UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

Varian C. Callahan v. Michael Clark, et al.

Callahan · No. 1:20-CV-00305-SPB · Decided February 11, 2026

SUMMARY

This Report and Recommendation addresses Wellpath, LLC's motion to dismiss or, alternatively, for judgment on the pleadings in Varian Callahan's action concerning alleged deficient medical care at a Pennsylvania state correctional institution. The magistrate judge recommends dismissing the claims against Wellpath with prejudice based on its bankruptcy discharge, while allowing Callahan to seek substitution of the Wellpath Bankruptcy Plan Liquidating Trust as a nominal defendant for purposes of liquidating his claim.

CASE DETAILS

COURT	United States District Court for the Western District of Pennsylvania
WRITING FOR THE COURT	Richard A. Lanzillo, Chief United States Magistrate Judge
JURISDICTION	United States District Court for the Western District of Pennsylvania
DECIDED	February 11, 2026
DOCKET	1:20-CV-00305-SPB
DISPOSITION	other
PROCEDURAL POSTURE	Report and recommendation on Wellpath LLC's motion to dismiss the Second Amended Complaint for lack of jurisdiction and, alternatively, for judgment on the pleadings, based on Wellpath's Chapter 11 bankruptcy discharge.
PRECEDENTIAL VALUE	nonprecedential
PARTIES	Varian C. Callahan v. Michael Clark, Jeri Smock, Rekha Halligan, Morgan Oliver, Michael Riley, Tracie Jones, Wellpath LLC, Pennsylvania Department of Corrections, Joseph Silva, Ruth Wisniewski

TOPICS

discharge · bankruptcy · motions to dismiss · motion for judgment on the pleadings · prisoners rights

PRACTICE AREAS

bankruptcy civil rights prisoner medical care civil procedure bankruptcy discharge

QUESTIONS PRESENTED

1. Whether Wellpath's Chapter 11 bankruptcy discharge barred Callahan from continuing his claims against Wellpath.
2. Whether the claims against Wellpath should be dismissed with prejudice while allowing Callahan to seek substitution of the Wellpath Bankruptcy Plan Liquidating Trust as a nominal defendant for claim liquidation.
3. Whether Callahan could retain Wellpath as a defendant to pursue potential third-party insurance notwithstanding the bankruptcy discharge.

HOLDINGS

1. The magistrate judge recommended that Wellpath's motion to dismiss be granted because the confirmed Chapter 11 plan discharged Wellpath from liability for claims arising before November 11, 2024, and the discharge injunction barred Callahan from continuing his claims against Wellpath.
2. The magistrate judge recommended dismissing the claims against Wellpath with prejudice, but without prejudice to Callahan's right to move to substitute the Wellpath Bankruptcy Plan Liquidating Trust as a nominal defendant for purposes of liquidating his claim against the Trust.

KEY QUOTATIONS

> *"The discharge of a Chapter 11 bankruptcy debtor "operates as an injunction against commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any such debt as a personal liability of the debtor, whether or not discharge of such debt is waived.""*

FACTUAL BACKGROUND

Callahan alleges that medical care he received at the Pennsylvania State Correctional Institution at Albion was sufficiently deficient to constitute medical malpractice and cruel and unusual punishment under the Eighth Amendment. Wellpath, formerly known as Correct Care Solutions, LLC, was a medical-services contractor for the Pennsylvania Department of Corrections. Wellpath became subject to a Chapter 11 bankruptcy discharge covering claims arising before November 11, 2024, including Callahan's claims against the company.

PROCEDURAL HISTORY

Callahan filed an action alleging deficient medical care at SCI-Albion amounting to medical malpractice and an Eighth Amendment violation. After Wellpath Holdings, Inc. filed for Chapter 11 bankruptcy, the bankruptcy filing extended debtor status to Wellpath and this action was stayed. Following confirmation of the bankruptcy plan, Wellpath moved to dismiss the claims against it or, alternatively, for judgment on the pleadings. The magistrate judge recommended granting the motion and dismissing the claims against Wellpath with prejudice, while preserving Callahan's ability to seek substitution of the Wellpath Bankruptcy Plan Liquidating Trust as a nominal defendant.

DISPOSITION

other

CASES CITED

- In re Wellpath Holdings, Inc., No. 24-90533 (Bankr. S.D. Tex. May 1, 2025), Bankr. Doc. Nos. 2596, 2679, 2680
- Perez-Martinez v. County of Union Penna, 2025 WL 2004700, at *6 (E.D. Pa. July 17, 2025)
- In re Wellpath Holdings, Inc., No. 24-90566 (Bankr. S.D. Tex. May 1, 2025), Bankr. Doc. No. 1123
- Brightwell v. Lehman, 637 F.3d 187, 193 n. 7 (8th Cir. 2011)

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