State of New Jersey

OFFICE OF THE STATE COMPTROLLER
MEDICAID FRAUD DIVISION
P.O. BOX 025
TRENTON, NJ 08625-0025
TELEPHONE 609-826-4700

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

A. MATTHEW BOXER
State Comptroller
MARK ANDERSON
Director

November 20, 2012

Via Certified Mail and Facsimile
Gentle Dental Group
192 Central Avenue
East Orange, NJ 07018

RE: Notice of Claim and Notice of Filing Certificate of Debt

Dear Provider:

The New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD), hereby gives notice of the State's claim against Gentle Dental Group in the amount of $1,389,255.27. MFD's investigation found that Gentle Dental Group intentionally billed for services performed by three dentists who were not approved by Medicaid as providers, billed for services performed by an excluded and debarred provider, and submitted false claims for reimbursement to the State of New Jersey's Medicaid program.

MFD found that in February 2007, the owner of Gentle Dental Group, Dr. Edward D. Sledge, could no longer practice dentistry due to a stroke that caused him memory loss and other incapacitating conditions. At that time, Dr. Sledge's wife, Anicia Cruz-Sledge, by her own admission assumed control of the dental practice. Three non-Medicaid approved dentists were thereafter hired by Ms. Cruz-Sledge to perform dental services on Medicaid patients, one of whom was Dr. Carl McGloster, who had been excluded from the Medicaid program since 2007 by federal and state authorities. Dr. McGloster was hired in 2007 as the primary replacement for Dr. Sledge and assumed all of his responsibilities as a practicing dentist.

MFD's investigation revealed that between February 1, 2007, and March 6, 2012, Dr. McGloster and the other replacement dentists provided services to Gentle Dental Group's Medicaid patients and billed the Medicaid program despite not having been approved as Medicaid providers to perform these services. Additional services were performed by Ms. Cruz-Sledge as a dental assistant and

hygienist without possessing the required license and certificate to perform these procedures. Upon completion of these services, Ms. Cruz-Sledge would sign her husband's name on the Medicaid reimbursement claim forms. The required forms contain a section requiring the servicing dentist to certify that he or she provided or supervised the services identified on the claim form. Ms. Cruz-Sledge forged this certification and set forth her husband's individual provider number, indicating that Dr. Edward Sledge had performed these services when that was not the case.

On March 6, 2012, an MFD onsite visit and interview took place with Ms. Cruz-Sledge and Dr. McGloster. During this interview, Ms. Cruz-Sledge admitted to hiring three non-Medicaid approved dentists to perform dental services on Medicaid patients. She also admitted to signing her husband's name on the dental claims forms submitted to the New Jersey Medicaid program. Similarly, Dr. McGloster admitted that he knew he was excluded from the New Jersey Medicaid program, which prevented him from performing services on Medicaid recipients and from billing for those services.

Gentle Dental Group received the benefit of payments totaling $181,856.54 for the period February 1, 2007 to March 6, 2012 in excess of the amount payable under the New Jersey Medicaid, NJ FamilyCare, or Work First New Jersey/General Assistance programs because Gentle Dental Group provided services not covered by Medicaid or NJ FamilyCare-Plan A program in direct violation of N.J.A.C. 10:49-5.5(a)17,18; failed to comply with the provisions for provider participation in accordance with N.J.A.C. 10:56-1.3(a); and failed to comply with the requirements concerning provider certification and record keeping in accordance with N.J.A.C. 10:49-9.8(c)(1) and (2). We are therefore seeking recovery for these claims for this period pursuant to N.J.S.A. 30:4D-7(h).

Pursuant to N.J.S.A. 30:4D-17(e), we are assessing treble damages in the amount of $545,569.62, false claims penalties for the improper payments for these claims in the amount of $610,000.00 and interest on the principal amount owed in the amount of $51,829.11 for the total Notice of Claim amount of $1,389,255.27.

Please note that additional interest will accrue beginning December 1, 2012 until payment is made in full. A complete listing of the claims and claim amounts in this matter is enclosed for your review, along with the Certificate of Debt filed against Gentle Dental Group with the Clerk of the Superior Court. Filing of the Certificate of Debt does not affect Gentle Dental Group's hearing rights as outlined in the following paragraphs.

If Gentle Dental Group agrees with the amount owed as stated in this Notice of Claim, please make your check payable to "Treasurer, State of New Jersey" and mail to: N.J.D.M.A.H.S. – Medicaid Fraud Division, Division of Revenue, Lockbox 656, Attn: Clementine Ingram, 160 South Broad Street, 1st Floor, Trenton, NJ

08625-0656. If Gentle Dental Group disagrees with the amount owed, you may request a pre-hearing conference by writing to Michael McCoy, Manager – Fiscal Integrity Unit, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025 on or before December 20, 2012. Alternatively, you may request a formal hearing before the Office of Administrative Law. Such a request must be made in writing and mailed to Michael McCoy, Manager – Fiscal Integrity Unit, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025. If Gentle Dental Group chooses to request a pre-hearing conference and that conference fails to resolve the matter, you will have an additional opportunity to request a formal hearing before the Office of Administrative Law.

If Gentle Dental Group does not request either a pre-hearing conference or a formal hearing within the time limits specified above, it will be deemed to have waived its rights to any further proceedings in this matter, and this Notice will then become a self-executing Default Judgment for the total amount cited herein, as well as the Final Agency Decision in this matter.

Sincerely,

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Greg Custer Jr.
Medical Review Analyst
Recovery Unit

GC:c
Enclosures

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State of New Jersey

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

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A. MATTHEW BOXER
State Comptroller
MARK ANDERSON
Director

November 20, 2012

Via Certified Mail and Facsimile
Dr. Carl McGloster, DDS
185 Central Avenue, Suite 307
East Orange, NJ 07018

RE: Notice of Claim and Notice of Filing Certificate of Debt

Dear Provider:

The New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD), hereby gives notice of the State's claim against you in the amount of $514,561.31. MFD's investigation found that from February 1, 2007 to March 6, 2012, you issued a total of 427 prescriptions to Medicaid patients, all while being excluded from the New Jersey Medicaid program by both federal and state authorities.

MFD found that from February 2007 to October 2011, you issued 290 prescriptions falsely utilizing Dr. Edward D. Sledge's DEA registration number and prescription pad, 63 of which were for controlled dangerous substances (CDS) of varying schedules. Using your own expired DEA registration number you issued 137 additional prescriptions, 28 of which were for CDS of varying schedules. These prescriptions all were issued when you no longer had a valid DEA registration number.

MFD's investigation also revealed that on July 8, 2011, a request was successfully made by Anicia Cruz-Sledge to obtain more prescription blanks for her husband, Dr. Edward D. Sledge Jr., who was no longer a practicing dentist and had been incapacitated following a stroke. This request was made so that you could continue to prescribe medications and falsely bill the New Jersey Medicaid program. MFD identified several instances where prescriptions for CDS and non-CDS drugs were telephoned into a pharmacy by an individual identifying herself as "Annie." In those instances, the individual verbally identified the

prescriber as Dr. Sledge and provided Dr. Sledge's DEA registration number to the pharmacy even though in fact you were the prescriber.

On March 6, 2012, an MFD onsite visit was conducted during which you were interviewed. In addition to admitting that you knew you were excluded from the New Jersey Medicaid program, you admitted that you had used Dr. Sledge's prescription pad while working independently from him and that your DEA registration had been expired since 2008, which you nonetheless had used while working at Gentle Dental Group.

You received the benefit of payments totaling $3,281.52 for the period February 1, 2007 to March 6, 2012 in excess of the amount payable under the New Jersey Medicaid, NJ FamilyCare, or Work First New Jersey/General Assistance programs because you provided services not covered by the Medicaid or NJ FamilyCare-Plan A program in violation of N.J.A.C. 10:49-5.5(a) 17, 18. We are therefore seeking recovery for these claims for this period pursuant to N.J.S.A. 30:4D-7(h).

Pursuant to N.J.S.A. 30:4D-17(e), we are assessing treble damages in the amount of $9,844.56, false claims penalties for the submission of these claims in the amount of $500,500.00, and interest on the principal amount owed in the amount of $935.23 for the total Notice of Claim amount of $514,561.31.

Please note that additional interest will accrue beginning December 1, 2012 until payment is made in full. A complete listing of the claims and claim amounts in this matter is enclosed for your review, along with the Certificate of Debt filed against Gentle Dental Group with the Clerk of the Superior Court. Filing of the Certificate of Debt does not affect Gentle Dental Group's hearing rights as outlined in the following paragraphs.

If you agree with the amount owed as stated in this Notice of Claim, please make your check payable to "Treasurer, State of New Jersey" and mail to: N.J.D.M.A.H.S. – Medicaid Fraud Division, Division of Revenue, Lockbox 656, Attn: Clementine Ingram, 160 South Broad Street, 1st Floor, Trenton, NJ 08625-0656. If you disagree with the amount owed, you may request a pre-hearing conference by writing to Michael McCoy, Manager – Fiscal Integrity Unit, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025 on or before December 20, 2012. Alternatively, you may request a formal hearing before the Office of Administrative Law. Such a request must be made in writing and mailed to Michael McCoy, Manager – Fiscal Integrity Unit, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025. If you choose to request a pre-hearing conference and that conference fails to resolve the matter, you will have an additional opportunity to request a formal hearing before the Office of Administrative Law.

If you do not request either a pre-hearing conference or a formal hearing within the time limits specified above, you will be deemed to have waived your rights to any further proceedings in this matter, and this Notice will then become a self-executing Default Judgment for the total amount cited herein, as well as the Final Agency Decision in this matter.

Sincerely,

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Greg Custer Jr.
Medical Review Analyst
Recovery Unit

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