

IN THE MATTER OF

*

BEFORE THE MARYLAND

PRADEEP PANDYA

*

BOARD OF PHARMACY

License No. 16176 (lapsed/inactive)

*

Case No. 18-304

* * * * *

FINAL DECISION AND ORDER

On November 21, 2018, the Maryland Board of Pharmacy (the “Board”) notified Pradeep Pandya (the “Applicant”) of its intent to deny his application to reinstate his license to practice pharmacy in Maryland, License No. 16176. In the Notice of Intent to Deny, the Applicant was charged with violations of the Maryland Pharmacy Act, Md. Code Ann., Health Occ. § 12-101 *et seq.* (the “Act”). Specifically, the Applicant was charged with (1) fraudulently or deceptively attempting to obtain a pharmacist license, in violation of Section 12-313(b)(1) of the Act; (2) being convicted of a felony, in violation of Section 12-313(b)(22) of the Act; and (3) being disciplined by a licensing authority of any state for an act that would be grounds for disciplinary action by the Board, in violation of Section 12-313(b)(24) of the Act.

A contested case hearing was held under the Administrative Procedure Act, Md. Code Ann., State Gov’t §10-201 *et seq.*, and COMAR 10.34.01, before a quorum of the Board on September 4, 2019, for the purpose of adjudicating the charges. Prior to the hearing, counsel for the Applicant and the Administrative Prosecutor stipulated to the facts in the case and a denial of the Applicant’s application for reinstatement at this time. The parties further agreed that the only question at issue for the hearing was the length of time before the Applicant could re-apply for reinstatement. After the conclusion of the hearing, the same quorum of the Board convened to deliberate and voted to deny the application for reinstatement submitted by the Applicant with the terms as set forth in this Final Decision and Order.

FINDINGS OF FACT

1. The Applicant was first licensed as a pharmacist by the Board on July 9, 2001. The Applicant allowed his pharmacist license to lapse on September 30, 2006. It is currently listed by the Board as “non-renewed.”

2. On or about March 15, 2018, the Applicant submitted an application for reinstatement of his pharmacist license, on which he answered “yes” to the following personal attestation questions:

- a. “Has any state licensing or disciplinary board (including Maryland) or any similar agency in the Armed Forces, denied your application for a license, reinstatement or renewal, or taken any formal disciplinary action against any registration or license held by you?”;
- b. “Has any state licensing or disciplinary board (including Maryland) or similar agency in the Armed Forces, filed any complaints or charges against you or investigated you for any reason?”; and
- c. “Have you committed a criminal act for which you pled guilty or nolo contendere, or for which you were convicted or received probation before judgment?”

3. The Applicant submitted an explanation with his answers, stating that while he was working for an independent pharmacy in Michigan, he was arrested for and pled guilty to conspiracy to commit health care fraud and conspiracy to distribute controlled substances, based on a scheme implemented by the pharmacy’s owner (who he later cooperated against). The Applicant also disclosed that based on his plea and conviction, his license was suspended by the

pharmacy board in Michigan. The Applicant attached the Michigan final order and his criminal indictment to his application.

4. The Applicant failed to answer “yes” to personal attestation question 7 on the application, which asked, “Have you committed an offense involving alcohol or controlled substances to which you pled guilty or nolo contendere or for which you were convicted or received probation before judgment?”¹

5. As a result of the information submitted by the Applicant, the Board began an investigation.

6. On June 30, 2015, the Applicant pled guilty in the United States District Court, Eastern District of Michigan, to one count of “Health Care Fraud Conspiracy” and one count of “Conspiracy to Distribute Controlled Substances,” both felonies. According to his guilty plea, the Applicant billed Medicare, Medicaid, and private insurers for prescription medications which were medically unnecessary and never provided. The Applicant also admitted to unlawfully distributing controlled substances, including, but not limited to, hydrocodone (a Schedule II controlled substance), alprazolam (a Schedule IV controlled substance), and promethazine-codeine cough syrup (a Schedule V controlled substance), beginning in March 2010 and continuing through approximately April 2011. These prescription drugs were distributed outside the course of usual medical practice and without any legitimate medical purpose.

7. The Applicant’s guilty plea specified that, in approximately March 2010, he began working as a pharmacist for a co-defendant who owned and controlled multiple pharmacies throughout the Detroit area, first in Saginaw and later in Bay City, Michigan. The Applicant

¹ The Applicant also failed to inform the Board of a May 12, 2013 consent order with the Michigan pharmacy board, which placed his license on probation after an inspection of the pharmacy found 12 prescription labels without supporting prescriptions and 20 prescription labels based on undated faxed prescriptions.

worked as the principal pharmacist at that pharmacy until approximately April 2011.

8. The Applicant's plea further stated that he facilitated the fraud and controlled substance distribution schemes in at least three significant ways. First, he would bill Medicare, Medicaid, and private insurers for expensive, non-controlled medication which was in inventory, but never actually dispensed to patients, then return the surplus medications to wholesalers for additional profit. Second, he would bill insurers for dispensing medications that were prescribed outside the course of legitimate medical practice, thus defrauding insurers by billing for medications regardless of medical necessity. Finally, he would provide controlled drugs to patients and patient recruiters, knowing that those medications were prescribed outside the course of legitimate medical practice.

9. According to his plea, during his tenure as a pharmacist in the organization, the Applicant and his co-conspirators caused approximately \$2,750,000 in false and fraudulent claims to be submitted to the Medicare program, approximately \$100,000 in false and fraudulent claims to be submitted to the Medicaid program, and approximately \$250,000 in false and fraudulent claims to be submitted to Blue Cross/Blue Shield of Michigan. The Applicant also caused the illegal distribution of approximately 160,000 dosage units of hydrocodone, 55,000 dosage units of alprazolam, and 30,000 dosage units of promethazine-codeine cough syrup.

10. The Applicant was sentenced to 27 months incarceration followed by three years of supervised release and was ordered to pay the United States \$3,100,000 in restitution.

11. On August 8, 2015, the Michigan pharmacy board filed an administrative complaint against the Applicant based on his conviction of a felony pursuant to a federal law relating to controlled substances. The Michigan board noted that by pleading guilty, the Applicant admitted that he "billed Medicare and Medicaid for medications he never dispensed to patients . . . billed

insurers for medications that were medically unnecessary . . . [and] distributed controlled substances, including Hydrocodone, Alprazolam and Promethazine-codeine to patients knowing that the drugs were not prescribed in the ordinary course of legitimate medical practice.” The Michigan complaint further alleged that the Applicant’s conduct evidenced departure from, or failure to conform to, minimal standards of acceptable and prevailing practice for the health profession. The complaint also found that the Applicant lacked good moral character, committed fraud, and practiced deceit in attempting third party reimbursement, all in violation of Michigan law.

12. The Michigan complaint noted that the Applicant had 30 days to respond to the complaint of it would be deemed as an admission. The Applicant did not respond to the complaint.

13. On August 28, 2015, the Michigan board summarily suspended the Applicant’s license, citing the Administrative Complaint. On January 22, 2016, the Michigan board issued a final order, which terminated the summary suspension and revoked the Applicant’s license to practice pharmacy in Michigan. The Michigan order also requires the Applicant to pay a \$100,000 fine before he can apply to reinstate his license to practice pharmacy in Michigan.

CONCLUSIONS OF LAW

Based upon the foregoing findings of fact, the Board concludes that there are grounds to take formal action against the Applicant’s application for reinstatement based on Md. Code Ann., Health Occ. Art. §§ 12-313(b)(1), (22), and (24).

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, and by an affirmative decision of the Board, it is hereby:


ORDERED that Mr. Pandya’s application for reinstatement of his license to practice

pharmacy in Maryland, License No. 16176, is **DENIED**; and be it further,

ORDERED that the Board will not consider another application for reinstatement from Mr. Pandya until at least **THREE (3) YEARS** have passed from the date of this Order; and be it further,

ORDERED that this is a formal order of the Board and as such is a **PUBLIC DOCUMENT** pursuant to Md. Code Ann., Gen. Provisions § 4-333(b).

9-17-19
Date


Deena Speights-Napata, Executive Director for
Kevin Morgan, Pharm.D., President
Maryland Board of Pharmacy

NOTICE OF RIGHT TO APPEAL

Pursuant to Md. Code Ann., Health Occ. § 12-316, and Md. Code Ann., State Gov't § 10-222, you have the right to take a direct judicial appeal. A petition for appeal shall be filed within thirty (30) days of the date this Final Decision and Order is mailed and shall be made as provided for judicial review of a final decision in the Maryland Administrative Procedure Act, Md. Code Ann., State Gov't §§10-201, *et seq.*, and Title 7, Chapter 200 of the Maryland Rules.

If you file an appeal, the Board is a party and should be served with the court's process. In addition, if an appeal is filed, you are requested to send a copy to the Board's counsel, Linda Bethman, at the Office of the Attorney General, 300 West Preston Street, Suite 302, Baltimore, Maryland 21201. The Administrative Prosecutor is no longer a party to this case and need not be served or copied.