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UCP goes to court for \$ relief

By DENISE RINALDO

United Cerebral Palsy Associations of New York State Inc. filed for reorganization under Chapter 11 in U.S. Bankruptcy court in Manhattan yesterday because of an inability to pay almost \$8 million in past debts.

According to a UCP spokeswoman, the organization was forced to take the action as a result of insufficient state funding for its programs. Under a contract from the state, UCP provides services for 650 mentally retarded people in a variety of settings. These include the Karl D. Warner Center in Willowbrook, the 54-bed Nina Eaton Center in South Beach, the 52-bed Castle Hill Center in the Bronx and 61 apartments for 250 patients throughout the city.

Cora Hoffman, assistant executive director of UCP said that services to clients would not be

affected by the reorganization.

The Medicaid rates set by the state are too low to pay for the costs of UCP administered programs, which must adhere to standards set by the Willowbrook Consent Decree, charged Ms. Hoffman.

The 1975 decree requires that every handicapped person in the state be housed in the least restrictive setting possible, and ordered the state to drastically reduce the population at the Staten Island psychiatric center. It also requires a certain number of staff employees to be on hand to ensure proper care of the remaining patients.

Ms. Hoffman said that the state began charging the agency twice as much for expenses such as rent and utilities at the Warner center than it had during an interim period that lasted from July 1982 until March of this year. "So that day," after the day the state fixed the official rates, "we owed a million dollars more than we did the day before." The official rate was retroactive to the time the interim rate was instituted.

The agency is currently appealing the rates set by the state. "If we had gotten our appeals through the state process we wouldn't have the problem we have right now," said Ms. Hoffman.

In addition to the rates for the Warner Center, UCP disputes the rates the state has set for supervised apartments that house its less disabled clients.

Ms. Hoffman said the state reduced the Medicaid payment for the housing from \$160 per day to \$140 per day for each apartment in August 1982. She claimed the state calculated its rate based on 12-bed sites instead of the three-to four-bed dwellings that constitute all but two of the 61 UCP-run apartments. This has resulted, according to Ms. Hoffman, in a deficit in the community program of \$6,000 per day.

In order to operate at the costs set by the state, Ms. Hoffman said, apartment residents would have to go unsupervised at night.

Another reason UCP gave for

not staying within its budget is the difference between the staff-to-client ratio dictated by the state, and the staff-to-client ratio UCP believes is necessary to uphold the consent decree.

"If we went strictly by the state staffing ratios, it is our opinion that we would not be able to meet the terms of the decree," said Ms. Hoffman. "The decree says that clients who need one-to-one care should get it. State staffing ratios do not provide for that," she said.

Arthur Webb, commissioner of the state Office of Mental Retardation and Developmental Disabilities, said state officials

were aware of the agency's financial position but "we were really quite suprised that they filed for bankruptcy. We had no warning, and we were in the midst of negotiations with them."

"We will be monitoring UCP to ensure the saftey of the clients," Webb said.

In the past the state has claimed that the agency has been strangled by its own fiscal mismanagement. They said UCP wants to be bailed out after years of lax spending of Medicaid funds.

UCP has also been charged with poor control over agency finances. After one audit conducted by an independent agency in October, 1981 it was reported that records were haphazardly stored and invoices were regularly filed in the wrong accounting periods.

In June, 1981 the Advance reviewed agency documents provided by employees and reported such questionable practices as a medicaid-funded subcontract for security guards awarded to the vice president for finance of the agency's board of directors and the use of retarded clients' personal funds to purchase merchandise from the agency's clothing store at inflated prices.

Robert Schonhorn, executive director of the agency, has charged that the state is trying to force him out of business in order to fill the 2,000 UCP jobs with state workers.