

**COMMONWEALTH OF MASSACHUSETTS**

SUFFOLK, ss.

SUPERIOR COURT DEPT  
OF THE TRIAL COURT  
Civil Action No.  
2484CV00824

ADAM OWENS, ALVIN WALKER,  
Petitioners,  
  
v.  
  
EDGAR P. BENJAMIN HEALTHCARE CENTER,  
Respondent.

**AFFIDAVIT OF KATHERINE BLICKER**

I, Katherine Blicher, make the following affidavit based on my personal knowledge, under the penalty of perjury that the following is true and correct:

1. I am the Medicaid Specialist at the Edgar P. Benjamin Healthcare Center, which we call “the Benjamin.” The facility is located at 120 Fisher Avenue, Boston, Massachusetts. The facility currently serves about 70 patients. Most of the patient care is paid for by Medicare and Medicaid with a small number of private pay residents and others paying through private insurance.
2. I have been working in healthcare finance for around 30 years, holding a number of different positions during my career including oversight of patient trusts, Medicaid certifications and recertifications, and accounts payable.

3. Additionally, I have worked for several business offices in long-term care and chronic care hospitals throughout Massachusetts including in Peabody, Cape Cod and Lowell.
4. I began working at the Benjamin in 2015. I was hired to assist social services with Medicaid applications and reviews. I took on additional responsibilities over the next three years and in 2018, I began handling accounts receivable which is my current position.
5. As the person in charge of accounts receivable, I review all funds that come into the facility. I am responsible for billing as well, including for room and board charges, rehabilitation costs, and private costs that aren't covered by health insurance.
6. I am very concerned about mismanagement that I see occurring at the Benjamin, and even more concerned that this mismanagement is directly placing residents at risk of harm.

### **Revenue Of Facility**

7. At the beginning of 2020 and prior to the start of the COVID pandemic, the Benjamin housed about 150 residents. In 2020, state restrictions mandated nursing facilities reduce the number of residents to a room. Housing 3 or 4 residents in one room was no longer allowed and rooms were to be made semi-private or private by the end of 2021.
8. Although the decline in patients meant a decline in revenue, we also experienced substantial new revenues during the COVID-19 pandemic. As a response to the pandemic, in 2020 the state increased the daily rates for MassHealth members to around \$15 per day which translated into an increase of around \$100,000 in monthly revenue for the facility.

9. Between 2020 and 2021, there were also relief funds distributed to healthcare facilities due to COVID-19 impacts for supplies, employee retention and hiring of additional employees.
10. We still have substantial revenue coming in: over \$720,000 each month from resident care. In addition, we rent out the top floor of our facility to a charter school, which brings in approximately \$75,000-\$80,000 per month. The school pays additional money on top of that for their share of utilities.
11. From my role in the business office, I believe that mismanagement on the part of the Administrator has played a large role in the current state of the Benjamin – and that the current state of affairs places residents at grave risk.

### **Payroll Issues**

12. As an example of the financial mismanagement of the Benjamin, on a number of occasions over the last several months, the Benjamin has been unable to make payroll, which creates a very dangerous situation for residents.
13. Union employees—certified nursing assistants (CNAs) and licensed practical nurses—at the facility are paid weekly on Fridays while non-union employees-nurses and administrators- are paid bi-weekly.
14. The first Friday of November 2023, the union employees were not paid. They came into the Benjamin that morning and asked why they were not paid. Mr. Francis informed them that there was a glitch and that they would be paid the following day, Saturday. When the union staff were not paid on Saturday, Mr. Francis sent an email stating they would be paid on Monday. They were not paid on Monday and instead were not paid until the following Friday.

15. When the next payroll period came around, neither union nor non-union employees were paid.
16. Then in mid-December 2023, both union and non-union employees were not paid again.
17. By this time in December 2023, direct deposit was no longer used to pay employees. All employees began receiving manual (physical) checks. Apparently, the vendor that processed payroll, ADP, would not process the paychecks because of the previous non-payment issues. ADP previously processed payroll for the Benjamin even though the funds were not in the account by the scheduled date, so they decided they would no longer provide the services without the funds available beforehand.
18. To add insult to injury, several employees deposited the manual checks into their own bank accounts and the checks then “bounced,” meaning the funds from the Benjamin’s Rockland Trust account were not available. This left employees with no weekly paycheck, banking fees and late payments on bills. Mr. Francis informed staff that he would cover any banking fees and late fees employees received due to the paychecks “bouncing,” but it is my understanding that this has not been done.
19. At the same time, employees’ healthcare insurance coverage was suspended or terminated. In October 2023, several employees reported having their health insurance canceled for non-payment by the facility. When asked, Mr. Francis informed the employees that the health insurance was not canceled. However, doctors’ offices would not see employees for appointments as they stated the health insurance was no longer active.
20. People also reported that their 401(k) plans were not being funded regularly.

21. When staff are not paid, they begin “calling out” for the day—meaning they are absent. CNAs and nursing staff begin taking per diem (daily) assignments at other facilities to have income.
22. When Mr. Francis was notified that staffing had become a dire issue due to people calling out, he was not at the facility to find solutions for the situation he created. Instead, when staff asked what they should do about the short staff, Mr. Francis informed them he would speak to the scheduler about using per diem (daily assignment) staff to aid with patient care. No per diem staff were ever hired to assist.
23. With staff being absent due to non-payment of wages, nursing staff worked double shifts- 16 hours. Office staff, myself included, came into the facility on the weekends to perform the tasks of the CNAs, certified healthcare professionals.
24. This type of under-staffing creates very dangerous situations for residents. When the facility does not know who will be showing up on any given day, it can become very chaotic, which is no way to run a medical facility. We need adequate numbers of nurses and CNAs to make sure that medications are administered properly and on time. In addition, when we are under-staffed like this, meals are distributed late and are cold, leaving some residents to go long periods of time without eating. Residents who routinely go outside are no longer able to go as there are not enough staff to take them outside, and there are no activities for residents.
25. Financial mismanagement has caused numerous other issues that compromise patient care as well. For example, there was 24-hour security when I began working at the Benjamin 9 years ago; when the staff security guard was out, a vendor provided per diem (daily assignment) security guards to cover. However, since the security guard retired in

September 2023, there has been someone moved into his position that only works part-time from Sunday to Thursday with no security guard at the front desk on Fridays and through the weekend. There is no vendor to provide per diem guards anymore, so when the staff guard is absent, the front desk goes unmanned.

26. With gaps in present security, staff and residents are at risk of anyone walking into the facility and causing harm or attempting to remove residents without anyone's knowledge. This is an enormous risk and a terrible position to put senior citizens in. For example, we have had people in the past who have tried to visit residents even when the resident's families have told us not to let them in. But when there is no security at the front desk, this person can just walk in. He can then go up to the resident's floor and intimidate the nurses and other staff on the floor. This creates an extremely dangerous situation for residents and staff alike.

27. We are also currently experiencing computer issues, which also puts residents at risk. There was a power surge in February 2024 that impacted the Wi-Fi and left it non-functioning. Our computer systems are also very vulnerable to hacking and cyber-attacks right now, but we cannot get any upgrades to the computer systems because vendors have not been paid. This places patients' medical and financial records at risk of being accessed and stolen. I fear that it is just a matter of time before this happens, if nothing is done to stabilize the situation at the facility.

### **Other Signs Of Significant Mismanagement**

28. From what I have seen in my role in the Benjamin's business office, the current situation we are in is largely due to mismanagement. In addition to what I have explained above,

there are a number of things that cause me grave concern about the management of the Benjamin:


- Although some of the decline in patient numbers was due to changing State regulations and to COVID, other declines were avoidable. For example, we stopped getting referrals from key medical facilities and doctors who were concerned about management of the facility. Similarly, because the facility could not manage transportation issues for residents who needed dialysis, the Administrator told us we were going to stop accepting patients who need dialysis. These issues could have been avoided if managed properly.
- As recently as 2022, we were flush with funds, due to significant governmental funds that came in as a result of the pandemic. In 2021, for example, we collected \$11 million for patient care, in addition to approximately \$900,000 in rent from the charter school and \$3.2 million in COVID funds. There is no reason, other than poor management by the Administrator, why we are now at the point less than two years later where we were unable to even make payroll.
- During one of the recent crises that was created due to inability to make payroll, the Administrator left town. While staff were scrambling to ensure adequate patient care, we were desperately calling him to try to reach him to get more per diem help, but he was unresponsive.

- I have seen Board meeting minutes raising very troubling issues of financial mismanagement – including “loans” apparently made by the Administrator to the Benjamin with required repayment terms of 12%; and investments of the facility’s funds in cryptocurrency exchanges that lost significant amounts of money (\$100,000). In my long experience working in nursing home finance, I have never heard of anything like that. It is highly unusual, to say the least.
- It is my understanding that the Board of Directors has declined from 13 people in 2015 to 4 people in 2024, and that Board members who have raised concerns about financial improprieties have been removed. Board meetings are no longer held at the facility, and staff are no longer allowed to attend.
- From looking at the Benjamin’s bank account statements, I see large amounts of money (\$100,000 or more) being withdrawn by the Administrator, with no indication of where it is going. I have also seen bank statements that list the Administrator’s home address as the account address. This is very troubling.
- From 2015 to 2021, the Administrator’s reported salary went up 400%: from at least \$156,181 in 2015 to \$628,592 by 2021. I understand that is the largest salary for any non-profit Administrator in Boston.
- The past due amounts on our utilities are enormous – hundreds of thousands of dollars. A well-managed non-profit should not have this type of arrearage.



29. I am extremely concerned that mismanagement of the Benjamin by the Administrator is compromising patient care. If something is not done immediately to stabilize the facility, I am afraid that something terrible is going to happen to one or more of the residents. Someone needs to step in to make sure that does not happen.

Signed under pains and penalty of perjury this 27<sup>th</sup> day of March 2024.



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Katherine Blicher