



**Center for Program Integrity**

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Date: October 28, 2013

To: All Medicare Part D Sponsors

From: Mark Majestic, Acting Director  
Medicare Program Integrity Group

Re: Medicare Part D Fraud: Billing for Medications Not Received, Medications Not Medically Necessary, and Kickback Payments

The Centers for Medicare & Medicaid Services (CMS) was notified by the Department of Health and Human Services' Office of Inspector General's Office of Investigations (OI), of allegations that Santa Barbara Pharmacy Discount, located in Miami, Florida, is engaged in a scheme to defraud the Medicare Part D program. We are alerting you to this information so that you can take the appropriate actions regarding this pharmacy and the Part D prescription drug benefit you offer. These actions should be focused on the appropriate detection and identification of fraud, waste, and abuse as required under Part D.

The pharmacy is alleged to have billed Medicare Part D for undispensed medications and providing kickbacks to beneficiaries. The subject's National Provider Identifier (NPI), Doing Business As (DBA) name, National Council for Prescription Drug Programs (NCPDP) Provider Identification number, and location is listed below:

Pharmacy/Owner	DBA	Mailing Address	Location Address	NPI Number	NCPDP Number
Santa Barbara Pharmacy Discount/ Judimith Hernandez (President)	Santa Barbara Pharmacy Discount	14012 SW 8TH ST MIAMI, FL 33184-3001	14012 SW 8TH ST MIAMI, FL 33184-3001	1396978607	8197010001

**Scheme:** It has been alleged that Santa Barbara Pharmacy Discount submitted fraudulent claims to Medicare for medications that were never dispensed. This behavior has taken place from November 1, 2009 through March 31, 2013, resulting in Medicare billings totaling approximately \$14 Million dollars. A preliminary investigation conducted by the OI from March 2013 through September 2013, found that the beneficiaries who were thought to have received their medications from Santa Barbara Pharmacy Discount were not receiving the medications, had no medical necessity for some of the billed drugs, and were being paid kickbacks for participation in the fraud scheme. The National Benefit Integrity Medicare Drug Integrity

Contractor (NBI MEDIC) performed an analysis of the invoices with all of the submitted prescription drug event (PDE) records and revealed that the pharmacy had not purchased sufficient inventory to support their billings to Part D sponsors.

If you identify aberrant billing from Santa Barbara Pharmacy Discount listed in the table above, or have information related to this scheme, please contact the NBI MEDIC. Any questions you may have on this subject should be directed to your CMS Account Manager or Martina Gilly of the National Benefit Integrity MEDIC at [gillym@healthintegrity.org](mailto:gillym@healthintegrity.org). The NBI MEDIC may also be reached at 1-877-7SAFERX (1-877-772-3379).