

Officials to act on Advance inquiry

State to probe charges against UCP

By ANEMONA HARTOCOLLIS
Assemblywoman Elizabeth A. Connelly said yesterday that she is "seriously considering" holding hearings to explore allegations of questionable treatment of mentally retarded patients and the misuse of Medicaid funds by United Cerebral Palsy Associations of New York State.

Mrs. Connelly, a West Brighton Democrat who chairs the Assembly Mental Health Committee, said she was "disturbed" by questions about United Cerebral Palsy raised in a series of articles published in the Advance last week.

Meanwhile, the articles have led to probes into certain United Cerebral Palsy operations by two state agencies, the Commission on Quality of Care and the Office for Mental Retardation and Developmental Disabilities.

Walter Rosenthal, a spokesman for United Cerebral Palsy, said yesterday the non-profit agency "will

be as cooperative as is legally possible," if called to produce information at a legislative hearing.

"I can't imagine us being uncooperative, that would be suicidal," he said.

Mrs. Connelly, whose committee has subpoena power over witnesses and documents, said she intended to consult with state Attorney General Robert Abrams, as well as the Office for Mental Retardation and the Commission on Quality of Care, before proceeding with a hearing.

"The situation generally has to be very much improved before we get very issues go," she said.

United Cerebral Palsy houses and treats 887 mentally retarded patients in New York City, including 450 patients at the Karl D. Warner Center, once part of the Staten Island Developmental Center in Wil- lowbrook.

The agency operates a \$31-million annual budget, funded 86 percent by

Medicaid, to operate both group homes and institutions.

One article in the six-part series reported the death of a 23-year-old patient during dental surgery that her parents did not know about. According to a memo obtained by the Advance, permission for the surgery was given by United Cerebral Palsy's executive director, although the law required a court order.

The agency failed to report the death as required by law to the Commission on Quality of Care, which decided to investigate following an inquiry from the Advance.

Other articles reported possible conflicts of interest in the agency's financial arrangements. For example, the agency awarded a \$260,000 subcontract for security guards to a member of its board of directors.

The Advance also found that all patients in United Cerebral Palsy facilities are required to buy clothing from a boutique run by the

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agency, at prices up to 74 percent above retail value.

The agency receives a \$275 Medicaid grant to cover the annual cost of each patient's clothing. But computerized financial records showed money from the patients' personal bank accounts was frequently used to buy clothing from the boutique.

United Cerebral Palsy officials declined comment on the death during dental surgery. They said subcontracts were consistently awarded to the lowest bidder. While acknowledging the use of personal funds to buy clothing, agency offi-

cials said the boutique generally marked up prices no higher than 22 percent above the cost to the agency.

An independent audit of United Cerebral Palsy was ordered earlier this year by the Office for Mental Retardation, and officials said the auditors have been instructed to focus on questions raised by the articles.

"We're not going to treat these reports casually, we are going to get to the bottom of this," said Deputy Commissioner Kevin Travis. "If the charges are true, they could be considered serious. We're dealing

with the public trust and public money."

Mrs. Connelly said she planned to propose a hearing involving both chambers of the Legislature. "I'll be on the phone with Frank Padavan tomorrow, to see what he thinks," she said. Sen. Padavan, R-Queens, chairs the state Senate Committee on Mental Hygiene.

Padavan was in Washington, D.C., yesterday, where he could not be reached for comment.

James E. Introne, the state's commissioner of mental retardation, said even without the articles the state eventually would have

caught up with any possible imperfections in United Cerebral Palsy operations.

"Our regulators usually find things after the fact," he said yesterday. "We just don't have the kind of manpower or processing that allows ongoing auditing."

Introne conceded that under the current system it is possible for private agencies serving the mentally retarded to overbill for Medicaid funds. He said the state has hired an outside consultant, Alexander Grant & Co., to devise a method of improving fiscal accountability until an audit can take place.

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