BEFORE THE

DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

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| In the Matter of the Accusation Against:<br><br>John Paul Thropay, M.D.<br><br>Physician's and Surgeon's Certificate No. G 32178<br><br>Respondent. | Case No. 800-2020-071491 |

## DECISION

The attached Stipulated Surrender of License and Order is hereby adopted as the Decision and Order of the Medical Board of California, Department of Consumer Affairs, State of California.

This Decision shall become effective at 5:00 p.m. on December 19, 2025.

IT IS SO ORDERED December 12, 2025.

MEDICAL BOARD OF CALIFORNIA

Reji Varghese
Executive Director

ROB BONTA
Attorney General of California
EDWARD KIM
Supervising Deputy Attorney General
MELISSA M. MARQUEZ
Deputy Attorney General
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*Attorneys for the People*

**BEFORE THE**
**MEDICAL BOARD OF CALIFORNIA**
**DEPARTMENT OF CONSUMER AFFAIRS**
**STATE OF CALIFORNIA**

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|---|---|
| In the Matter of the Accusation Against:<br><br>**JOHN PAUL THROPAY, M.D.**<br>**120 W. Beverly Boulevard**<br>**Montebello, CA 90640**<br><br>**Physician's and Surgeon's Certificate**<br>**No. G 32178**<br><br>Respondent. | Case No. 800-2020-071491<br><br>OAH No. 2025041017<br><br>**STIPULATED SURRENDER OF LICENSE AND ORDER** |

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-entitled proceedings that the following matters are true:

## PARTIES

1. Reji Varghese (Complainant) is the Executive Director of the Medical Board of California (Board). He brought this action solely in his official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of California, by Melissa M. Marquez, Deputy Attorney General.

2. Respondent John Paul Thropay, M.D. (Respondent) is represented in this proceeding by attorney Nicholas Archibald, whose address is 355 South Grand Avenue, Suite 1750, Los Angeles, CA 90071.

3. On or about July 2, 1976, the Board issued Physician's and Surgeon's Certificate No.

G 32178 to Respondent. That license was in full force and effect at all times relevant to the charges brought in Accusation No. 800-2020-071491 and expired on August 31, 2025.

## JURISDICTION

4. Accusation No. 800-2020-071491 was filed before the Board and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on March 6, 2025. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. 800-2020-071491 is attached as Exhibit A and incorporated by reference. Section 118, subdivision (b), of the Business and Professions Code provides that the suspension/expiration/surrender/cancellation of a license shall not deprive the Board of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.

## ADVISEMENT AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 800-2020-071491. Respondent also has carefully read, fully discussed with counsel, and understands the effects of this Stipulated Surrender of License and Order.

6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

## CULPABILITY

8. Respondent admits the truth of the charges and allegations in paragraphs 12, 13, 14, 15A, 16, and 17 in Accusation No. 800-2020-071491, and agrees that cause exists for discipline and hereby surrenders his Physician's and Surgeon's Certificate No. G 32178 for the Board's

formal acceptance. In addition, Respondent understands and agrees that the charges and allegations contained in paragraphs 15B, 15C, 15D, 15E, 15F, 18, 19, 20, and 21 in Accusation No. 800-2020-071491, if proven at a hearing, also constitute cause for imposing discipline upon his Physician's and Surgeon's Certificate. Respondent hereby gives up his right to contest those charges and allegations.

9. Respondent does not contest that, at an administrative hearing, Complainant could establish a *prima facie* case with respect to the charges and allegations contained in paragraphs 15B, 15C, 15D, 15E, 15F, 18, 19, 20, and 21 in Accusation No. 800-2020-071491 and that his license is also subject to disciplinary action based on those charges and allegations.

10. Respondent understands that by signing this stipulation, he enables the Board to issue an order accepting the surrender of his Physician's and Surgeon's Certificate without further process. Respondent agrees that his Physician's and Surgeon's Certificate is subject to discipline and he agrees to be bound by the Board's imposition of discipline as set forth in the Disciplinary Order below.

## CONTINGENCY

11. Business and Professions Code section 2224, subdivision (b), provides, in pertinent part, that the Medical Board "shall delegate to its executive director the authority to adopt a ... stipulation for surrender of a license."

12. Respondent understands that, by signing this stipulation, he enables the Executive Director of the Board to issue an order, on behalf of the Board, accepting the surrender of his Physician's and Surgeon's Certificate No. G 32178 without further notice to, or opportunity to be heard by, Respondent.

13. This Stipulated Surrender of License and Disciplinary Order shall be subject to the approval of the Executive Director on behalf of the Board. The parties agree that this Stipulated Surrender of License and Disciplinary Order shall be submitted to the Executive Director for his consideration in the above-entitled matter and, further, that the Executive Director shall have a reasonable period of time in which to consider and act on this Stipulated Surrender of License and Disciplinary Order after receiving it. By signing this stipulation, Respondent fully understands

and agrees that he may not withdraw his agreement or seek to rescind this stipulation prior to the time the Executive Director, on behalf of the Medical Board, considers and acts upon it.

14. The parties agree that this Stipulated Surrender of License and Disciplinary Order shall be null and void and not binding upon the parties unless approved and adopted by the Executive Director on behalf of the Board, except for this paragraph, which shall remain in full force and effect. Respondent fully understands and agrees that in deciding whether or not to approve and adopt this Stipulated Surrender of License and Disciplinary Order, the Executive Director and/or the Board may receive oral and written communications from its staff and/or the Attorney General's Office. Communications pursuant to this paragraph shall not disqualify the Executive Director, the Board, any member thereof, and/or any other person from future participation in this or any other matter affecting or involving Respondent. In the event that the Executive Director on behalf of the Board does not, in his discretion, approve and adopt this Stipulated Surrender of License and Disciplinary Order, with the exception of this paragraph, it shall not become effective, shall be of no evidentiary value whatsoever, and shall not be relied upon or introduced in any disciplinary action by either party hereto. Respondent further agrees that should this Stipulated Surrender of License and Disciplinary Order be rejected for any reason by the Executive Director on behalf of the Board, Respondent will assert no claim that the Executive Director, the Board, or any member thereof, was prejudiced by its/his/her review, discussion and/or consideration of this Stipulated Surrender of License and Disciplinary Order or of any matter or matters related hereto.

**ADDITIONAL PROVISIONS**

15. This Stipulated Surrender of License and Disciplinary Order is intended by the parties herein to be an integrated writing representing the complete, final, and exclusive embodiment of the agreements of the parties in the above-entitled matter.

16. The parties agree that copies of this Stipulated Surrender of License and Disciplinary Order, including copies of the signatures of the parties, may be used in lieu of original documents and signatures and, further, that such copies shall have the same force and effect as originals.

17. In consideration of the foregoing admissions and stipulations, the parties agree the

Executive Director of the Board may, without further notice to or opportunity to be heard by Respondent, issue and enter the following Disciplinary Order on behalf of the Board:

**ORDER**

IT IS HEREBY ORDERED that Physician's and Surgeon's Certificate No. G 32178, issued to Respondent John Paul Thropay, M.D., is surrendered and accepted by the Board.

1. The surrender of Respondent's Physician's and Surgeon's Certificate and the acceptance of the surrendered license by the Board shall constitute the imposition of discipline against Respondent. This stipulation constitutes a record of the discipline and shall become a part of Respondent's license history with the Board.

2. Respondent shall lose all rights and privileges as a Physician's and Surgeon's in California as of the effective date of the Board's Decision and Order.

3. Respondent shall cause to be delivered to the Board his pocket license and, if one was issued, his wall certificate on or before the effective date of the Decision and Order.

4. If Respondent ever files an application for licensure or a petition for reinstatement in the State of California, the Board shall treat it as a petition for reinstatement. Respondent must comply with all the laws, regulations, and procedures for reinstatement of a revoked or surrendered license in effect at the time the application or petition is filed, and all of the charges and allegations contained in Accusation No. 800-2020-071491 shall be deemed to be true, correct, and admitted by Respondent when the Board determines whether to grant or deny the application or petition.

5. Respondent shall pay the agency its costs of investigation and enforcement in the amount of $21,503.00 (twenty-one thousand five hundred three dollars and zero cents) prior to issuance of a new or reinstated license.

6. If Respondent should ever apply or reapply for a new license or certification, or petition for reinstatement of a license, by any other health care licensing agency in the State of California, all of the charges and allegations contained in Accusation No. 800-2020-071491 shall be deemed to be true, correct, and admitted by Respondent for the purpose of any Statement of Issues or any other proceeding seeking to deny or restrict licensure.

## ACCEPTANCE

I have carefully read the above Stipulated Surrender of License and Order and have fully discussed it with my attorney. I understand the stipulation and the effect it will have on my Physician's and Surgeon's Certificate. I enter into this Stipulated Surrender of License and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Medical Board of California.

DATED: November 25, 2025

JOHN PAUL THROPAY, M.D.
*Respondent*

I have read and fully discussed with Respondent John Paul Thropay, M.D., the terms and conditions and other matters contained in this Stipulated Surrender of License and Order. I approve its form and content.

DATED: 11/25/2025

NICHOLAS ARCHIBALD, ESQ.
*Attorney for Respondent*

## ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted for consideration by the Medical Board of California of the Department of Consumer Affairs.

DATED: _____

Respectfully submitted,

ROB BONTA
Attorney General of California
EDWARD KIM
Supervising Deputy Attorney General

MELISSA M. MARQUEZ
Deputy Attorney General
*Attorneys for Complainant*

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## ACCEPTANCE

I have carefully read the above Stipulated Surrender of License and Order and have fully discussed it with my attorney. I understand the stipulation and the effect it will have on my Physician's and Surgeon's Certificate. I enter into this Stipulated Surrender of License and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Medical Board of California.

DATED: _____ _____

JOHN PAUL THROPAY, M.D.
*Respondent*

I have read and fully discussed with Respondent John Paul Thropay, M.D., the terms and conditions and other matters contained in this Stipulated Surrender of License and Order. I approve its form and content.

DATED: _____ _____

*Attorney for Respondent*

## ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted for consideration by the Medical Board of California of the Department of Consumer Affairs.

DATED: 11/25/2025

Respectfully submitted,

ROB BONTA
Attorney General of California
EDWARD KIM
Supervising Deputy Attorney General

Melissa M. Marquez Digitally signed by Melissa M. Marquez Date: 2025.11.25 12:51:14 -08'00'

MELISSA M. MARQUEZ
Deputy Attorney General
*Attorneys for Complainant*

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**Exhibit A**

**Accusation No. 800-2020-071491**

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*Attorneys for Complainant*

**BEFORE THE**
**MEDICAL BOARD OF CALIFORNIA**
**DEPARTMENT OF CONSUMER AFFAIRS**
**STATE OF CALIFORNIA**

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|---|---|
| In the Matter of the Accusation Against:<br><br>**John Paul Thropay, M.D.**<br>**120 W. Beverly Blvd.**<br>**Montebello, CA 90640-4305**<br><br>**Physician's and Surgeon's Certificate No. G 32178,**<br><br>Respondent. | Case No. 800-2020-071491<br><br>**ACCUSATION** |

## PARTIES

1. Reji Varghese (Complainant) brings this Accusation solely in his official capacity as the Executive Director of the Medical Board of California, Department of Consumer Affairs ("Board").

2. On or about July 2, 1976, the Board issued Physician's and Surgeon's Certificate Number G 32178 to John Paul Thropay, M.D. ("Respondent"). The Physician's and Surgeon's Certificate was in full force and effect at all times relevant to the charges brought herein and will expire on August 31, 2025, unless renewed.

## JURISDICTION

3. This Accusation is brought before the Board, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.

4. Section 2004 of the Code states:

The board shall have the responsibility for the following:

(a) The enforcement of the disciplinary and criminal provisions of the Medical Practice Act.

(b) The administration and hearing of disciplinary actions.

(c) Carrying out disciplinary actions appropriate to findings made by a panel or an administrative law judge.

(d) Suspending, revoking, or otherwise limiting certificates after the conclusion of disciplinary actions.

(e) Reviewing the quality of medical practice carried out by physician and surgeon certificate holders under the jurisdiction of the board.

(f) Approving undergraduate and graduate medical education programs.

(g) Approving clinical clerkship and special programs and hospitals for the programs in subdivision (f).

(h) Issuing licenses and certificates under the board's jurisdiction.

(i) Administering the board's continuing medical education program.

5. Section 2220 of the Code states:

Except as otherwise provided by law, the board may take action against all persons guilty of violating this chapter. The board shall enforce and administer this article as to physician and surgeon certificate holders, including those who hold certificates that do not permit them to practice medicine, such as, but not limited to, retired, inactive, or disabled status certificate holders, and the board shall have all the powers granted in this chapter for these purposes including, but not limited to:

(a) Investigating complaints from the public, from other licensees, from health care facilities, or from the board that a physician and surgeon may be guilty of unprofessional conduct. The board shall investigate the circumstances underlying a report received pursuant to Section 805 or 805.01 within 30 days to determine if an interim suspension order or temporary restraining order should be issued. The board shall otherwise provide timely disposition of the reports received pursuant to Section 805 and Section 805.01.

(b) Investigating the circumstances of practice of any physician and surgeon where there have been any judgments, settlements, or arbitration awards requiring the physician and surgeon or his or her professional liability insurer to pay an amount in damages in excess of a cumulative total of thirty thousand dollars ($30,000) with respect to any claim that injury or damage was proximately caused by the physician's and surgeon's error, negligence, or omission.

(c) Investigating the nature and causes of injuries from cases which shall be reported of a high number of judgments, settlements, or arbitration awards against a physician and surgeon.

6. Section 2227 of the Code states:

(a) A licensee whose matter has been heard by an administrative law judge of the Medical Quality Hearing Panel as designated in Section 11371 of the Government Code, or whose default has been entered, and who is found guilty, or who has entered into a stipulation for disciplinary action with the board, may, in accordance with the provisions of this chapter:

(1) Have his or her license revoked upon order of the board.

(2) Have his or her right to practice suspended for a period not to exceed one year upon order of the board.

(3) Be placed on probation and be required to pay the costs of probation monitoring upon order of the board.

(4) Be publicly reprimanded by the board. The public reprimand may include a requirement that the licensee complete relevant educational courses approved by the board.

(5) Have any other action taken in relation to discipline as part of an order of probation, as the board or an administrative law judge may deem proper.

(b) Any matter heard pursuant to subdivision (a), except for warning letters, medical review or advisory conferences, professional competency examinations, continuing education activities, and cost reimbursement associated therewith that are agreed to with the board and successfully completed by the licensee, or other matters made confidential or privileged by existing law, is deemed public, and shall be made available to the public by the board pursuant to Section 803.1.

**STATUTORY PROVISIONS**

7. Section 2234 of the Code states:

The board shall take action against any licensee who is charged with unprofessional conduct. In addition to other provisions of this article, unprofessional conduct includes, but is not limited to, the following:

(a) Violating or attempting to violate, directly or indirectly, assisting in or abetting the violation of, or conspiring to violate any provision of this chapter.

. . .

(e) The commission of any act involving dishonesty or corruption that is substantially related to the qualifications, functions, or duties of a physician and surgeon.

. . .

8. Section 2236 of the Code states:

(a) The conviction of any offense substantially related to the qualifications, functions, or duties of a physician and surgeon constitutes unprofessional conduct within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record of conviction shall be conclusive evidence only of the fact that the conviction

occurred.

(b) The district attorney, city attorney, or other prosecuting agency shall notify the Medical Board of the pendency of an action against a licensee charging a felony or misdemeanor immediately upon obtaining information that the defendant is a licensee. The notice shall identify the licensee and describe the crimes charged and the facts alleged. The prosecuting agency shall also notify the clerk of the court in which the action is pending that the defendant is a licensee, and the clerk shall record prominently in the file that the defendant holds a license as a physician and surgeon.

(c) The clerk of the court in which a licensee is convicted of a crime shall, within 48 hours after the conviction, transmit a certified copy of the record of conviction to the board. The division may inquire into the circumstances surrounding the commission of a crime in order to fix the degree of discipline or to determine if the conviction is of an offense substantially related to the qualifications, functions, or duties of a physician and surgeon.

(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is deemed to be a conviction within the meaning of this section and Section 2236.1. The record of conviction shall be conclusive evidence of the fact that the conviction occurred.

9. Unprofessional conduct is conduct which breaches rules or ethical codes of a profession or conduct which is unbecoming a member in good standing of a profession. (*Shea v. Board of Medical Examiners* (1978) 81 Cal.App.3rd 564, 575.).

**REGULATORY PROVISIONS**

10. California Code of Regulations, title 16, section 1360 states:

(a) For the purposes of denial, suspension or revocation of a license pursuant to Section 141 or Division 1.5 (commencing with Section 475) of the code, a crime, professional misconduct, or act shall be considered to be substantially related to the qualifications, functions or duties of a person holding a license if to a substantial degree it evidences present or potential unfitness of a person holding a license to perform the functions authorized by the license in a manner consistent with the public health, safety or welfare. Such crimes, professional misconduct, or acts shall include but not be limited to the following: Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate any provision of state or federal law governing the applicant's or licensee's professional practice.

(b) In making the substantial relationship determination required under subdivision (a) for a crime, the board shall consider the following criteria:

(1) The nature and gravity of the crime;

(2) The number of years elapsed since the date of the crime; and

(3) The nature and duties of the profession.

## COST RECOVERY

11. Section 125.3 of the Code provides, in pertinent part, that the Board may request the administrative law judge to direct a licensee found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case, with failure of the licensee to comply subjecting the license to not being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be included in a stipulated settlement.

## FIRST CAUSE FOR DISCIPLINE

### (Conviction of Substantially Related Crime)

12. Respondent is subject to disciplinary action under section 2236 of the Code, in that he was convicted of a crime that is substantially related to the qualifications, functions, or duties of a physician. The circumstances are as follows:

13. On or about September 3, 2021, in a First Superseding Indictment, Respondent was indicted in the criminal case entitled, "*United States of America v. John Paul Thropay, M.D., et.al.*, Case No. CR 20-418(A)-MWF, before the United States District Court for the Central District of California (the "Criminal Case"). Respondent was charged with multiple counts of healthcare fraud and conspiracy, including, without limitation, (A) Count 1, health care fraud in connection with the submission of a false claim paid on or about September 17, 2015, related to P.L., in violation of 18 U.S.C. § 1347 (Health Care Fraud); (B) Count 2, health care fraud in connection with the submission of a false claim paid on or about September 28, 2015, related to E.L., in violation of 18 U.S.C. § 1347 (Health Care Fraud); (C) Count 3, health care fraud in connection with the submission of a false claim paid on or about October 19, 2015, related to M.L., in violation of 18 U.S.C. § 1347 (Health Care Fraud); (D) Count 4, health care fraud in connection with the submission of a false claim paid on or about November 18, 2015, related to F.C., in violation of 18 U.S.C. § 1347 (Health Care Fraud); and (E) Count 11, health care fraud conspiracy, in violation of 18 U.S.C. § 1349 (Conspiracy).

14. Regarding Counts 1-4, Health Care Fraud is defined as "knowingly and with intent to defraud, devise and participate in a material scheme to defraud a health care benefit program, and

to obtain money and property owned by, and under the custody and control of, a health-care benefit program, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, section 1347."

15. The First Superseding Indictment also alleged that during the relevant time periods, the following was true:

A. The Medicare Program ("Medicare") was a health care benefit program as defined by Title 18, United States Code, section 24(b) and a "Federal health care program" as defined by Title 42, United States Code, Section 1320a-7b(f), that provided benefits to individuals who were 65 years and older or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services ("CMS"), a federal agency under the United States Department of Health and Human Services. Individuals who qualify for Medicare benefits are referred to as "beneficiaries." Each Medicare beneficiary was given a Health Identification Card Number ("HICN") unique to that beneficiary. Hospices, physicians, and other health care providers who provide services to beneficiaries that are reimbursed by Medicare were referred to as "providers." To become eligible to participate in Medicare, Medicare required prospective providers to be licensed by a state or local agency. After obtaining the applicable license, Medicare required prospective hospice providers to submit an application in which the prospective provider agrees to (1) comply with all Medicare-related laws and regulations, including the Anti-Kickback Statute, and (2) not submit claims for payment to Medicare knowing they are false or fraudulent or with deliberate ignorance or reckless disregard of their truth or falsity. If Medicare approved the application, Medicare assigned the provider an identifying number, which enabled the provider to submit claims to Medicare for reimbursement of services provided to Medicare beneficiaries.

B. To qualify for reimbursement of hospice services, Medicare required (1) a physician to certify that the beneficiary is terminally ill and (2) the beneficiary to sign an election form statement choosing hospice care instead of other Medicare benefits. Medicare considered a beneficiary to be "terminally ill" if the beneficiary's life expectancy is six months or less, if the beneficiary's illness ran its normal course. Hospice services reimbursed by Medicare were

palliative in nature and include, but are not limited to, medications to manage pain symptoms, necessary medical equipment, and bereavement services to surviving family members. Once a beneficiary chooses hospice care, Medicare did not cover treatment intended to cure the beneficiary's terminal illness. The election form was required to include an acknowledgment that the beneficiary was given a full understanding of hospice care, including palliative rather than curative nature of the treatment, and an acknowledgment that the beneficiary understood that certain Medicare services were waived by the election. If the beneficiary had a primary care physician ("PCP"), Medicare required the PCP and a physician at a hospice to certify in writing that the beneficiary is terminally ill with a life expectancy of six months or less, if the terminal illness ran its normal course.

C. Medicare was divided into different program "parts": Part A, Part B, Part C, and Part D. Medicare covered hospice services for those beneficiaries who were eligible for Medicare Part A (hospital-related services). When a Medicare beneficiary elected hospice coverage, the beneficiary waived all rights to Medicare Part B (outpatient physician services and procedures) coverage of services to treat or reverse the beneficiary's terminal illness while the beneficiary is on hospice. A beneficiary could elect to receive hospice benefits for two periods of 90 days and, thereafter, additional service for periods of 60 days per period. After the second 90-day period, for the beneficiary to continue to receive hospice benefits, Medicare required that a physician re-certify that the beneficiary is terminally ill and include clinic findings or other documentation supporting the diagnosis of terminal illness. For re-certifications, Medicare required a hospice physician or nurse practitioner to meet with the beneficiary in person and conduct a face-to-face evaluation before signing a certification of terminal illness. Most providers, including Blue Sky, submitted their claims electronically pursuant to an agreement with Medicare that they would submit claims that are accurate, complete, and truthful.

D. Respondent was a physician licensed in the state of California. Respondent worked for a hospice care provider called Blue Sky Hospice, Inc. ("Blue Sky") from approximately October 2014 to October 2016. From at least July 2015 to July 2016, Respondent served as the medical director of Blue Sky.

E. During Respondent's employment with Blue Sky, he, along with other co-conspirators, knowingly, willfully, and with intent to defraud, executed a scheme to (1) defraud Medicare as to material matters in connection with the delivery of and payment for health care benefits, items, and services and (2) obtain money from Medicare by means of materially false and fraudulent pretenses, representations and promises, and the concealment of material facts in connection with the delivery of and payment for health care benefits, items, and services.

F. The scheme to defraud operated, in substance, as follows:

(1) In operating Blue Sky, Respondent's co-conspirators paid recruiters, known as "marketers" or "cappers," illegal kickbacks in exchange for referring beneficiaries to Blue Sky. The amount of the kickback varied but was approximately $800 per beneficiary per month the beneficiary remained on hospice care with Blue Sky. The recruiters often paid the Blue Sky beneficiaries that they recruited a portion of this kickback, usually approximately $300 to $400 per month that the beneficiary remained on hospice with Blue Sky.

(2) If the beneficiary recruited was eligible to receive hospice benefits from Medicare, Respondent's co-conspirators directed a nurse or physician, such as Respondent, to conduct an evaluation of the beneficiary. Blue Sky paid Respondent for performing evaluations of Medicare beneficiaries.

(3) During these evaluations, Respondent often conducted only a cursory examination, without consulting medical records or the beneficiary's PCP about the beneficiary's conditions, diagnosis, or prognosis, before falsely certifying that the beneficiaries were terminally ill. Respondent knew from his purported examinations of the beneficiaries that the overwhelming majority of the Blue Sky hospice beneficiaries he saw were not terminally ill.

(4) To induce beneficiaries to continue to sign up for the unnecessary hospice care for which Blue Sky would receive payment from Medicare, Respondent failed to explain to the beneficiaries either that he (1) was certifying them as having a terminal illness that would likely cause them to die in six months or less or (2) the nature of hospice services, including that accepting services from Blue Sky would affect the beneficiaries' ability to receive services from other providers, including their PCPs.

(5) After Respondent's certification, another co-conspirator directed a nurse co-conspirator or another registered nurse, to conduct an initial assessment of the beneficiary. At the direction of another co-conspirator, a nurse co-conspirator sometimes signed prefilled patient records and/or falsified patient records for assessments that the nurse co-conspirator never conducted. Once the beneficiary was admitted to hospice, another co-conspirator directed a nurse co-conspirator or another licensed vocational nurse to visit the patients. Then, the co-conspirator directed a nurse co-conspirator to sign revised visit notes that made the patients look sicker than they really were and fabricated patient records for visits that co-conspirator nurse never conducted.

(6) Once the beneficiary was admitted to hospice, Respondent's co-conspirators fraudulently billed Medicare for medically unnecessary hospice services for beneficiaries obtained through the payment of illegal kickbacks.

(7) Between October 2014 and October 2016, Blue Sky submitted approximately $2,840,857 in claims to Medicare for hospice services provided to beneficiaries, with Respondent listed as the referring or attending physician on the claims, and was paid approximately $1,665,700 based on these claims.

16. On or about February 15, 2024, after a jury trial, in the Criminal Case, Respondent was found guilty of Counts 1, 2, 3, 4, and 11 of the First Superseding Indictment.

17. On or about August 27, 2024, the judge in the Criminal Case sentenced Respondent to serve time in prison, namely, Respondent was committed to the custody of the United States Bureau of Prison for a term of 37 months. He was ordered to surrender himself to the Bureau of Prisons on December 2, 2024. In addition, Respondent was ordered to pay a restitution of $1,529,003, among other things.

## SECOND CAUSE FOR DISCIPLINE

**(Dishonestly or Corruption)**

18. Respondent's license is subject to disciplinary action under section 2234, subdivision (e), of the Code, in that he committed dishonest and/or corrupt acts. The circumstances are as follows:

19. The allegations of the First Cause for Discipline are incorporated herein by reference

as if fully set forth.

**THIRD CAUSE FOR DISCIPLINE**

**(General Unprofessional Conduct)**

20. Respondent's license is subject to disciplinary action under section 2234 of the Code, generally, in that he engaged in unprofessional conduct that breaches the rules or ethical code of the medical profession or conduct which is unbecoming to a member in good standing of the medical profession. The circumstances are as follows:

21. The allegations of the First and Second Causes for Discipline are incorporated herein by reference as if fully set forth.

**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Medical Board of California issue a decision:

1. Revoking or suspending Physician's and Surgeon's Certificate Number G 32178, issued to Respondent John Paul Thropay, M.D.;

2. Revoking, suspending, or denying approval of Respondent John Paul Thropay, M.D.'s authority to supervise physician assistants and advanced practice nurses;

3. Ordering Respondent John Paul Thropay, M.D., to pay the Board the costs of the investigation and enforcement of this case, and, if placed on probation, the costs of probation monitoring; and

4. Taking such other and further action as deemed necessary and proper.

DATED: MAR 0 6 2025

REJI VARGHESE
Executive Director
Medical Board of California
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*Complainant*

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