

## **Beverly to pay \$20 million to settle fraud charge**

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Beverly Enterprises, Fort Smith, Ark., agreed to pay \$20 million to settle civil whistle-blower allegations involving a now-defunct Beverly subsidiary, MK Medical. The U.S. attorney in San Francisco accused MK Medical, a durable medical equipment supplier, of lacking proper documentation for its bills to Medicare and the California Medicaid program, Medi-Cal, from 1998 to 2002. Beverly settled without admitting wrongdoing. A spokeswoman for the company said, "Our internal corporate compliance program currently in place has made it possible for our company to identify and review the discrepancy with the now former subsidiary, MK Medical, as well as inform HHS' inspector general of the situation so it could be resolved." In 2000, Beverly paid \$175 million to settle civil and criminal Medicare fraud charges and agreed to sell 10 nursing homes to avoid exclusion from state and federal health programs.