

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

IOWA DEPARTMENT OF HUMAN SERVICES,

Plaintiff,

v.

MORSE HEALTHCARE SERVICES, INC. d/b/a FAITH RIDGE LIFE CENTER, MORSE ENTERPRISES, INC. d/b/a KEVINGTON LANE, MANOR OF MALVERN, INC., KEVINGTON LANE, INC., and MARY MORSE-BOLTON,

Defendants.

No. EQCE075708

ORDER REGARDING RECEIVER

On February 29, 2014 this matter came before the Court on the Plaintiff's Motion for Approval of Certain Action by the Receiver. Assistant attorney general, Timothy Vavricek appeared on behalf of the Plaintiff and Mary Morse-Bolten appeared Pro se for the Defendants. The court has reviewed the joint report to the Court submitted by the plaintiff and considered the testimony of the plaintiff's witness, Mr. Klaasmeyer and enters the following ruling:

1. The Receiver is permitted to wind down Defendants in an orderly fashion to ensure, as the Court has directed, that the Department's right to recover overpayments of medical assistance funds are satisfied;
2. The Department's First Payment to the Receiver and any future payment by the Department to ensure the health, safety, and welfare of Iowa Medicaid members may be

used by the Receiver to care for Iowa Medicaid members and fund the associated administrative expenses to wind down Kevington Lane and Faith Ridge Life Center in an orderly and safe fashion; shall be used to pay for present services and not to repay Defendants' prior debts to creditors and vendors; and shall be deemed to be costs of the receivership for purposes of this Court's Order dated February 13, 2014; and may be subjected, as an interim Medicaid rate, by the Department to later reconciliation based on allowable cost.

3. The Receiver is authorized to exercise the powers in Iowa Code Chapter 680 and has authority to:

- a. pay such expenses as minimally required to stabilize Defendants and ensure the health, safety and welfare of those individuals residing there until they can be moved;
- b. provide healthcare services to those people residing at Defendants' entities;
- c. establish new bank account(s) for Defendants;
- d. receive, deposit, withdraw, and manage funds paid to Defendants;
- e. maintain health, clinical, financial and other necessary records for Defendants;
- f. identify outstanding liabilities and assets of Defendants;
- g. receive mail;
- h. explore and recommend to the court any possible sale of Defendants, or real or personal property belonging to those entities;

i. such additional actions as are reasonably needed in light of the purpose of the receivership and to ensure the health, safety and welfare of the people residing at Faith Ridge Life Center and Kevington Lane.

4. The Receiver is authorized to receive first-priority payment in the amount of \$75 per hour, not to exceed 200 hours per month, for its services in winding down Defendants. These payments to the Receiver shall be considered a cost of the receivership for purposes of this Court's Order dated February 13, 2014, and Iowa Code section 249A.44.

5. The Receiver is authorized to hire counsel to assist with its legal obligations, including the sale of assets, negotiating with creditors, and reporting to the Court. Jeffrey W. Courter of the Nyemaster, Goode law firm in Des Moines has agreed to serve in this role and he is appointed as counsel for the Receiver. The Receiver may set aside \$5,000 as retainer for such counsel. The reasonable costs of counsel shall be considered a cost of the receivership for purposes of this Court's Order dated February 13, 2014, and Iowa Code section 249A.44.



State of Iowa Courts

Type: OTHER ORDER

Case Number **Case Title**
EQCE075708 IOWA DHS VS. MORSE HEALTHCARE SERVICES, INC. AT AL

So Ordered

A handwritten signature in cursive script that reads "MP Gunderson".

Mary Pat Gunderson, District Court Judge,
Fifth Judicial District of Iowa