

Lawmaker says state hospital closings set

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A spokesman for Gov. Rudy Perpich denied the claim by Johnson.

"There's been absolutely no decision on what will be done with them and absolutely no decision to close any," said press secretary Gerry Nelson.

However, Nelson did not rule out the possibility that a state hospital may have to be closed at some time in the future.

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Francis Giberson, deputy commissioner of the state Department of Human Services, was questioned closely by lawmakers regarding the department's proposal to cut 644 jobs in the state hospital system over the next two budget years.

Because of the proposed reductions of staff serving the mentally retarded, Johnson said, the department might say: "I guess the bottom line might be, 'Governor, we might as well close two or three institutions because we don't have the staff.'"

Giberson said his department, formerly the state Department of Public Welfare, has no plans to close any of the eight state hospitals and is awaiting a comprehensive study of the system being conducted by the State Planning Agency.

Giberson's assurances did not convince Johnson, who said: "It's just a slow erosion of the system. I feel it in my bones. It's coming."

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IR legislator says Perpich has plan to close 2 or 3 hospitals

Associated Press

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A spokesman for Gov. Rudy Perpich denied the claim by Johnson.

"That's not true," said press secretary Gerry Nelson. "Sen. Johnson does not speak for the Perpich administration."

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The Rochester hospital was closed by the 1981 Legislature and the Hastings hospital was closed in the mid-1970s.

The hospital system has about 5,400 employees, including temporary and part-time workers, to handle a patient population of about 5,000.

According to the proposal, 157 jobs would be cut at Cambridge, 146 at Faribault, 110 at Brainerd, 72 atergus Falls, 61 at Moose Lake, 52 at St. Peter, 46 at Willmar and none at Anoka because it handles only the mentally ill and chemically dependent.

Sen. Don Samuelson, DFL-Brainerd, said after the hearing that he doubts that Perpich will recommend closing a state hospital in his budget address to the 1985 Legislature.

"I don't think he'll recommend a closing," said Samuelson. "I don't think we've gotten to the point where it's going to be necessary."

Samuelson, who is chairman of the Senate Finance subcommittee that handles the welfare budget, said he opposes closing any of the hospitals. He said he also opposes staff reductions of the magnitude being contemplated.

While some staff reductions might be necessary because of declining patient populations, he said, "I really do not support any cuts at all."

Rep. Doug Carlson, IR-Sandstone, said it appears that a decision already has been made to close a state hospital, judging by the tentative budget proposals advanced by the Human Services Department.

Giberson said the department is proposing reduction of 644 jobs because it projects that the number of mentally retarded patients at hospitals will decline from 2,200 to about 1,550.

The department also is proposing an increase of about 175 jobs in hospital services for the mentally ill, leaving a proposed net reduction of about

460 positions

Rep. Peter Rodosovich, DFL-Faribault, said he has been besieged by hospital employees who fear for their jobs "Why are we threatening to make substantial reductions in a system we know that works?" he asked Giberson.

Giberson said it's necessary because the department must prepare budget requests for the Legislature and must estimate its hospital population by mid-1987, the end of the state's next two-year spending period.

Tom Beer, lobbyist for Council 6 of American Federation of State, County and Municipal Employees, which represents almost 5,000 workers in the state hospital system, said AFSCME is doing its own study of the system, which will be released in mid-November.

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But Carlson said it appears a decision already has been made to close a state hospital because of the tentative budget proposals advanced by the Human Services Department.

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Board supports plan for hospitals

By Sam Newlund
Staff Writer

Minnesota's eight state hospitals should be required to compete with each other for patients, fees and, eventually, survival, a panel of high-level department heads agreed Friday.

But as expected, the body known informally as the inter-agency board voted not to recommend closing any hospital for the time being. Current plans to reduce the number of patients and employees should be continued, with staff reductions achieved through attrition instead of layoffs, the board decided.

The group also endorsed recruiting other agencies to take over the empty space in hospitals with declining patient loads. State Planning Director Tom Triplett, board chairman, called for "aggressive marketing" to find outside tenants, including agencies such as the Federal Bureau of Prisons, which might want a new minimum-security prison.

The Institutional Care and Economic Impact Planning Board voted to recommend another innovation: an experimental state-operated community care center for the mentally retarded. Up to now local centers have been the province of the counties; direct care under state auspices is limited to state hospitals.

The plan to make the hospitals competitive would allow each to set its own rates while adhering to uniform cost-accounting. Management would have to become more efficient, and a hospital that couldn't streamline sufficiently and compete effectively eventually would close.

The plan brought a strong objection from Dr. Brian Gottlieb, medical director of the Department of Human Services, which operates the hospitals.

"This is like a herd of cattle that we turn out to a poor pasture, then we close the door on the pasture, and one cow dies and others become weaker," he said.

Minneapolis Star & Tribune
Saturday, December 22, 1984

The effect, Gottlieb argued, would be to lower the quality of patient care for the sake of saving money. Instead, he challenged the board to decide now which hospital ought to close "rather than wait to see who dies."

Rather than "dog-eat-dog competition" with hospitals "at each other's throats" the state should run "excellent hospitals even if we have fewer of them," he said after the meeting.

Competition also would mean an end to "catchment areas," or division of the state into regions served by designated hospitals. Catchment areas also vary depending on the disability group — mentally ill, retarded or chemically dependent.

Under the proposal, each hospital could compete with all others for patients who live anywhere in the state. A county in the southwest corner of the state theoretically could choose to give its business to Moose Lake State Hospital 300 miles away because it had a lower rate.

Under the present system, counties pay 10 percent of the per-day rate for indigent patients. The current rates are \$135.85 for the retarded, \$108.60 for the mentally ill and \$77.85 for the chemically dependent. To allow hospitals to successfully compete, counties would need control over a greater share of the total cost.

The emphasis on competition, Triplett said later, is in line with the "competition model" for all health care programs to be presented to the 1985 Legislature by the administration of Gov. Rudy Perpich. Booming Medicaid costs, for example, should be stifled by pre-paid systems, not open-ended-reimbursement, under this approach.

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But it's too soon to say how many state hospitals are needed, Triplett said, adding, "It's my judgment that eventually we will conclude that the state cannot support eight residential facilities as we now have them."

The board recommended no changes in the level of service to the mentally ill and chemically dependent in the two-year fiscal period beginning July 1. But it called for a reduction in the number of retarded people in the hospitals, in keeping with a court decree requiring a reduction to 1,850 by mid-1987.

The number of hospital workers serving the retarded would be reduced by 695 during the two years, but those serving the mentally ill would increase by 175.

The prospect that a hospital might eventually be converted into a minimum-security prison sparked no opposition yesterday. But any conversion into a new state veterans home brought resistance from State Budget Director Nellie Johnson. She said that there is a state moratorium on new nursing home beds and that an earlier study concluded that no new beds for veterans are needed.

All 8 state hospitals likely to stay open



By Sam Newlund
Staff Writer

The likelihood that one of Minnesota's eight state hospitals will be closed by the 1985 Legislature hovered between nil and extremely remote Monday.

"It's not going to happen," said Colleen Wieck, who is leading a study of the hospital system by the State Planning Agency. On reflection, she said, it *could* happen if Gov. Rudy Perpich unexpectedly decided that it must and if the politically divided Legislature for some reason agreed.

But it was hard to find anybody who predicted such a move, despite the yearlong, statewide furor over the possibility.

"I don't know of any legislator, anyone from the governor's office — I don't know of anyone anywhere with authority — who's asking for a hospital to be closed," said Sen. Donald Samuelson, DFL-Brainerd. Besides representing Brainerd State Hospital's district, Samuelson is chairman of the Senate Finance subcommittee, which appropriates money for the hospitals.

His counterpart in the House, Rep. Bob Anderson, IR-Ottertail, said he has heard of "no organized sentiment (for closings) nor have I heard of any individual sentiment."

John Clawson, the new assistant human services commissioner who leads the hospital system, was slightly more cautious. Asked whether the study group would recommend

shrinking the hospitals without closing any one, he said:

"If you wanted me to put my house payment on it, I would guess that's the way they're going to go."

According to Wieck, it's virtually certain that this group, an interagency board of state officials, will recommend "Option 2" to Perpich and the Legislature. This option, one of several considered, would be the "downsizing" of the hospital system — possibly with sizable staff layoffs — without changing the mission of any one institution.

In varying combinations, the eight hospitals serve primarily the mentally ill, retarded and chemically de-

Hospitals continued on page 4B

Perpich supporters plan dinner to fatten war chest

By Lori Sturdevant
Staff Writer

Forget Gov. Rudy Perpich's reputation as a spontaneous, spur-of-the-moment guy.

The 1986 election is nearly two years away, but as far as Perpich is concerned there's no time like today — or Wednesday, to be precise — to start raising money for the campaign.

The DFL governor's campaign committee has invited several hundred people to a \$250-per-person "Tribute to Rudy Perpich" dinner at the Radisson St. Paul Wednesday night. Committee chairman Tom Berg, a former DFL legislator from Minneapolis, said he hopes the event will raise \$50,000 for Perpich's reelection cam-

paign.

In addition, Berg and two other Perpich supporters, Curt Carlson of Carlson Companies, Inc., and Carl Pohlad of F&M Marquette Bank and the Minnesota Twins, have recently recruited a cadre of seasoned political money-raisers — and money-givers — to fatten the campaign's war chest in the coming year.

Berg wouldn't name those already signed up, but others close to the campaign said the list includes Burton Joseph, chairman of I.S. Joseph Co., and Minneapolis lawyers Harold J. (Jerry) Soderberg, Patrick O'Connor and Marvin Borman. Borman is credited with raising nearly \$2 million for former Vice President Walter Mondale's presidential campaign, more than has been raised for any

other Democratic candidate in the state.

Perpich won't need that much, provided he accepts public campaign financing in 1986, as he has in his previous campaigns. Under the state's campaign financing law, if a gubernatorial candidate takes the public money allotted to his race — projected to be about \$300,000 in 1986 — he must agree to keep his total spending under a limit that escalates with inflation. The 1986 gubernatorial candidate spending limit is estimated to be about \$1.75 million.

Berg said "the odds are good" that Perpich will again abide by the public financing limits.

Wednesday's dinner is not the first

event the Perpich Volunteer Committee has staged to raise money this year, but it is by far the largest. The governor delayed his first major fund-raising effort until now out of deference to DFL candidates running in 1984, said gubernatorial aide Keith Ford.

Berg said the committee is taking a lesson from Republican Sen. Rudy Boschwitz on campaign money-raising — to be successful, do it early. In fact, they're doing it so early that Berg apparently isn't entirely sure whether his candidate is running in 1986. "We want to be ready if the governor is running," he said.

Last month, Perpich told a Star and Tribune reporter that "I'm sure I'll be running" for reelection.

Around Minn

Rochester/Hea in lawsuit opposi

U.S. District Judge Diana Murphy has scheduled a hearing Friday on a motion by the U.S. Bureau of Prisons seeking dismissal of a suit attempting to keep a federal prison hospital out of Rochester.

A citizens' organization filed the suit in May to try to prevent the bureau from establishing a medical and psychiatric treatment center.

Barnesville /3 a

Three men pleaded guilty Monday to reduced charges in connection with the ambush beating of form Barnesville, Minn., Police Chief Floyd Erdmann.

William J. Grommesch, 24; Jerry L. Johnson, 24; and Kenneth Johnson, 39, all of Barnesville, pleaded guilty to charges of tampering with a motor vehicle. They entered their pleas as their trial was to begin in Clay County District Court.

The three originally faced felony charges of false imprisonment, aiding and abetting an assault.

Compiled from staff and Associated Press

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Hospitals

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pendent.

State Planning Director Tom Triplett, a close aide to the governor, said there has been "absolutely no final decision." But "over the short term," he said, "perhaps the most we could do is a downsizing."

The state Department of Human Services, which runs the hospitals, already has proposed in its budget to reduce staff rosters by cutting 644 jobs in services for the retarded and adding 175 for the mentally ill. (Wieck said these figures have changed to 694 and 125, a net reduction of 569.)

The cuts for the retarded are meant to dovetail with reductions in the number of retarded patients. The reductions are expected partly because of a court decree requiring further reductions and partly because the department hopes to move additional patients into community alternatives. But it's uncertain how many of the 644 or so would be laid off and how many of their jobs simply would disappear by resignations, retirements and deaths.

Other options, besides closure, included leaving the system as it is, putting the state into the business of running community-based programs for the retarded while decentralizing the hospitals, and using hospitals as

regional mental health centers.

On Dec. 21 the interagency board is to receive the State Planning Agency's report and make its recommendations. The report will include data on hospital buildings, the economic impact of a closing, the effect on the staff and energy costs.

Among findings in the agency's draft report:

■ Hospitals at Anoka and Fergus Falls have the highest percentage of resident buildings 70 years old or older. Anoka, Faribault, Fergus Falls and Cambridge hospitals have the lowest overall rating for physical condition. Brainerd, Moose Lake, St. Peter and Willmar are in the best physical shape.

■ The economies of Moose Lake and Cambridge are the most dependent on their state hospitals; Anoka's is the least dependent.

■ On Oct. 1, hospital rosters totaled 5,912 employees, including 4,750 full-time. Of the total, 65 percent were women. Seventy percent of all employees earned less than \$10 an hour. A total of 369 employees were eligible for retirement. The rate at which people normally leave for various reasons would facilitate a downsizing, but layoffs still might be necessary.

Indians

Continued from page 3B

through the BIA, only 27 cents reach them. The remaining 73 cents are spent on administration costs, Ryan said. The bureau also was criticized for lacking qualified technical expertise.

The recommendations include:

■ Creating Indian business development corporations, which would receive money now given to BIA economic development programs. The new agencies would sponsor or finance privately owned Indian business enterprises.

■ Establishing Indian business development centers, which also would get money now given to the BIA. They would provide technical help from the private sector.

■ Creating an Indian Trust Services Administration, which would protect — not manage — Indian resources and administer several programs, including the Indian Land Use Policy Act.

face, questioned how the U.S. government can still have a trust relationship with tribes if they become fully self-determined.

"How can we do both?" he asked. "Tribes have always wanted that trust relationship."

Ryan said tribes can manage their own affairs, while the federal government remains as their trustee and protects their resources. The commission's study stressed the continuation of the trust relationship.

Sansaver, whose office serves Indians in Minnesota, Michigan, Wisconsin and Iowa, said it contracts about 70 percent of its federal programs to Indians, with the remaining going to administrative costs. "Our split is what they're trying to attain nationally," he said. The regional programs could use more experts in industrial development and business.

Ryan, however, said this area is no better off than any others in the

Slaye

By Cheryl Johnson
Staff Writer

The mental illness that former social worker to fatal dismember his roommate ago is under control, the trusts testified Monday at County District Court hearing.

Ammanuel Ambaye, 43, seeking release from the of Judge A. Paul Lomme rule on the issue.

In August 1974 Ambaye innocent by reason of the stabbing death of Teo 26, a University of Min

Gun battle

Priem, and Jim Priem they had given officials that contributed to his Peterson said.

Peterson also told official sells marijuana, which several family vehicle scribed several weapons at the Hulin home, including that had been reported 5 cent area burglaries, as officials.

Finally, Peterson said H ed to see him Friday mor become suspicious, and stroy evidence if he didr He said he expected Hul kill him for making the st

Friday night Judge Clir issued a warrant authoriz es of the Hulin home, home where Stafford had behind the Canfield Stor 210 between McGregor and several vehicles. He arrest warrants f r Hull and Allen.

Sheriff Sobey, accompan deputies, three Aitkin pol and a state trooper, arri Hulin home at 11:45 p.m. serve the warrants.

Although the warrants aut bey to enter the Hulin ho knocking, he said in a stat he decided not to do : Hulin's mother, Charlotte a visitor were believed to

After deputy Harold Luc on a breezeway door, So basement light go out.

Charlotte Hulin answered and was advised that the