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June 17, 2024

Ms. Tatyana Zlotsky
 Chief Executive Officer
 A Place for Mom
 530 Fifth Avenue
 New York, NY 10036

Dear Ms. Zlotsky:

I write to better understand A Place for Mom’s services and its role in advising older adults and their families around placement in assisted living facilities. A Place for Mom markets itself as an unbiased and no cost referral service for families in search of assisted living facilities, claiming its “interests are aligned to provide the best outcome for your family.”¹ In reality, A Place for Mom’s own marketing and materials, as well as recent reporting, contradict the company’s claims. Rather than offering an unbiased assessment of the best options out of the full set of facilities older adults and their families are choosing from, A Place for Mom only refers to facilities that pay the company a commission. Additionally, recent reporting suggests that some of A Place for Mom’s top-rated facilities actually have records of substandard or dangerous care and that the company may overstate the degree to which its services save families money. I therefore ask A Place for Mom to provide documents and responses regarding the company’s advertising and business practices, so families can have a better understanding of what A Place for Mom’s recommendations mean while trying to make decisions about assisted living for themselves and their loved ones.

A Place for Mom’s claims that it is unbiased are undermined by its own materials, as well as expert advice from former company employees, given that the listings families are shown by A Place for Mom are limited to facilities from which it receives a commission. Families seeking information from A Place for Mom see offerings from less than half of available options nationwide. According to its homepage, A Place for Mom’s network includes approximately 14,000 facilities; there are approximately 30,600 total facilities in the country.² Additionally, the company’s Terms of Use further notes that it maintains relationships with “contracted communities,” also dubbed “Participating Communities,” and shares information with interested families only about those facilities.³ As the former Chief Marketing Officer for A Place for Mom recently cautioned, “Many advisors online and in your local community are very knowledgeable about provider options—but only those they contract with. As a business, they naturally only present or recommend senior living communities that agree to pay them a commission.”⁴ He further added that referral services, like A Place for Mom, may refer to facilities that confer the greater financial benefit to A Place for Mom.⁵

¹ “How Our Service Works,” A Place for Mom, accessed June 11, 2024, <https://www.aplaceformom.com/eldercare-advisors>.

² Homepage, A Place for Mom, accessed June 11, 2024, <https://www.aplaceformom.com/>; “Assisted Living Statistics: Population and Facilities in 2023,” A Place for Mom, last updated October 13, 2023, <https://www.aplaceformom.com/senior-living-data/articles/assisted-living-statistics>; “Facts & Figures,” AHCA/NCAL, accessed June 10, 2024, <https://www.ahcancal.org/Assisted-Living/Facts-and-Figures/Pages/default.aspx>.

³ “Terms of Use,” A Place for Mom, accessed June 10, 2024, <https://www.aplaceformom.com/terms-of-use>.

⁴ Robert Grammatica, “Online Senior Placement Services: How They Work,” Where You Live Matters, May 2, 2024, <https://www.wheretheyoulivematters.org/resources/senior-placement-services-how-do-they-work/>.

⁵ *Id.*

Families searching for facilities on A Place for Mom do not see information about the financial relationship between A Place for Mom and a facility, including how much an individual facility has paid A Place for Mom. As such, families may not understand the extent to which a Place for Mom’s referrals are potentially influenced by the amount paid by a facility. It is therefore false and misleading for A Place for Mom to suggest a lack of bias among the options listed on its website.

A Place for Mom’s claims to be a free service for families similarly ignores a central component of the company’s business model. According to A Place for Mom’s website, upon move-in to a facility, “the community only pays for first month’s rent and care” to A Place for Mom.⁶ In reality, facilities pass those costs along to residents and their families who pay significant fees for assisted living. Nationwide data showed the median single month’s rent in an assisted living facility is \$5,350, but costs can be much higher.⁷ Brookdale, the largest assisted living facility operator, operates facilities with monthly fees over \$16,000 per month.⁸ And assisted living costs have increased nearly 20 percent.⁹ The former A Place for Mom Chief Marketing Officer noted:

Many senior referral agencies are well-funded, privately held organizations. As these for-profit services gain greater market share and pricing power – often through aggressive online marketing practices – they raise commission costs. Those higher costs are ultimately passed on to consumers down the line as [monthly rent and care] costs continually increase.¹⁰

Further, A Place for Mom encourages families to spend above their initial budgets. In a blog post, an A Place for Mom employee wrote, “We have found that a senior’s initial budget does not always disclose the full amount that the family is willing and able to pay to move their loved one into their new home.”¹¹ According to A Place for Mom data, nearly 40 percent of assisted living referrals paid above the upper limit of the budget range of families, with that figure rising to 55 percent for memory care referrals.¹² A Place for Mom touted these data in a FAQ for facilities questioning why A Place for Mom referred families with budgets lower than individual facility’s rent, responding that “38% of the time families who moved to assisted living paid on average \$987/month over the upper limit of their budget range.”¹³ It is clear A Place for Mom is upselling families, and the company ultimately benefits from families spending beyond their means.

By their own admission, A Place for Mom endeavors to avoid referring any families seeking Medicaid coverage for assisted living costs. In response to a FAQ about placement of Medicaid recipients, A Place for Mom writes, “[Senior Living Advisors] do their best to ensure that no federally funded family is referred to your community.”¹⁴ Almost 20 percent of assist living residents across 46 states receive Medicaid assistance for

⁶ “Getting Started,” A Place for Mom: Partner Central, accessed June 10, 2024, <https://partnercentral.aplaceformom.com/getting-started/>.

⁷ “Cost of Care Survey,” Genworth, last updated February 22, 2024, <https://www.genworth.com/aging-and-you/finances/cost-of-care>.

⁸ Kate Van Dis, “The Cost of Senior Living: Understanding and Comparing Your Options,” NCOA Adviser, October 27, 2023, <https://www.ncoa.org/adviser/local-care/cost/>.

⁹ Genworth, *Genworth Cost of Care Survey 2023*, March 6, 2024, at 2, <https://pro.genworth.com/riiproweb/productinfo/pdf/131168.pdf>.

¹⁰ Robert Grammatica, “Online Senior Placement Services: How They Work,” Where You Live Matters, May 2, 2024, <https://www.wherewoulivematters.org/resources/senior-placement-services-how-do-they-work/>.

¹¹ Jeffery Anderson, “How Often Do Prospects Stick to Their Stated Budgets?” A Place for Mom, January 9, 2016, <https://partners.aplaceformom.com/2016/01/09/often-prospects-stick-stated-budgets/>.

¹² *Id.*

¹³ “Facts & Questions: Why Did I Receive a Lead from APFM Whose Budget is a Few Hundred Dollars Under My Starting Budget?” A Place for Mom: Partner Central, accessed June 10, 2024, <https://partnercentral.aplaceformom.com/faq/>.

¹⁴ “Facts & Questions: What If The Family’s Financial Situation Changes And They Are Receiving Medicaid?” A Place for Mom: Partner Central, accessed June 10, 2024, <https://partnercentral.aplaceformom.com/faq/>.

some daily services.¹⁵ In declining to serve this population, A Place for Mom is again contradicting its own promises.

A Place for Mom's ownership by some of the largest private equity firms underscores its own profit seeking motives. Over the last several decades, private equity has increasingly invested in the broader senior living landscape, with a focus on short-term profits at the expense of long-term support for older adults and workers.¹⁶ From 2010 to 2017, A Place for Mom was owned by Warburg Pincus, recently ranked the tenth largest private equity firm in the world.¹⁷ At the time, Warburg Pincus was also invested in assisted living facilities that it ultimately sold for a \$450 million profit.¹⁸ In 2017, Warburg Pincus sold A Place for Mom to Silver Lake and General Atlantic, both among the largest global private equity firms.¹⁹ Starting in 2019, A Place for Mom undertook a two year "reinvention", with plans to secure substantial new investments;²⁰ the company raised \$175 million by 2022.²¹

Finally, A Place for Mom also has a record of placing referred residents in jeopardy. A recent investigation revealed that facilities that received A Place for Mom's "Best of Senior Living" awards had been cited for neglect or substandard care in the last two years.²² Reports dating to 2010 also raised concerns about the danger of referral services, including A Place for Mom, recommending substandard facilities.²³ A Place for Mom attempts to avoid responsibility, noting in its Terms of Use that it does "not vouch for the accuracy or completeness of any of the information posted by and/or for the Participating Community on the Sites, and do not take any responsibility or assume any liability for any actions you may take as a result of reading the information posted by and/or for the Participating Community on the Sites."²⁴

My purpose for this letter is to clarify how A Place for Mom operates and the accuracy of the information and marketing it shares with families who are looking for support during times of great stress. I therefore ask that A Place for Mom provide the following information and documents no later than July 15, 2024:

1. Please provide the following information regarding A Place for Mom's revenue and referrals:
 - a. A Place for Mom's total revenue for each of the last three years;

¹⁵ "Medicaid," AHCA/NCAL, accessed June 10, 2024, <https://www.ahcancal.org/Assisted-Living/Policy/Pages/Medicaid.aspx>; "Medicaid & Assisted Living: State By State Benefits and Eligibility," Paying for Senior Care, last updated February 27, 2024 <https://www.payingforseniorcare.com/medicaid-waivers/assisted-living>.

¹⁶ Michael Fenne, "Private equity's growing presence in senior living," Private Equity Stakeholder Project, December 1, 2023, <https://pestakeholder.org/news/private-equitys-growing-presence-in-senior-living/>.

¹⁷ "A Place for Mom," Warburg Pincus, accessed June 10, 2024, <https://warburgpincus.com/case-studies/a-place-for-mom/>; Niccolo Conte, "Ranked: The World's 50 Largest Private Equity Firms," *Visual Capitalist*, May 16, 2024, <https://www.visualcapitalist.com/worlds-50-largest-private-equity-firms/>.

¹⁸ Alison Granito, "Warburg Pincus moves into senior housing," *Private Equity International*, August 8, 2006, <https://www.privateequityinternational.com/warburg-pincus-moves-into-senior-housing/>; Harold Brubaker, "Senior housing market continues to grow," *The Oklahoman*, December 10, 2011, <https://www.oklahoman.com/story/business/2011/12/10/senior-housing-market-continues-to-grow/61112691007/>.

¹⁹ "A Place for Mom Announces Strategic Investment from General Atlantic and Silver Lake," General Atlantic, July 5, 2017, <https://www.generalatlantic.com/media-article/place-mom-announces-strategic-investment-general-atlantic-silver-lake/>; Niccolo Conte, "Ranked: The World's 50 Largest Private Equity Firms," *Visual Capitalist*, May 16, 2024, <https://www.visualcapitalist.com/worlds-50-largest-private-equity-firms/>.

²⁰ Tim Mullaney, "A Place for Mom CEO: Company Will Be Reinvented in Next 2 Years," *Senior Housing News*, October 28, 2019, <https://seniorhousingnews.com/2019/10/28/a-place-for-mom-ceo-company-will-be-reinvented-in-next-2-years/>.

²¹ Tim Regan, "A Place for Mom Raises \$175M in Growth Equity to Aid 'Transformation,'" *Senior Housing News*, January 24, 2022, <https://seniorhousingnews.com/2022/01/24/a-place-for-mom-raises-175m-in-growth-equity-to-aid-transformation/>.

²² Christopher Rowland et al., "Senior-care referral site 'A Place for Mom stays mum on neglect,'" *Washington Post*, May 16, 2024, <https://www.washingtonpost.com/business/2024/05/16/place-for-mom-assisted-living-referral/>.

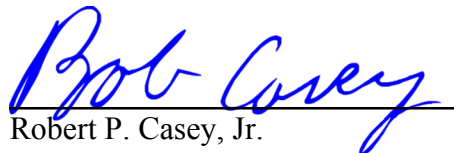
²³ Michael Berens, "State gets tough on referrals for elder care," *Seattle Times*, April 20, 2011, <https://www.seattletimes.com/seattle-news/state-gets-tough-on-referrals-for-elder-care/>; Paula Span, "A Helping Hand, Paid on Commission," *New York Times*, September 2, 2011, <https://archive.nytimes.com/newoldage.blogs.nytimes.com/2011/09/02/a-helping-hand-paid-on-commission/?ref=health>.

²⁴ "Terms of Use," A Place for Mom, accessed June 10, 2024, <https://www.aplaceformom.com/terms-of-use>.

- b. The 100 facilities from which A Place for Mom received the highest revenue across the last three years; and
 - c. The 100 facilities to which A Place for Mom referred the most potential residents across the last three years.
2. Please provide a sample contract and/or partnership agreement between A Place for Mom and a potential participating community. Please ensure the sample document details fee structures, terms of the agreement, and mechanism to terminate the agreement.
3. Please provide the following information regarding A Place for Mom's referrals and fees:
 - a. The minimum and maximum first month fees received from facilities by A Place for Mom during 2023 by state;
 - b. The mean first month fee received from facilities by A Place for Mom during 2023 by state;
 - c. The total number of move-in fees paid to A Place for Mom in 2023.
4. Please provide information on the training required of A Place for Mom's Senior Living Advisors regarding decision-making around long-term care, financial education, and familiarity with regional assisted living facilities (including conducting their own facility tours).
5. Please provide information on the process by which A Place for Mom reviews licensing, inspection, audit, complaint, and other safety and regulatory data of facilities prior to listing a facility on its website, as well as the frequency with which A Place for Mom reviews such data for listed offerings. If A Place for Mom identifies significant safety violations for a listed facility to which it has referred families, does A Place for Mom notify those families?

Thank you for your attention to this inquiry. If you or your staff has questions, please contact the Aging Committee Majority Staff at 202-224-5364.

Sincerely,



Robert P. Casey, Jr.
United States Senator
Chairman, Special Committee on
Aging