

UCP request for \$\$ hike turned away

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United Cerebral Palsy's request for a court order to increase the agency's allocation of Medicaid funds was knocked down yesterday by a federal judge.

Judge John R. Bartels of Brooklyn Federal Court told UCP that he did not have jurisdiction over the financial dispute with the state.

UCP, a non-profit agency, runs apartments and institutions for 700 mentally retarded people, mostly on Staten Island.

Robert Schonhorn, executive director of UCP, has threatened to cut off services on June 15 if the state does not clear his debts and raise his Medicaid rate. He says the agency is \$5.5 million in debt and in danger of going bankrupt. The agency spends about \$50 million a year, according to Schonhorn.

State officials say Schonhorn has mysteriously overspent his Medicaid budget by \$9.65 million. The state plans an audit to determine what happened to the money.

Zygmund Slezak, state mental retardation commissioner, met with Schonhorn yesterday after the court hearing, in an effort to negotiate a solution, according to Midge McGraw, a spokesman for the commissioner. She said she could not immediately provide more information on the talks.

If UCP withdrew from its state contract, the state would find other private agencies to care for the 700 patients or do the job itself, according to Miss McGraw.

Bartels said that it was not proper for him, as a federal authority, to interfere with state Medicaid policy. He suggested that UCP could pursue the matter in the state Court of Claims.

Cora Hoffman, a spokesman for UCP, said the agency had not yet decided whether to pursue the lawsuit further. But she added, "I don't assume you waste a federal judge's time if you're not serious about taking your case to court."