

# PERSPECTIVE

Promoting Health Care Transparency and Competition



## The Fletcher Administration and Oakwood, a Sordid Affair

Number 2007-4

By Kevin T. Kavanagh, MD

No one is sure exactly what turned Oakwood, a world-class facility for the mentally disabled, into a blight on the state. What we do know is that starting in the [Spring of 2005](#) Type A citations, the most serious type of infraction, were being issued by the State at an alarming rate.

The [Commonwealth Journal \(Feb. 12, 2006\)](#) reported that an October 2005 independent monitor report stated that “many of the problems in the day-to-day operations of the facility can be linked directly to a failure of leadership.” “Indeed (staff members) reported that some administrative staff members from Frankfort who had no experience in running (a facility for the mentally handicapped) were giving orders that just did not make sense to them.” Summing up the report, The Commonwealth Journal concluded that “the state had failed to provide a stable environment for the workers at Oakwood.”

In response to the monitor's report, the Fletcher administration contracted with Liberty Healthcare on Nov. 1, 2005. Of Liberty's four main lobbyists, three -- John McCarthy III, Amy Wickliffe and Jeffery B. Speaks -- worked for McCarthy & Speaks Strategic Solutions. The fourth was Leigh Ann Thacker. According to the [Blue Grass Report](#), McCarthy and Thacker served on Ernie Fletcher's Healthcare Transition Team after he was elected Governor. John McCarthy III was also GOP

State Party Chairman for a short time. [Amy Wickliffe](#) had served as the Executive Director for Governor Fletcher's 2003 Inaugural Committee and later served as First Lady Glenna Fletcher's chief of staff.

The [State contract with Liberty Healthcare](#) was huge, starting at nine million dollars in November of 2005 and ballooning to over 17 million one year later.

The [State Auditor of Public Accounts](#) reported that “in December 2005, 29 contracts worth \$17 million dollars were in place at Oakwood. This number grew to 36 worth \$22 million dollars by May 2006.” And along with the increase in total spending and outside contracts was a significant increase in Type A citations. The audit stated that “reports by the Cabinet and Department of Justice indicate a lack of management structure at Oakwood and minimal Cabinet oversight.”

Pulaski County [Judge Executive Darrell Beshears](#) called for an Attorney General Investigation into the whole matter and [State Representative Heleringer](#), pointing to the “Drum Beat of Class A Citations” calling Liberty Healthcare “an abject failure in this regard” (Courier-Journal Aug 29, 2006).

On Aug 27, the [Council on Mental Retardation](#) wrote in the Courier-Journal that they were growing increasing “skeptical of and frustrated with the

### Summary

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**“The situation at Oakwood has been a travesty. Kentucky has taken a serious government function, the care of our most vulnerable citizens, and attempted to hand off our responsibility without adequate oversight. The results have been disastrous”**

**-- [Crit Luallen](#)  
[Kentucky State Auditor](#)  
[October 19, 2006](#)**

## Health Watch USA

Promoting Healthcare  
Quality, Access &  
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## Promoting Healthcare Quality, Access & Affordability

**What is so disturbing about this debacle is that it involves the most helpless and defenseless segment of our population, people whom society and politicians alike should do everything in their power to protect.**

states continuing and changing range of 'solutions'." The commentary cited among other issues "a lack of consistent, visionary leadership at the highest levels" and "a violation of the intent and spirit, if not the appropriations process"

On [Aug 31, 2006, the Federal Government sued](#) Fletcher and Secretary Mark Birdwhistell, charging that "Oakwood's supports and services substantially depart from generally

accepted professional standards of care in the following specific respects, among others:" "the provision of adequate medical, dental, and nursing services;" "the provision of adequate habilitation and therapy services," and "the provision of adequate protections from harm, including abuse and neglect."

By the [end of September 2006](#), a total of 24 Type

A citations had been issued in the past 18 months.

Liberty Healthcare was fined and lost its contract. [According to the Herald Leader](#), after the last Type A citation received under Liberty's administration, fines totaling \$50,000 had been leveled, which is less than 0.3% of Liberty's total contract value.

[On November 1, 2006](#), the Bluegrass Mental Health Mental Retardation

Board took over management of Oakwood. The rate of issued citations has since decreased dramatically.

Lobbyists McCarthy, Speaks and Wickliffe of McCarthy & Speaks Strategic Solutions received a total of \$37,650 [from Liberty Healthcare](#) between September 1, 2005 and December 31, 2006. Leigh Ann Thacker received a total of \$29,225 from September 1, 2005 until August 31, 2006.

If I was the Governor I would be livid. I wouldn't like being sued or being called incompetent. I would be demanding my money back. Or I should say the taxpayer's money back, more than \$17,000,000 spent in a year's time.

And, I would be furious with anyone associated with the debacle. Yet [Amy Wickliffe, has become Fletcher's finance director](#) for his 2007 re-election campaign and [John McCarthy, III and his wife](#) have already jointly donated \$2000 to Fletcher's re-election campaign.

What is most disturbing about the Oakwood debacle is that it jeopardized the well-being of the most helpless and defenseless segment of our population, people whom society and politicians should do everything in their power to protect.

*Kevin T. Kavanagh, MD is a physician in Somerset Kentucky and Board Chairman of Health Watch USA*

*This is an edited version of an Op-Ed which appeared in the Lexington Herald Leader on Feb. 26, 2007.*

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