, or using incorrect coding procedures. It is our job to protect the integrity of the Medicaid program and the taxpayers of New York State in identifying and preventing this type of activity, as well as recovering improper payments.”

As part of the agreement, both the pharmacy and Bryan McCutcheon will be excluded from participating in the Medicaid program for one year, effective March 30, 2010.

On April 1, 2010, Echo Pharmacy and McCutcheon began making restitution payments to the state on an installment basis until the full amount is repaid. OMIG has already received \$44,058 in withheld Medicaid payments from Echo and McCutcheon, which is being applied to the restitution amount.

“I commend our audit and investigative divisions for their excellent work in this case,” Sheehan added. “This is a prime example of the kind of outstanding efforts that take place within the OMIG's office on a daily basis.”

This case coincides with OMIG's deceased patients initiative, a groundbreaking effort designed to identify New York providers who have billed the Medicaid program for services to patients on a date following the patient's date of death, according to state records. Under this initiative, providers are offered the opportunity to explain the

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circumstances which resulted in the apparently improper billing. During the month of October 2009, OMIG identified nearly 300 claims submitted by New York Medicaid providers for deceased recipients, and contacted each provider to determine the circumstances of the billing. Results of this effort are posted on the OMIG Web site (www.omig.state.ny.us).

During the week ending April 2, 2010, OMIG will be contacting providers who submitted claims to Medicaid for deceased patients for the month of November 2009, in order to determine whether and why these providers billed for deceased patients.

OMIG plans to continue to contact providers who bill for apparently deceased patients, and to investigate the circumstances which led to the billing. As it did in the case of Echo Pharmacy, the OMIG will seek to exclude the providers and their owners, if no legitimate reason is found for the billing, to recover the amounts improperly paid, and, where appropriate, to impose administrative and fiscal penalties. Appropriate cases will, in addition, be referred to the New York State Attorney General for prosecution.

Every provider in New York has the responsibility to assure that the Medicaid program is billed only for medically necessary services actually provided to a Medicaid enrollee. The provider must have a compliance program reasonably designed to assure that improper claims are not submitted.

“Our office remains committed to New York taxpayers and to Medicaid enrollees by protecting the integrity of the program,” Sheehan said. “The Echo pharmacy case and the deceased patient initiative are prime examples of this commitment.”

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Established in 2006, the Office of the Medicaid Inspector General plays a pivotal leadership role in the state's mission to eliminate and prevent fraud, waste and abuse in New York's Medicaid program. With six regional offices and headquarters in Albany, the OMIG has more than 600 employees investigating and auditing Medicaid providers of all levels across New York State.