

Lawsuit against Revere assisted living home highlights residents' vulnerability to predatory fees

By [Jason Laughlin](#) Globe Staff, Updated October 30, 2024, 10 minutes ago



Jack MacMaster posed for a portrait inside his apartment at Prospect House. MacMaster is a plaintiff in a lawsuit alleging a Revere assisted living facility has been concocting bogus fees to drain the bank accounts of residents. JESSICA RINALDI/GLOBE STAFF

The one-bedroom apartment at Prospect House, a Revere assisted living facility, was initially a godsend for Jack MacMaster and his wife, Kathleen, when they moved there three years ago.

Caring for his wife, who has dementia, had become impossible for Jack MacMaster, 76, on his own, and Prospect House's accommodations for low-income residents made it affordable for them to leave their Waltham home and receive excellent support, he said.

So it came as a shock when MacMaster, 76, received an eviction notice last November, claiming he owed about \$8,700 in unpaid ancillary fees. MacMaster had no idea the home charged fees in addition to his rent, he said, and still doesn't know what services they covered. The fees, which he began paying, left him nearly penniless.

"I don't deserve it," he said. "I worked my whole life supporting my kids. I guess I'm disappointed with what I'm left with, to be honest with you."

MacMaster is one of three named plaintiffs in a class action suit filed this month against Prospect House's property manager, Norwood-based HallKeen Management and related companies, claiming the company illegally charged low-income residents hundreds a month in "ancillary fees" tailored to claim all but \$100 or less from each resident.

The suit, filed in US District Court in Boston, comes as Attorney General Andrea Joy Campbell has made regulating assisted living facilities a cornerstone of her initiative to protect seniors in the state.



Attorney General Andrea Joy Campbell's office is working on regulation to shield thousands of state residents of assisted living homes from misleading business practices. JESSICA RINALDI/GLOBE STAFF

Unlike nursing homes, which have specialized regulations, assisted living facilities, which offer some personal assistance but not the type of intensive medical care offered at nursing homes, are regulated more like landlords.

“Assisted living residences in Massachusetts are kind of the Wild West,” said John Ford, director of the elder law project at the Northeast Justice Center in Lynn. “There are really very little protections for the consumers.”

While many facilities are well run, Ford said, some homes have poorly defined fees, exorbitant rents, and unceremonious evictions.

“It’s just that there are no standards,” he said.

Campbell's office is now crafting regulations to shield the 17,000 residents of assisted living homes from misleading business practices, including predatory fees and evictions, and is seeking public feedback on what protections are needed.

Seniors in assisted living are "a vulnerable group that could benefit from additional consumer protections," said Mary Freeley, deputy chief of the attorney general's office's health care and fair competition bureau and head of the elder justice unit.

The office expects to release a draft of those regulations early next year.

Earlier this year, Governor Maura Healey signed legislation that gave the Department of Public Health more power to police who can operate facilities in the assisted living industry.

According to the suit, HallKeen broke the law by charging fees even as it participated in a MassHealth program that paid for the cost of much of the residents' care and benefited from a federal tax credit that the suit states specifically bars adding mandatory fees on top of rent.

MassHealth's Program of All-Inclusive Care for the Elderly, or PACE, provides Prospect House with funds for essential services, including meals and personal care. The suit argues the fees amounted to double billing, charging residents for already funded services.

Yet residents have been threatened with eviction for failing to keep up with fees.

"People can't afford their most basic needs," said Sean Ahern, the plaintiffs' attorney. "People can't even leave the building."

The suit was filed on behalf of all current and former Prospect House residents who

relied on the tax credits and MassHealth benefits. The state's Executive Office of Housing and Livable Communities did not respond to a request for comment on HallKeen's participation in the tax credit program.

HallKeen denied its fees violated the terms of its federal tax credits. A document the company shared with state officials describes low-income residents being allotted a \$100-a-month spending allowance.

HallKeen knew how much money residents had due to checks of their bank accounts to confirm eligibility for low-income units, said Ahern.

"We believe firmly that our policies are compliant with all applicable statutes as well as being consistent with assisted living industry standards," the company said in an e-mailed statement.

The HallKeen umbrella of more than a dozen affiliated companies, state records show, encompasses condominiums and apartments along with assisted living facilities from Florida to Maine. HallKeen Assisted Living Communities manages seven other assisted living homes in Massachusetts.

HallKeen isn't just the management company at Prospect House. The facility is itself a company affiliated with HallKeen. The Massachusetts Executive Office of Elder Affairs has not received complaints about similar ancillary fees at any of the other assisted living properties, the state agency reported.

The office did receive complaints in March that HallKeen appeared to be charging residents for services provided through PACE. HallKeen gave the state agency a service agreement that detailed what the ancillary fees covered, but, according to a letter shared by Elder Affairs, never complied with a request to provide a plan that detailed how the company was going to confirm residents understood and agreed with

the fees.

HallKeen, through a spokesperson, reported sharing information with Elder Affairs on Sept. 3, but did not provide a copy of that response. The agency and the company are still in discussions, spokespeople from both said.

“We are also implementing changes to our leasing agreements and other internal protocols to further clarify our policies,” HallKeen said in its statement.

Ahern said his clients have not signed any new fee agreements, and they are not aware that any have been distributed in the home.

Brian Doherty, president of the industry trade group the Massachusetts Assisted Living Association, said oversight from Elder Affairs is sufficient. The agency does on-site visits at assisted living homes every two years and has the power to suspend a facility’s certification, he said.

Assisted living is increasingly popular among seniors in the state, said Freeley.

“What we’re hearing is that the population of folks going into assisted living facilities, 20 years ago they would have been going into a nursing home,” she said.

MacMaster, who had a career in the manufacturing industry, was separated from his wife just months after moving to Prospect House. She required more intensive care and now is at an East Boston nursing home.

What money he has left goes almost entirely to the bus fare he uses to visit her several times a week.

“I have 10 grandchildren,” he said. “I don’t have any money to give them anything.”

Jason Laughlin can be reached at jason.laughlin@globe.com. Follow him [@jasmlaughlin](#).

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