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Med-Mal Settlement Awards \$140M to 255 Patients of Doctor Convicted of Fraud

Nearly six years after Dr. Spyros Panos surrendered his medical license and pleaded guilty to health care fraud, an arbitrator awarded \$140 million to settle what plaintiffs' attorneys say is the largest medical malpractice litigation in New York.

By Greg Land | February 20, 2019

A New York arbitrator has released a long-awaited arbitration award totaling \$140 million to resolve 255 medical malpractice lawsuits against ex-doctor Spyros Panos, who has already served one prison term and currently faces new criminal charges.



The attorneys whose firm is handling 150 of the cases against the former

Poughkeepsie orthopedist said the mass of lawsuits comprise the largest medical malpractice litigation in New York.

“The long and short of it is that he engaged in a 10-year pattern of fraud and abuse, faking surgeries for people who didn’t need them or faking them for people who really needed surgery,” said John “J.T.” Wisell of [Wisell & McGee \(https://wiselllaw.com/\)](https://wiselllaw.com/).

Wisell’s partner Nancy McGee heads up a plaintiffs committee authorized by New York state court judges to handle the litigation, which involved each case being arbitrated individually before retired New York state and appellate court Judge Peter Skelos with National Arbitration and Mediation.

When approved by the court, the awards to individual plaintiffs will range from \$15,500 to \$3.8 million, the lawyers said.

McGee said kudos were due to Skelos and to Judge Paul Marks of New York State Supreme Court, who removed the cases from the court system and appointed a plaintiffs committee to spearhead the massive litigation.

The size of the collective award “reflects the seriousness of just how badly Dr. Panos hurt people,” McGee said.

“This is vindication for every patient of Dr. Panos who was lied to and treated like they did something wrong,” Wisell said.

In addition to McGee, lawyers Brian Brown of New York’s [Zaremba Brown \(http://www.zarembabrown.com/\)](http://www.zarembabrown.com/) and Christopher Meagher of [Meagher & Meagher \(https://www.meagherandmeagherpc.com/\)](https://www.meagherandmeagherpc.com/) in White Plains were also on the plaintiffs committee appointed to spearhead the massive litigation, which involves a myriad of other lawyers.

The awards are expected to be approved relatively quickly, Wisell said. But that presents another problem. Although there are three layers of insurance coverage, “there’s still not enough to cover \$140 million,” Wisell said.

Brown, whose firm handled a dozen of the cases, noted the lack of sufficient insurance to cover all the settlements, and lamented that they were akin to “rough justice” for Panos’ patients.

“It’s a shame that so many others who must have been involved in these schemes or looked the other way when he was doing it are avoiding any responsibility, civil or criminal, for their wrongdoing,” Brown said.

Among the settlements was \$1.4 million for a woman who suffered a pulmonary embolism and died.

“I’m grateful to Judge Skelos for seeing the tragedy of this case and awarding her family for the 24 to 36 hours of pain and suffering this woman must have felt,” said Brown, who represents that family.

Meagher, who represents 32 plaintiffs, said he was glad they were getting “some semblance of justice.”

But he predicted that, because of the lack of adequate insurance, “most people will receive considerably less than the full value of the award delivered by the arbitrator.”

“At the end of the day there were a lot of victims of this physician,” he said. “Victims of a serial malpracticer, if there is such a word.”

Lead defense counsel Evan Krinick of [RivkinRadler](https://www.rivkinradler.com/) (https://www.rivkinradler.com/)'s Uniondale office represents the main insurer in the case, Medical Liability Mutual Insurance Co. A law firm representative declined to comment.

The awards come nearly six years after Panos surrendered his medical license and [pleaded](https://www.justice.gov/usao-sdny/pr/dutchess-county-orthopedic-surgeon-sentenced-in-white-plains-federal-court-54-months) (https://www.justice.gov/usao-sdny/pr/dutchess-county-orthopedic-surgeon-sentenced-in-white-plains-federal-court-54-months) guilty to health care fraud in U.S. District Court in New York. He served two and half years of a four-and-a-half-year

sentence, only to be charged (<https://www.justice.gov/usao-sdny/pr/previously-convicted-physician-arrested-fraud-and-aggravated-identity-theft>) last year with wire fraud, health care fraud, and aggravated identity theft.

According to the federal complaint, even before he began serving his first sentence, Panos and a family member set up a company and bank accounts in Hong Kong to perform peer reviews for workers' compensation claims. Those reviews can only be performed by a licensed physician.

The DOJ said Panos banked nearly \$240,000 before he entered prison. Within months of his release, he submitted credentialing information to peer review companies using the name of a licensed orthopedist, and deposited more than \$636,500 in the company's accounts.

Filings in New York's Southern District indicate he is free on a \$1 million bond.

As a doctor, Panos left a trail of untreated and mistreated patients, Wisell said.

Hundreds of complaints were filed against Panos and his former employer, Mid Hudson Medical Group, in multiple New York state courts, where the judges decided to combine them for arbitration.

"These cases have gone on so long and taken such a weird path, they've been extracted from the court system and we've been handling them on the side," Wisell said.

Wisell said there were three categories of plaintiffs in the group: Those who did not need surgery but whom Panos operated on anyway; those who had a genuine medical issue but were not adequately treated "so he could do a second or third surgery on them," and those who were treated but on whom Panos "just malpracticed because he was in a rush or just lacked the skill."

The doctor routinely performed 15 to 20 surgeries a day, Wisell said.

Over the course of the litigation, Wisell's firm alone fought 76 motions for summary judgment, drew up 1,000 bills of particulars and made 34 trips to the Appellate Division, Wisell said.

Panos continues to deny any malpractice and refused to approve the settlement, Wisell said.

"He said he still wants to fight, but the insurers overrode him and said, 'We'll go ahead and settle,'" he said.

Brown said the Panos case "is more problematic than one deranged surgeon gone bad. It's sort of the tip of the 'pay for medical service' iceberg. People died, lives were ruined."

"But at the end of the day, my job was to get my clients justice. We accomplished what we could, and I'm grateful for their patience and their understanding," Brown added.

Panos' criminal attorney, Jeffrey Feldman of Feldman, Kleidman, Coffey, Sappe & Regenbaum (<https://www.fkcsr-law.com/>) in Fishkill, did not respond to requests for comment.

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