UCP claims state cuts to kill services

By BRUCE ALPERT
Advance Albany Bureau

ALBANY — New York's largest private provider of services for the retarded yesterday threatened to disband most of its programs, including the 310-bed Karl Warner Center in Willowbrook, unless the state increases its funding.

United Cerebral Palsy (UCP) Associations of New York State Executive Director Robert Schonhorn said the state has failed to adjust a Medicaid rate that he says shortchanges his agency by at least 20 percent and has left it unable to pay vendors.

A shutdown would force the state to care for the 700 retarded people enrolled in UCP residential programs, including 310 at Karl Warner on the grounds of Staten Island Developmental Center, and 50 in the Nina Eaton Center at South Beach Psychiatric Center.

"It would be a disaster," said UCP Administrator Cora Hoffman, who said the state Office of Mental Retardation and Developmental Disabilities lacks the resources to pick up the slack.

Assembly Mental Health Committee Chairwoman Elizabeth A. Connelly, D-West Brighton, said she is sympathetic to UCP's financial plight, but she said it appeared that the agency was engaging in a campaign "to put pressure" on the state to increase aid.

Schonhorn said he would follow a court mandate for a 90-day notice before disbanding its residential programs, which include more than 50 apartments and a 50-bed center in the Bronx.

But he said that the agency was prepared to pull back on its school program serving 187 Warner residents as early as Friday unless the state begins to reimburse the agency. He contends the daily Medicaid rate of \$159 per patient does not cover the cost of educational programs.

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State law requires that each retarded resident under 21 be provided with special education programs. If UCP suspends its educational program, the burden could fall on the Board of Education.

But Allan Gartner, executive director of the board's Division of Special Education, said the city school system is not equipped to provide programs for the Warner residents, many of whom are profoundly retarded and suffer from multiple physical handicaps.

"These children need to be served and UCP does it well," Gartner said. "I would hope that the state would find a way to meet their responsibility to these severely handicapped children."

Schonhorn said state Office of Mental Retardation officials have confirmed that the agency should receive \$190 a day for each resident at the Karl Warner Center. But he said the state Division of the Budget has sat on a request to raise the agency's "temporary" \$159 a day rate for more than eight months.

At a negotiating session yesterday, he said, budget officials agreed to hike it to \$167, which he termed "totally inadequate."

"We just can't continue to carry these losses," Schonhorn said, noting that the agency owes \$1.4 million to the company that supplies food to the Warner Cen-

Staff members at Warner said they were told the agency had to borrow to meet this week's payroll.

The agency on Saturday laid off 139 of its 2,500 employees, including about 45 on Staten Island. Schonhorn said the layoffs were not sufficient to offset the agency's losses.

Midge McGraw, spokeswoman for the Office of Mental Retardation and Developmental Disabilities, said that negotiations with UCP would continue later this week. She declined to elaborate on the differences between the state and UCP.

UCP began caring for more than 700 residents of the Staten Island Developmental Center six years ago in what was billed as a model program.

But in recent years, some employees and advocacy groups have charged UCP with mismanagement. These critics said clothing at a boutique run by the agency was overpriced and illifitting; that the agency had failed to obtain parental permission required by law for medical procedures and had awarded a lucrative contract for security to a member of its board of directors. UCP officials denied any impropriety.