

# Way Station scaling back

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Way Station, Inc., which serves as an alternative to hospitalization for mentally ill Frederick County residents, announced Wednesday it will scale back its operations because of anticipated state cuts of \$1.6 million in the next fiscal year.

The corporation's total budget this year was \$5.6 million, most of which came from the state and federal governments, Way Station officials said.

The organization has already cut salaries and probably will lay off some of its 125 employees, officials said, adding they will attempt to minimize the effect of the cuts on the agency's 233 clients.

"Obviously, there's going to be a significant impact and we will not be able to assist Way Station members in all the ways that we have in the past," said chief executive officer Grady O'Rear.

Any changes will take effect at the start of the next fiscal year, July 1, Mr. O'Rear said. The organization has not decided how many layoffs to make.

"There are certain service areas that we have determined are absolutely critical services and must be maintained. We're still working on a plan for how services will be configured," said Tena Meadows O'Rear, chief operations officer.

The community housing program, which serves 100 people, is one crucial service, Ms. O'Rear said. Other programs the corporation hopes to maintain are its daytime club for members, treatment and crisis services and employment support offerings, she said.

"Every single one of them is a priority. The questions are more like at what frequency will we be able to deliver the services," she said.

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The cuts are coming because, like similar organizations across the state, Way Station is faced with less state reimbursement for its rehabilitation services, Ms. O'Rear said.

The state also is requiring mental health organizations to provide service to clients for longer periods to be eligible for reimbursement, she said.

Way Station is currently negotiating with the state Mental Hygiene Administration to alleviate some of

the cuts, Ms. O'Rear said.

"Hopefully, if we succeed with at least some of that, then the cuts will not be as bad as we've projected," she said.

Way Station officials expect to have a plan in place by the end of next week, Ms. O'Rear said.

The average cost for placing a mentally ill person in a state hospital is \$105,000 a year, Way Station officials said. In contrast, the Way Station spends about \$27,000 per year on each client.