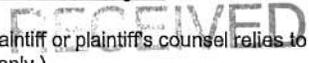


CIVIL ACTION COVER SHEET		DOCKET NUMBER	Trial Court of Massachusetts The Superior Court	
		COUNTY <u>Suffolk Superior Court (Boston)</u>		
Plaintiff	Commonwealth of Massachusetts, Attorney General's Office		Defendant:	Regional Home Care, Inc.
ADDRESS:	One Ashburton Place, 19th Floor Boston, MA 01208		ADDRESS:	125 Tolman Avenue Leominster, MA 01453
Plaintiff Attorney:	Jane Alexandra Sugarman, Assistant Attorney General		Defendant Attorney:	Louis M. Ciavarra
ADDRESS:	Office of the Attorney General One Ashburton Place, 18th Floor Boston, MA 02108		ADDRESS:	Bowditch & Dewey, LLP 311 Main Street Worcester, MA 01608
BBO:			BBO:	546481
TYPE OF ACTION AND TRACK DESIGNATION (see instructions section on next page)				
CODE NO.	TYPE OF ACTION (specify)	TRACK	HAS A JURY CLAIM BEEN MADE?	
<u>E99</u>	<u>Other</u>	<u>X</u>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
*If "Other" please describe: <u>Assurance of Discontinuance</u>				
Is there a claim under G.L. c. 93A?		Is there a class action under Mass. R. Civ. P. 23?		
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		
STATEMENT OF DAMAGES REQUIRED BY G.L. c. 212, § 3A				
The following is a full, itemized and detailed statement of the facts on which the undersigned plaintiff or plaintiff's counsel relies to determine money damages. (Note to plaintiff: for this form, do not state double or treble damages; indicate single damages only.)				
TORT CLAIMS				
 FEB - 9 2023 SUPERIOR COURT - CIVIL JOHN E. POWERS, III ACTING CLERK MAGISTRATE				
A. Documented medical expenses to date				
1. Total hospital expenses _____				
2. Total doctor expenses _____				
3. Total chiropractic expenses _____				
4. Total physical therapy expenses _____				
5. Total other expenses (describe below)				
Subtotal (1-5):				\$0.00
B. Documented lost wages and compensation to date _____				
C. Documented property damages to date _____				
D. Reasonably anticipated future medical and hospital expenses _____				
E. Reasonably anticipated lost wages _____				
F. Other documented items of damages (describe below)				
TOTAL (A-F):				\$0.00
G. Briefly describe plaintiff's injury, including the nature and extent of the injury:				
CONTRACT CLAIMS				
<input type="checkbox"/> This action includes a claim involving collection of a debt incurred pursuant to a revolving credit agreement. Mass. R. Civ. P. 8.1(a).				
Item #	Detailed Description of Each Claim			Amount
1.				
Total				
Signature of Attorney/Self-Represented Plaintiff: X _____			Date: _____	
RELATED ACTIONS: Please provide the case number, case name, and county of any related actions pending in the Superior Court.				
CERTIFICATION UNDER S.J.C. RULE 1:18(5)				
I hereby certify that I have complied with requirements of Rule 5 of Supreme Judicial Court Rule 1:18: Uniform Rules on Dispute Resolution, requiring that I inform my clients about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods of dispute resolution.				
Signature of Attorney: X _____			Date: <u>2/9/2023</u>	

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

SUPERIOR COURT
CIVIL ACTION NO. _____

IN THE MATTER OF REGIONAL
HOME CARE, INC.

RECEIVED

FEB - 9 2023

SUPERIOR COURT - CIVIL
JOHN E. POWERS, III
ACTING CLERK MAGISTRATE

ASSURANCE OF DISCONTINUANCE PURSUANT TO G.L. c. 93A, § 5

The Commonwealth of Massachusetts, (the “Commonwealth”), by and through its Attorney General, Andrea Joy Campbell, and Regional Home Care, Inc. (“Regional”) hereby agree to this Assurance of Discontinuance (“Assurance”) pursuant to Massachusetts General Laws chapter 93A, §§ 2 and 5.

I. INTRODUCTION

1. The Attorney General is responsible for enforcing the Consumer Protection Act, G. L. c. 93A, which prohibits unfair and deceptive acts and practices in the conduct of any trade or commerce, and all other consumer protection laws and regulations in Massachusetts.

2. Regional is a medical equipment supplier and service provider headquartered in Leominster, Massachusetts which maintains a principal place of business located at 125 Tolman Avenue, Leominster, MA 01453. Regional is also an active provider enrolled in MassHealth and executed a MassHealth provider contract effective throughout the relevant time period.

3. The Attorney General’s Office conducted an investigation into Regional’s billing and debt collection practices by issuing Regional a Civil Investigative Demand (“CID”) pursuant to her authority under G.L. c. 93A, § 6.

4. As a result of this investigation, the Attorney General alleges that Regional engaged in unfair and deceptive acts and practices, as well as violations of MassHealth regulations, in connection with its billing and debt collection practices.

5. In lieu of litigation and without admitting any liability or wrongdoing, Regional agrees to voluntarily enter this Assurance with the Attorney General on the terms and conditions contained herein, pursuant to G.L. c. 93A, § 5.

II. DEFINITIONS

The following definitions shall apply to this Assurance:

6. “Covered Conduct” means those acts or practices alleged in Paragraphs 10-21, below.

7. “Effective Date” means the date on which the Assurance is filed in a Massachusetts Court.

8. “Relevant time period” means January 1, 2013 to the present.

9. “MassHealth” means the Massachusetts Medicaid program administered by the Executive Office of Health and Human Services and managed care entities that administer services to MassHealth members.

III. THE COMMONWEALTH’S ALLEGATIONS

A. Regional Engaged in Unfair and Deceptive Debt Collection Practices

10. Regional engages in debt collection when consumers are past due on their payments.

11. In seeking to collect debts, Regional sent “Seriously Past Due” and “Final Demand” letters to consumers. These form letters failed in several ways to comply with Massachusetts regulations or otherwise violated the law. Specifically:

(i) Regional failed to include mandatory language informing consumers of their rights to dispute and to obtain validation of the debt, as required under 940 C.M.R. §7.08(1)(a)-(d);

(ii) Regional failed to include mandatory language informing consumers of their right to stop Regional from placing debt collection calls to their place of employment, as required under 940 C.M.R. § 7.04(1)(i);

(iii) Regional included misleading threats, in violation of 940 C.M.R. §7.04(1)(b)(3), indicating that Regional would use a debt collection agency or an attorney to pursue the debt if the consumer did not pay, even though Regional did not use debt collection agencies or retain outside law firms to collect debts.

12. Regional brought lawsuits against consumers for failure to pay debts in a forum which was inconvenient and distant to the vast majority of its consumers. Specifically, nearly all of Regional's debt collection lawsuits were brought in the Leominster District Court in Leominster, Massachusetts, even though consumers did not reside there.

13. Between 2013 and 2020, Regional filed 13,580 debt collection suits against consumers in Leominster District Court. By filing in a distant and inconvenient forum, Regional was able to obtain default judgments against consumers who were unable to travel to Leominster to defend themselves in the court proceedings.

14. Regional knew or should have known where its consumers resided because Regional provides household services, delivering durable medical equipment, supplies, and services to consumers in their own homes. Regional was also required to provide a consumer's residential address on the Notice of Small Claim pursuant to Massachusetts Small Claims Rules.

15. Regional made false and misleading representations to consumers about the extent or amount of their debts when it sought to collect debts from MassHealth consumers whose equipment, supplies and/or services were covered by MassHealth, in violation of 940 C.M.R. §7.07(2).

B. Regional Violated MassHealth Regulations

16. Regional violated federal and state laws, rules, and regulations by attempting to collect and in some cases actually collecting charges from MassHealth members for equipment, supplies, and services instead of billing MassHealth directly for those services, as required by 130 C.M.R. § 450.203.

17. Regional frequently charged the full value of the equipment to MassHealth members, even when MassHealth had already paid part of the equipment balance.

18. Between 2013 and 2020, Regional brought 694 debt collection lawsuits against MassHealth members, many of whom Regional improperly billed for equipment or services covered by MassHealth.

19. Regional also charged MassHealth members court filing fees and return shipping costs or equipment.

20. Regional's practice of charging MassHealth members in excess of the MassHealth reimbursement rates for covered services also violates statutory protections against excess charges for MassHealth members. See G.L. c. 118E, §§ 42, 44.

21. Regional's failure to comply with all federal and state laws, regulations, and rules applicable to its participation in MassHealth constitute a breach of contract, and the Commonwealth has been damaged by that breach.

IV. ASSURANCES

A. Monetary payments and refunds administration

22. Regional will make a payment of \$500,000 to the Commonwealth within ten (10) calendar days of the Effective Date. At her sole discretion, and so long as permitted by law, the Attorney General shall distribute this payment, in any amount, allocation, or apportionment:

- i. For payments to or for consumers, including use by the Attorney General in the facilitation of the relief under this Assurance; and/or
- ii. To the General Fund of the Commonwealth of Massachusetts; and/or
- iii. To the Local Consumer Aid Fund established pursuant to M.G.L. c. 12, § 11G; and/or
- iv. For programs or initiatives designed to address the negative effects of unfair and deceptive consumer account billing or debt collection practices.

23. Unless otherwise directed by the Attorney General, this payment shall be made by ACH, wire transfer, or certified check, made payable to the "Commonwealth of Massachusetts," and shall be delivered to Jane Sugarman, Assistant Attorney General, Consumer Protection Division, Office of the Massachusetts Attorney General, One Ashburton Place, 18th Floor, Boston, MA 02108.

24. Regional will pay a total of \$9,512.83 in refunds to MassHealth members for medical equipment and services that it charged consumers that were, in fact, covered by MassHealth, as well as the costs for court filing fees and return shipping costs of the equipment, if any.

25. Prior to the Effective Date, Regional shall open an escrow account for the management and disbursement of the refunds subject to Paragraph 24. Within seven (7) days of the Effective Date, Regional will deliver \$9,512.83 directly to such escrow account and shall provide confirmation of same to the Commonwealth.

26. Regional shall administer the refunds to MassHealth members as follows:

- i. By mailing checks to the MassHealth members using first class mail, postage prepaid;
- ii. Before mailing, Regional shall run eligible MassHealth members' addresses through the National Change of Address database to obtain current addresses;
- iii. If any check is returned undeliverable with a forwarding address, Regional shall make a second attempt to mail the check using the forwarding address; and
- iv. Any refunds subject to Paragraph 24 that Regional is unable to return to MassHealth members shall be transferred to the Commonwealth's General Fund as unclaimed property administered pursuant to G.L. c. 200A by the Treasurer's Unclaimed Property Division.

B. Vacating consumer judgments and dismissing actions with prejudice

27. Regional will take all actions necessary, regardless of cost, to vacate every judgment it obtained against consumers in the Leominster District Court ("Leominster Judgments"), unless the consumer resided in the Leominster jurisdiction, and to dismiss the underlying actions with prejudice. Regional has represented to the Commonwealth that the total amount of judgments it has obtained over the past 9 years that are subject to this Paragraph is

approximately \$2,100,000.00 (excluding post-judgment interest). This paragraph does not apply to judgments that have been satisfied in full as of the Effective Date.

28. Regional will give notice to consumers, in a form acceptable to the Commonwealth, informing them that judgments against them have been vacated and their lawsuits dismissed with prejudice.

29. Regional will not sell, transfer, or otherwise attempt to collect on the Leominster Judgments at any time.

30. Regional will not report any information about consumers subject to this agreement, including delinquent accounts or judgments, to any consumer reporting agency.

C. Business practice changes

31. If Regional commences lawsuits against consumers to collect debts, Regional will initiate such actions in the judicial district in which the consumers reside, unless otherwise permitted by law in the future.

32. Regional will make at least three attempts to retrieve equipment or obtain payment before initiating litigation and will not charge MassHealth consumers for return shipping costs.

33. Regional will comply with the Attorney General's Debt Collection Regulations, 940 CMR 7.00, *et seq.*

34. Regional will comply with all federal and state laws, rules, and regulations relating to MassHealth administrative and billing regulations, including, without limitation, the regulation providing that no MassHealth provider "may solicit, charge, receive, or accept money, gift, or other consideration from a member, or from any person, for any item or medical service for which payment is available under MassHealth..." 130 C.M.R. § 450.203. For so long as the

law prohibits it, and unless expressly permitted by MassHealth, Regional will not bill, collect, attempt to collect, or seek payment from MassHealth members for medical equipment or return shipping costs for medical equipment, even if those members have stopped using and have not returned equipment. Regional may communicate with MassHealth members in a way that comports with the Attorney General's debt collection regulations and all other applicable laws to recover equipment.

D. Confirmatory discovery and compliance monitoring

35. Within thirty (30) days of the Effective Date, Regional will provide the Commonwealth with a list of the Leominster Judgments, which includes the consumers' names, last known address, any other contact information in Regional's business records, and the amounts of the outstanding judgments.

36. Within six (6) months of the Effective Date, Regional will provide the Commonwealth with a certification that all of the Leominster Judgments have been vacated and the underlying lawsuits have been dismissed.

37. Upon request, Regional will provide the AGO with documents or other information demonstrating compliance with this Assurance.

V. RELEASE

38. The Attorney General fully and finally releases Regional, its past or present employees, officers, subsidiaries, agents, representatives, affiliates, parent corporation(s), owners, successors, and/or assigns from any and all claims that were or could have been asserted by the Attorney General prior to the Effective Date of the Assurance that relate to, or are based on, the Covered Conduct. This release shall not bind any other private or governmental entity,

nor release Regional from liability for any other conduct that does not arise from or relate to the Covered Conduct.

39. Nothing in this Assurance shall be deemed to preclude the Attorney General's review of conduct that occurs after the Effective Date, or any claims that may be brought by the Attorney General to enforce Regional's compliance with the Assurance.

VII. NOTICE

40. Any notice or other information required to be provided to the parties under the terms of this Assurance shall be sent by first class mail and by email addressed to the following:

Office of the Attorney General Consumer Protection Division Attn: Jane Sugarman One Ashburton Place, 18 th Floor Boston, MA 02108 With email copies to: shennan.kavanagh@mass.gov jane.sugarman@mass.gov	Regional Home Care 125 Tolman Avenue Leominster, MA 01453 With copies to: Louis M. Ciavarra, Esq. lcivarra@bowditch.com
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VIII. GENERAL TERMS

41. This Assurance shall be binding on Regional's successors, subsidiaries, and all other person who have authority to control or who, in fact, control and direct Regional's business in the Commonwealth.

42. The Assurance shall be effective upon its execution by all parties hereto and shall thereafter be filed by the Attorney General in the Superior Court for Suffolk County.

43. This Assurance shall be governed by and interpreted in accordance with laws of the Commonwealth of Massachusetts, and the Superior Court for Suffolk County shall retain jurisdiction over this Assurance.

44. This Assurance does not resolve, settle, or otherwise affect any actual or potential claims by parties other than those alleged herein by the Attorney General.

45. Nothing in this Assurance shall relieve Regional of its obligation to comply with applicable federal and state laws, rules, and regulations.

46. Regional waives all rights to appeal or otherwise challenge or contest the validity of this Assurance.

47. The provisions of this Assurance are severable. Should any provisions be declared by a court of competent jurisdiction to be unenforceable, the other provisions of this Assurance shall remain in full force and effect.

48. This Assurance can be amended or supplemented only by a written document signed by all parties or court order. Amendments or supplements may be executed in separate counterparts, with signatures conveyed by mail, facsimile, email, or other electronic means.

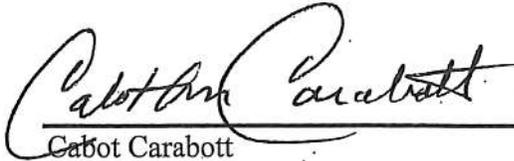
49. This Assurance constitutes the entire agreement between the Attorney General and Regional and supersedes any prior communication, agreement, or understanding, whether written or oral, concerning the subject matter of this Assurance.

50. Regional and its signatories have consulted with counsel in their decision to enter into this Assurance.

51. Signatories for Regional represent and warrant that they have the full legal power, capacity, and authority to bind Regional in this Assurance.

52. By signing below, Regional agrees to comply with all of the terms of this Assurance.

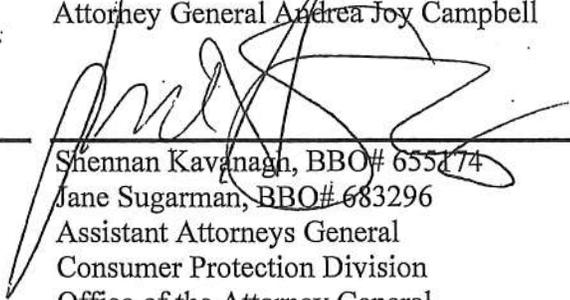
Regional Home Care, Inc.



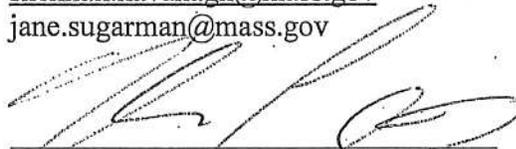
Cabot Carabott
Chief Executive Officer

Dated: 07 FEB 2023

The Commonwealth of Massachusetts
Attorney General Andrea Joy Campbell



Shennan Kavanagh, BBO# 655174
Jane Sugarman, BBO# 683296
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Dated: 2/7/23