

# Big Medicaid money goes to Catholic facility for ex-Island retarded

By BRUCE ALPERT  
and SYDNEY FREEDBERG

A new, Catholic-run facility for 160 former Staten Island Developmental Center residents has been awarded a yearly Medicaid rate of \$89,425 a patient — three times higher than that granted state institutions.

The facility, to be housed on three floors of the Flower & Fifth Ave. Hospital on E. 105th St., Manhattan, will be the most expensive home for the retarded in New York State and perhaps in the country. The program will be operated by the Mental Retardation Institute of New York Medical College, which is under control of the Archdiocese of New York.

Linda Milstrey, a spokesman for the state Health Department, said yesterday that the Medicaid schedule is "tentative" and based on the serious nature of the patients' conditions.

The former Island center's residents, now living in the Gouveneur unit of Manhattan Developmental Center, are multi-handicapped, severely retarded persons in need of "specialty rehabilitative" care, she said.

Medicaid funding will begin to be funneled to the financially strapped medical college as soon as the retarded patients are moved to the hospital, Ms. Milstrey said.

She added that the Health Department will review the rates within 90 days of the program's start to determine if the rates are justified.

Flower & Fifth, meanwhile, will be phased out as a 460-bed hospital, with its patients transferred elsewhere in the city, according to staff doctors.

The way for conversion of the 104-year-old hospital into a facility for the retarded was paved when a Manhattan

Supreme Court justice refused two weeks ago to block the hospital's takeover by the Archdiocese.

New York Medical College's board of directors ratified an agreement in January to turn the hospital and the medical school over to the archdiocese, which, in turn, promised to pump money into the college's empty coffers.

Sources said yesterday that the Archdiocese, one of three or four private organizations to negotiate for the medical college, was the only group that did not require a full audit of the bankrupt school and hospital, reportedly millions of dollars in the red.

Staten Island Developmental Center, which housed the 160 persons until 14 years ago, receives a Medicaid reimbursement rate of approximately \$30,000 annually. The 382-acre institution was formerly called Willowbrook Developmental Center.

Dr. Margaret J. Giannini, director of the Mental Retardation Institute, said that the Flower & Fifth program would offer a full-range of services, including medical and recreational therapy, for the residents, who the state concedes have been neglected for years.

The retarded residents, she predicted, all would be transferred to small, community residences by 1981 as called for under a court order. As the residents leave, she said, they will be replaced by other retarded persons in need of the services.

More than 200 state workers at the Gouveneur unit hopefully would be transferred to other state facilities, said John P. McKenna, a personnel director for the state Office of Mental Retardation and Developmental Disabilities.

McKenna added that the state does not foresee layoffs under the Flower & Fifth move.