

ago about the reimbursements. She said there was no sign the Chapter 11 move was coming.

Cora Hoffman, a UCP spokeswoman, said by filing Chapter 11, UCP hopes the court will "give us the time to get these problems worked out with the state so we can continue working as a viable agency."

Robert Schonhorn, executive director of the association, noted in a court affidavit that UCP began its direct care programs at the request of the state after the 1975 Willowbrook Consent Decree.

The decree, arising from the infamous conditions at what was then called Willowbrook State School, led to the current state policy of community residence for the retarded and disabled.

At first, funding for the UCP programs came from service contracts with the state, but switched to a Medicaid funding rate system in July of last year.

Ms. Hoffman said the state Budget Division has cut back on rates agreed to by UCP and the state, and that services could not be continued at the present reimbursement level.

However, Ms. McGraw said OMRDD and UCP in recent weeks were "going on a case-by-case basis to figure out why UCP should get more than they're getting."

Furthermore, Ms. McGraw

said that out of hundreds of agencies contracting with the state to provide care for 7,000 mentally disabled people statewide, only UCP appears to find the funding inadequate.

"You could take either of two views on it," she said. "They could be truly trying to put their finances in order ... (or) If they're trying to apply pressure, how much pressure could you apply?"

Current reimbursement rates under Medicaid are "hefty," she maintained.

Also Friday, a show-cause order was issued in state Supreme Court in Albany as part of a legal action by UCP to force the Budget Division and Education Commissioner Gordon Ambach to set a tuition rate at two UCP-run facilities.

One of the facilities, closed since September, is the Community Training School, located in Mariners Harbor, to which severely retarded clients were brought for day programs.

But Ken Parson, a lawyer for the state Education Department, argued that because Medicaid pays for the overall care of the clients, a reimbursement by his agency would constitute nothing more than double-billing on UCP's part.

The state is to answer UCP's petition by Thursday. The action was moved from Manhattan at the request of state Attorney General Robert Abrams.

Page 2
of 2