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Medicare Advantage Whistleblower Complaint Settles for \$13 Million

Chicago, Illinois — AIM Specialty Health, Inc., a subsidiary of Anthem, Inc., that manages radiology and other benefits for Medicare Advantage insurance plans nationwide has agreed to pay \$13 million plus fees to settle a whistleblower lawsuit filed in the United States District Court for the Northern District of Illinois by [Hughes Socol Piers Resnick and Dym, Ltd.](#) (HSPRD) and litigated along with [Phillips & Cohen LLP](#).

The *qui tam* whistleblower complaint alleged that AIM Specialty Health wrongly denied requests from treating physicians to pre-authorize MRI, CT, cardiac stress tests, sleep studies and other high tech diagnostic tests for seniors, people with disabilities, and others with Medicare Advantage insurance plans.

The pre-authorization reviews run by AIM Specialty Health were alleged to deny the sophisticated imaging and other medical tests patients needed to detect and diagnose cancer and other deadly conditions. Without timely diagnosis, patients were at risk that life threatening conditions would go untreated. It also forced patients to endure weeks of pain and physical therapy on broken bones and undergo repeated and unnecessary physician visits in attempts to secure necessary medical care.

The AIM review process was alleged to violate Medicare requirements that insurance companies make decisions based on an individual determination about what medical care is necessary and appropriate for that specific person and to ensure that Medicare pays for the appropriate medical care ordered by each person's physician.

Instead, the AIM pre-authorization review process focused on suppressing medical care to improve the finances of the insurance companies that hired AIM, as alleged in the complaint.

This case was brought by Dr. Susan Nedza, a board-certified emergency medicine physician and former Chief Medical officer of AIM Specialty Health.



After she resisted this fraud for years at AIM, she left the company and brought this action to expose and stop the false and fraudulent reviews of pre-authorization requests.

“Throughout her career Dr. Nedza has been a tireless advocate for quality care and the patients served by Medicare and other health programs. Her courageous advocacy and persistence over years of litigation pressed AIM to improve its review process and expose a fraud that harmed patients and the government alike,” said Charlie Wysong, counsel for Dr. Nedza and partner at HSPRD.

After the government declined to intervene in this litigation, Dr. Nedza prosecuted this case for almost five years to pursue AIM’s fraud to successful settlement. This litigation is one of several whistleblower cases fighting abuse of the Medicare Advantage program.

“The Medicare Advantage program grows every year to now provide critical health insurance to more than 25 million Americans. The massive federal spending program of more than \$300 billion remains ripe for fraud and abuse,” said Erika Kelton of Phillips and Cohen, LLP.

The False Claims Act and related laws provide whistleblowers the opportunity to expose fraud on the government by individuals and governments throughout the country. These powerful laws protect whistleblowers from retaliation and recognize the importance of their information in protecting the government fisc with a share of the damages and penalties recovered by the government.

In this case, the whistleblower will receive 28% of the government recovery of \$13 million, which exceeds \$3.6 million.

This case was filed in the United State District Court for the Northern District of Illinois and settled based on the allegations with no finding of liability.

The case was jointly litigated by [Hughes Socol Piers Resnick and Dym, Ltd.](#), [Phillips & Cohen LLP](#), and the Cohen Law Group.

The qui tam complaint: [LINK](#)

ABOUT HUGHES SOCOL PIERS RESNICK & DYM, LTD.



[Hughes Socol Piers Resnick and Dym, Ltd.](#), (HSPRD) is a Chicago law firm with a nationwide practice representing whistleblowers and other plaintiffs in complex litigation for more than 35 years. HSPRD has one of the nation's leading civil rights, employment, and qui tam practices. Its cases fight discrimination in the workplace, in housing, in education, and at the polling place; vindicate our clients' constitutional rights to speak freely and enjoy liberty, property rights, and equal protection of the laws; battle police and law enforcement misconduct and governmental misconduct generally; protect the rights of low-wage workers and immigrants; and protect whistleblowers and expose fraud against the government.

ABOUT PHILLIPS & COHEN LLP

Phillips & Cohen is the nation's [most successful law firm](#) representing whistleblowers. The firm's cases have helped recover more than \$12.8 billion in civil settlements and criminal fines. Phillips & Cohen represents whistleblowers in qui tam lawsuits as well as whistleblower claims with the reward programs of the SEC, CFTC and IRS. To find out how we can help you with your whistleblower case, [contact us](#).

For additional information about the settlement, please contact Charlie Wysong, cwysong@hsplegal.com or Erika Kelton at ekelton@phillipsandcohen.com.

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