

UCP giving up facility to state

By JULIE MACK

Ending months of rumors, United Cerebral Palsy of New York State is giving up control of the Karl D. Warner Center at the Staten Island Developmental Center (SIDC), Willowbrook, in an effort to resolve the financial problems that were pushing the agency toward bankruptcy.

An order allowing the transfer, beginning next week, to state control was signed yesterday by Judge John Bartels in U.S. District Court in Brooklyn.

The Warner Center is a 280-bed facility for the mentally retarded on the SIDC grounds. UCP has operated the complex since 1977 under an agreement

with the state Office of Mental Retardation and Developmental Disabilities (OMRDD).

According to yesterday's order, SIDC will take control of Building 14 Thursday, and the other six buildings will be transferred to the state during a four-month period ending May 2. The state has agreed to keep the current staff, although the top UCP administrators at Warner Center have been reassigned to other positions.

OMRDD Commissioner Arthur Y. Webb last night termed the agreement "excellent" from the state's perspective.

"The settlement worked out jointly between UCP and the

state solves a number of major problems," he said. Those include "some of the financial difficulties that UCP had," and "established an appropriate plan for return of clients to the state, solidifies a key role for UCP in the state in the future and also solves a major issue in terms of the list of creditors."

Reaching the agreement after "strong" dissension between the parties "consumed an incredible amount of staff time and energy" on both sides, Webb said.

Officials at both UCP and SIDC stressed that the order signed yesterday provides continuity of care for clients, both in terms of staff and living arrangements, and that little will change for the patients. "For them, Thursday will be no different than Wednesday," James Walsh, acting director at SIDC, said.

The biggest impact will be for the 340 staff members, who will now become provisional state employees, with salaries equal to their current earnings.

Because the state has a higher pay scale than UCP, there is also the potential of raises if they are hired permanently, along with better benefits. Walsh said that employees will be allowed to take Civil Service exams to qualify for permanent employment.

UCP

STATEN ISLAND ADVANCE, Saturday, January 28, 1984

He also said that SIDC's acquisition of Warner Center will prevent layoffs and could entail additional hiring.

Cora Hoffman, assistant executive director for UCP, said she could not discuss the transfer on UCP employees until they receive the details at a meeting scheduled for this afternoon.

The transfer of Warner Center was only one of several points in an agreement between UCP and the state.

UCP will continue operating the 50-bed Nina Eaton Center on the grounds of South Beach Psychiatric Center, a 50-bed facility in the Bronx, and community residences throughout the city, which house a total of 280 patients. UCP will also provide programming for Warner Center's adult patients at the Community Training Center in Mariners Harbor.

The transfer of the Warner Center required court approval, because a court order resulted in UCP's acquisition of the facility in 1977. It was originally part of SIDC, but in an attempt to shrink the developmental center's large population, the state was ordered to find a voluntary agency to operate Warner Center, which consists of seven of the 53 buildings on the SIDC campus.

UCP, however, encountered financial problems, accumulating debts of \$12.5 million by 1982. State officials said it was mismanagement; UCP officials said it was a result of an inadequate fee schedule established by the state.

In July 1982, the state paid off UCP's debts. At the same time, UCP requested higher reimbursement rates.

While the state considered UCP's rate request, UCP ran up a new debt of \$5 million by 1983. In October, the agency filed for Chapter 11 reorganization in U.S. Bankruptcy Court.

Negotiations between the state and UCP have been going on since March, Mrs. Hoffman said, although they did not begin in earnest until early December.

The agreement was reached at the end of last month, and the past several weeks have been spent putting the agreement in writing. The details were announced yesterday in court.

According to the terms, UCP has been granted a retroactive rate hike by the state to allow it to pay its debts and to balance its budget.

Mrs. Hoffman said that UCP will present the settlement to the Bankruptcy Court next week. She added that the settlement will assure that all the agency's creditors will be paid. However, because the state was one of UCP's major creditors, it will get back some of the money.

In exchange for the rate hike, UCP agreed to swallow \$3 million in expenses, for which it was asking reimbursement from the state.

While UCP officials admitted regret about returning the

Warner Center patients to state care, they say there were few options.

"You have to separate the emotional and the logical," Keith Penman, Warner Center director, said. "The agency couldn't continue the way it has in the past."

Walsh said that he welcomed the addition of Warner Center to SIDC, even though it increases SIDC's population at a time when the facility is being phased out.

He explained that having control over Warner Center patients will aid in placing them in the community. Moreover, as SIDC's population declines, the state hopes to shut down the other buildings and use Warner Center in the final stages of deinstitutionalization.

"From a facilities standpoint, we are glad to have it," Walsh said.

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