

Watchdog panel says center for retarded

isn't doing its job

By BRUCE ALPERT

An organization receiving record Medicaid rates to care for 157 former Staten Island Developmental Center residents is not doing enough to prepare the mentally retarded patients for placement in the community, a court-appointed monitor has charged.

Gerald Gavin, a spokesman for the Willowbrook Review Panel, said that the program operated by New York Medical College's Mental Retardation Institute at Flower & Fifth Ave. Hospital in Manhattan is functioning more like a hospital than a facility for the retarded.

The panel, following a preliminary evaluation of the MRI program, recommended specific changes to adjust the emphasis away from "medical treatment" to developing skills that will allow the residents to move into small community facilities, where panel members believe they can develop to their potential, Gavin said.

The spokesman said that MRI officials have promised to make changes in the program to reflect the criticism of the review panel.

Meanwhile, a spokeswoman for the state Office of Health Systems Management said yesterday that auditors have completed a detailed financial analysis of the MRI program and have determined that the yearly \$89,435 a patient

rate is justified. The rate is three times higher than that paid to state facilities for the retarded and has been called "unconscionable" by Manhattan Borough President Andrew Stein.

Linda Millstrey, the spokeswoman, said that the state has determined that the \$245-a-day rate for each resident is justified in light of the wide variety of services being provided by the institute.

MRI began caring for the multihandicapped residents in June after they were transferred from the Gouverneur unit of Manhattan Developmental Center.

Most of the 157 residents, who range in age from 14 to 39 years old, have lived at Gouverneur for 14 years in facilities that the state concedes were substandard. Before their move to Gouverneur, most of the retarded persons lived at the former Willowbrook State School, now called the Staten Island Developmental Center.

State approval of the high Medicaid rates comes at a time when the institute is in the midst of a major shakeup of its top administrators. The personnel changes, which have occurred within the last month, precede the expected release next month of a state audit criti-

cal of MRI's fiscal procedures at its facility in Westchester County.

Among the reported changes were the demotion of Dr. Margaret Giannini, who has served as executive director of the institute since she founded the facility in 1950, and the dismissal of her husband, Dr. Louis Salerno, as chief administrator of the Flower & Fifth Ave. Hospital program.

According to MRI sources, Dr. Giannini retains control over programming

at the institute but has lost financial control to new Executive Director Walter Brand. Brand was named executive director last month by New York Medical College's Board of Directors, now under control of the Archdiocese of New York.

It was not immediately known whether Dr. Salerno, one of the three relatives of Dr. Giannini on the MRI payroll, would retain his posts of MRI vice president and counseling gynecolo-

gist. Neither college officials, nor Dr. Giannini and her husband returned phone calls yesterday.

In announcing that the financial analysis of the MRI program found that the high Medicaid rates were justified, Ms. Millstrey conceded that a complete audit has not yet begun of the MRI program. Such an audit, she said, will begin in November and determine whether MRI is actually providing all of the services it says it is for the retarded residents.

Such an audit, she said, probably will result in a lower Medicaid rate because there will no longer be a need for start-up costs associated with the beginning of the program. MRI promised to make renovations at the 104-year-old East Harlem Hospital in order to accommodate the retarded residents.

Flower & Fifth Ave. Hospital closed its doors as an acute-care hospital Aug. 18. It had a capacity of 400 beds.