

## **Former Beverly to settle suit (08/22/06 AR Democrat Gazette)**

By Laurie Whalen

Legal officials at Golden Ventures, the Fort Smith-based support services division of the former Beverly Enterprises Inc., last week agreed to a \$20 million, out-of-court settlement with the U.S. Department of Justice.

The Justice Department on Friday announced the agreement after it alleged MK Medical, the nursing home operator's wholly-owned medical equipment subsidiary, cheated Medicare and Medi-Cal, a health care program jointly funded by the state of California and federal government.

"We are committed to pursuing allegations of fraud against federal health care programs, and to safeguarding federal funds against false claims," said Kevin V. Ryan, U.S. Attorney for the Northern District of California.

Under the False Claims Act, the government alleged the defunct operating unit failed to obtain proper claims and medical documentation during a four-year period ending in 2002.

Beverly agreed to pay \$14.5 million to the U.S. government and \$5.5 million to California. Beverly has until Sept. 1 to finalize the settlement payment, according to terms in the Justice Department's press release.

In an e-mailed statement, the privately-held nursing home operator said it initiated the settlement with federal investigators.

"Our company conducted a thorough review and audit, and we proactively notified the government so we could resolve the issue and repay the money owed," Blair Jackson, a Golden Ventures spokesman, wrote. "We are glad to put this situation behind us."

The durable medical equipment wholesaler delivered items, such as oxygen tanks and wheelchairs, to primarily California residents at their home, Jackson said. MK Medical was based in Fresno, Calif.

Beverly became Golden Gate National Senior Care Holdings LLC in March after a \$2.29 billion acquisition by a subsidiary of San Francisco-based Fillmore Capital Partners.

This month, the company that bought the former Beverly Enterprises Inc. announced a name change that will affect 283 its nursing homes and assisted living centers nationwide. However, 82 leased facilities will retain the Beverly name.

Golden Gate National Senior Care Holdings LLC became Golden Horizons which oversees Golden Ventures - the name of the Fort Smith-based support service division employing about 600 people.