

For Immediate Release

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**INDIANA HOSPITAL SYSTEM AGREES TO PAY UNITED STATES \$345M
TO SETTLE CLAIMS OF MEDICARE FRAUD BROUGHT BY CFO-TURNED-WHISTLEBLOWER**
Settlement breaks record for largest recovery of its kind in U.S. history

INDIANAPOLIS, Dec. 19, 2023 – The United States Department of Justice (DOJ) today announced a settlement with Indiana-based Community Health Network (Community) for \$345 million for healthcare fraud claims on Medicare. The False Claims Act (FCA) case spanned 2008 - 2020. This historic settlement comes more than nine years after it was first filed. Community must also comply with a Corporate Integrity Agreement, ensuring five years of continual monitoring by the government. This is the second settlement with recidivist offender Community; the first was 2015 for \$20.3 million.

The settlement comes after seasoned healthcare finance and operations executive Thomas Fischer sued his former employer, Community. Fischer is a whistleblower, or “relator” under the FCA, who filed suit on behalf of the government based on detailed insider knowledge of fraud. Fischer’s complaint included allegations that Community violated the federal Stark Law, which prohibits payments of any kind – including inflated salaries – to physicians to influence where they treat or refer patients. DOJ supported Fischer, intervening in 2019 with its own complaint.

Today’s \$345 million settlement is reportedly nearly triple the [largest prior](#) Stark Law False Claims Act settlement.

“This historic settlement is thanks to the public-private partnership unique to the FCA,” said whistleblower attorney Veronica Nannis of Joseph Greenwald and Laake, whose firm leads Fischer’s team with several other firms. “Uncovering and prosecuting healthcare fraud takes skill, diligence and meticulous coordination with the government; all on display here.”

DOJ alleged Community illegally paid physicians inflated salaries, “After Bryan Mills became CHN’s Chief Executive Officer (CEO), CHN embarked on an aggressive campaign to recruit physicians for employment.” Its complaint described the physicians’ excessive salaries as a “defensive” tool used to recruit physicians to “secure their referrals.” It warned, the Stark law “plays a key role in ensuring that services are reasonable and necessary, and not provided merely to enrich the parties in a financial relationship at the expense of federal health programs and their beneficiaries.”

Fischer stated, “I am grateful for this recovery. These claims are not mere technicalities; they directly affect patients, hospital employees and the high cost of healthcare. This puts money back into the healthcare system and is a victory for the Indiana taxpayer.”

“The government’s dedication over nearly 10 years is a testament to its commitment to eliminating fraud,” added Jay Holland, counsel for Fischer. Holland lauded the DOJ team, led by Arthur DiDio, and described it as “providing a master class in Stark Law litigation.”

Fischer’s Indianapolis attorney Kathleen DeLaney added, “Our local United States Attorney’s Office, led by Civil Chief Shelese Woods, contributed significantly, and stood by past statements that Medicare fraud will not be tolerated. This is justice served for Indianapolis.”

For DeLaney and Fischer’s other counsel, Tim McCormack, this has been a nearly 10-year journey.

“I could not be prouder of Mr. Fischer’s tenacity,” said McCormack. “Cases like this are vital to keeping financial incentives away from medical judgment. Without a brave insider like Mr. Fischer, willing to speak

up, speak out, and then blow the whistle, Community likely would have continued to get away with its fraud.”

Much of the case continues. Today’s settlement is only for intervened claims by the United States. Team Fischer continues to pursue Community for similar fraud under Stark, Anti-kickback, employment and retaliation claims.

The case is *U.S. and State of Indiana ex rel Fischer v. Community Health Network, Inc., et al.*, Case No. 1:14-cv-1215-RLY-MKK. Fischer is represented by lead counsel Veronica Nannis, Jay Holland and Virginia Grimm, [Joseph, Greenwald & Laake](#); Tim McCormack and Michael Smith, [Preiti Flaherty Beliveau & Pachios, LLP](#); Steve Greenfogel and Bruce Greenberg, [Lite DePalma](#); and local and employment counsel Kathleen DeLaney, [DeLaney & DeLaney LLC](#). The government’s team is led by Arthur DiDio of the DOJ, United States Attorney for the Southern District of Indiana Zachary A. Myers and Civil Chief for the U.S. Attorney’s Office, Southern District of Indiana, Shelese Woods.

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