

Company has a checkered past

UHS-Pruitt Corp. was hired to manage the War Veterans Home even though its proposed rates for that facility are among the highest in the Southeast. The firm also has had regulatory and Medicaid-reimbursement disputes.

By Ken Foskett
STAFF WRITER

The Toccoa nursing home company hired by the state to manage the War Veterans Home in Milledgeville has a history of regulatory problems in Georgia and plans to charge rates that are among the highest in the Southeast, records show.

The price UHS-Pruitt Corp. submitted, \$92.13 per patient day, is lower than the \$164 the state now spends, but \$22 higher than the statewide average of \$70 per day.

State officials don't know if anyone could do it for less because UHS-Pruitt was the only bidder.

Neil L. Pruitt, UHS-Pruitt's majority stockholder, has political ties to Gov. Zell Miller, but both the company and Miller deny that had anything to do with the contract award. Pruitt and his companies contributed more than \$20,000 to Miller's 1990 and 1994 elections. Larry Williams, the UHS-Pruitt's executive director, worked for the state budget office from 1972 to 1986.

"I have not talked to (Pruitt) or any one of his associates and I wouldn't," Miller said. "That would be very improper."

Most of UHS-Pruitt's regulatory troubles in Georgia date between 1991 and 1994, according to state records, when the state sanctioned nine of the company's 22 nursing homes, or 40 percent, for substandard care. During the same time period, the state sanctioned one out of every five nursing homes in Georgia.

Eight of Pruitt's facilities were barred from accepting new patients, and conditions in three of them were so bad the state put them under temporary management, the severest form of sanction short of shutting down a facility permanently. Most of the problems related to poor staffing and training of nurses and others working at the homes.

Problems in all those facilities were subsequently corrected and the facilities reopened, but as recently as 1995 and 1996 state regulators proposed fines on at least 12 of the 24 nursing homes that the company now operates in Georgia under a revised regulatory scheme.

In July 1995, regulators proposed fining the company's Athens nursing home \$800 a day for failing to feed residents enough food and allowing them to sit too long in urine and excrement, which led some patients to develop bed sores.

At the company's north Macon facility, a resident died earlier this year when he escaped supervision, wandered onto a busy road and was killed.

The state only proposes fines when the violations could result in "actual harm that is not immediate jeopardy," according to state and federal guide-



W.A. BRIDGES Jr. / Staff

Charles Allen, a patient at the War Veterans Home, is worried about the facility's future under the new management. "I don't think it's going to be as good," said Allen, a veteran of World War II.

lines. The company has never paid any fines because it has fixed the problems on time.

"They've been OK," said Martin Roter, director of the Department of Human Resources's (DHR) office of regulatory services. "They have had some problems in the past at some facilities, but they've fixed them."

But Cindy Wade, a nursing home watchdog under contract with Georgia Legal Services in north Georgia, said that in 10 years she has received more complaints about UHS-Pruitt than any other company.

"Many complaints go to the lack of staff to meet even the most basic needs of the residents," Wade said.

UHS-Pruitt officials declined to be interviewed for this article. But in a written response to prepared questions from The Atlanta Journal-Constitution, they defended their record and said the company has taken a number of steps to improve care.

Company spokesperson Louise Linder wrote that the company has added staff to the "quality improvement department" and conducted more training in all of their facilities. The company said it has reduced the number of patients put in restraints to 5.5 percent, compared with the nationwide average of 21 percent.

Linder said the problems in Athens were "quickly corrected" and noted the

nursing home has not had any problems since.

"There is no way we would turn this facility over to a company we thought would harm our veterans," said Lawrence Brockway Jr., assistant commissioner for the Department of Veterans Services, who reviewed all the state's regulatory findings on UHS-Pruitt. "If they don't meet all the state and federal regulations, we won't renew their contract."

But Brockway and other state officials concede that their hands were tied because only UHS-Pruitt submitted a bid. They blame the lack of interest on politics.

"The bad publicity... caused that," Miller said.

The privatization initiative was hotly opposed by legislators in Milledgeville, and the state employees union filed a lawsuit against the initiative that was later dismissed.

In contrast, Miller noted that nine companies vied to manage the state's resort at Lake Lanier Islands.

Experts said they were surprised the state attracted only one bidder. Nursing home companies have been in a furious "expansion mode," according to Emory University economist Peter Aranson.

"If you do something like this and get a small number of bids, you've screwed up," Aranson said.

State officials conceded they would like to have more companies to choose from in awarding the contract, which begins July 1, but said it was still a good deal for taxpayers.

The state expects to save \$9 million a year, or \$45 million over the five-year contract, on the 450-bed facility for Georgia war veterans. Central State Hospital runs the facility at a direct cost of \$18 million, paid by the state Department of Veterans Affairs, and claims additional expenses of more than \$5 million a year for overhead from DHR.

Much of the cost savings in the UHS-Pruitt contract will come through lost jobs. UHS-Pruitt has pledged to hire no more than 30 percent of the 425 workers who presently staff the home. State officials cannot yet say if the remaining employees will be offered other state jobs.

That has residents such as Charles Allen worried. "I don't think it's going to be as good," said Allen, a World War II veteran.

Linder, the UHS-Pruitt spokesperson, said the company is charging the state \$12 per patient more than its average at other nursing homes because it thinks it will have to match the state's salary and benefits in order to keep qualified staff.

Costs at other privately run veterans homes in the Southeast range from a low of \$76 per patient day in Alabama to a high of \$91 per day in Florida.

Some oppose Pruitt's purchase 1996

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