

Eli's Hospice Insider

Lawsuits: Whistleblower In San Diego Hospice Case May Net Seven Figures

Employees receive settlement from Labor Act also.

A whistleblower who filed suit against now defunct **San Diego Hospice** may receive as much as a million dollars as her reward, reports **San Diego State's** inewsourc. Lori Rachac, a registered nurse who was fired from the hospice in 2011, alleged in her qui tam suit that staff were encouraged to find creative ways to admit people into care who weren't eligible.

Rachac will receive 17 percent of the final settlement the bankruptcy court determines for the government, her attorney **Mark Schlein** tells the news outlet. San Diego Hospice filed bankruptcy and closed its doors last year after a Medicare audit.

Rachac isn't the only employee receiving funds from the bankrupt hospice. A big chunk the provider's remaining assets are going to many of its former employees □ or at least their lawyers.

The hospice has paid \$2.84 million to 590 employees who joined a class-action suit alleging Worker Adjustment Retraining and Notification Act violations, reports The San Diego Union-Tribune. That law requires employers with more than 100 employees to give written notice 60 days before a mass layoff.

The hospice's estate has made an initial payment of \$1 million to the government, and the feds will get 65 percent of all remaining cash once all priority and secured claims are paid, the newspaper notes. How much money actually will remain is in question, since the estate faces another WARN Act lawsuit from about 200 more employees, the Union-Tribune says. At present, about \$10 million remains to be disbursed.

The estate has paid about \$2 million in administrative fees in the case so far, the newspaper highlights.