

Image not found or type unknown

2 to 10 Days Cash on Hand: Schneider Hospital Says GVI's \$32.7 Million Threatens its Ability to Care for Patients

SRMC CEO Tina Commissiong highlights the need for a \$46.3 million budget to cover Medicaid matches, uncompensated care, and essential repairs, warning that the lower allocation will impact patient services and hospital operations

Health / **Published On July 25, 2024 05:37 AM /**

Nelcia Charlemagne **July 25, 2024**

Image not found or type unknown



The Schneider Regional Medical Center (SRMC) in St. Thomas, USVI. By. V.I. CONSORTIUM

The financial situation at the Schneider Regional Medical Center has been characterized as “troubling” by Senator Donna Frett-Gregory. Her assessment was made following testimony from

SRMC's Chief Executive Officer Tina Commissiong, as she defended a \$46.3 million FY2025 budget request before the Committee on Budget, Appropriations, and Finance.

That number far exceeds the [\\$32.75 million ceiling](#) the executive branch suggested the hospital use to build its budget. However, for SRMC, their higher requested amount is in line with what the law prescribes. "As per the law," said Ms. Commissiong, the Government of the Virgin Islands must "cover the local Medicaid match" and uncompensated care. Projections for FY2025 bill the Medicaid match at \$2.3 million lower than the FY2024 match as roughly 16,000 people are expected to lose Medicaid coverage within this fiscal year.

"SRMC expects to provide \$44 million in uncompensated care," announced Ms. Commissiong. In the current fiscal year, the hospital is on track to provide \$32 million in uncompensated care, but rightsizing the Medicaid program will inevitably inflate care costs for SRMC. Consequently, SRMC contends that to "cover the two requirements under the law, the GVI appropriation should be \$46.3 million."?

Outside of the GVI allocation, SRMC is projecting revenue collections of \$75 million in FY2025, primarily from insurance. The General Fund appropriation is only one portion of SRMC's funding sources, but for the hospital's management, it is a critical source. "While we would love to be able to fully support our operations without the GVI allotment, the realities are that the population we serve is aged and underinsured," reminded the CEO.?

According to Ms. Commissiong, SRMC continues to care for patients including behavioral health patients and 10 boarders in the over 40-year-old facility. The budget proposed by the Office of Management and Budget includes no allocation for capital projects. "We are continually faced with using operational funds to do immediate facility repairs," the CEO lamented. She testified that both the SRMC and the Myra Keating Smith Community Health Center require dire repairs. While FEMA has obligated funds for the replacement of both facilities, timelines for completion range from 3 to 5 years.?

Current capital needs, said Ms. Commissiong, total \$9.7 million. SRMC has proposed a one-time allotment, or an allocation of \$4.85 million in FY2025, and the same figure in the following fiscal year. The funding will take care of "replacement and repairs to the interior and exterior of the buildings, the AC systems, the generators, and other facilities." Upgrading transfer switches for the hospital's two main generators is estimated at \$601,000, the CEO testified, while replacing a third, fail-safe generator could cost \$560,000, excluding engineering costs. Another \$200,000 is necessary to completely replace air conditioning systems.?

Vehicles also need to be replaced and could cost SMRC \$225,000. On top of that, a series of repairs and replacements are necessary at the Myra Keating Smith Community Health Center. A damaged cistern could cost up to \$37,000, while a new condenser for the morgue is estimated at \$5,000. A damaged fence allows livestock to wander into the compound, said Ms. Commissiong, and its repair will cost \$158,000. "MKS alone requires an investment of approximately \$400,000," she stated.

While SRMC made a passionate plea for additional funding to cover operational and capital costs, the hospital remains "challenged by a long-standing, high accounts payable" of approximately \$30 million. The hospital owes \$5.7 million to the Government Employees Retirement System for the employer contribution for most employees from September 2023 to present. It also owes \$4.6 million to the Division of Personnel for the employer portion of Cigna insurance premiums from August 2022 to 2023. "We understand that the arrearage is difficult for the entities... We face

similar challenges of needing to receive funds from folks that owe us,” she told the committee’s chair.

As cash on hand fluctuates between 2 to 10 days, Ms. Commissioning said that SRMS “does not have available operational cash to make substantial payments on our accounts payable.” She told lawmakers that additional funding to reduce debts would be “greatly beneficial.” SRMC was recently [identified as one of the public entities](#) with massive debts owed to the Water and Power Authority. After those were cleared as part of Governor Albert Bryan Jr.’s actions in the ongoing state of energy emergency, utility payments are now being garnished from SRMC allotments.

Ms. Commissioning noted that the action was necessary, but admitted that “it directly affects patient care” as the hospital now has less available funding to pay other vendors including suppliers of blood, trauma equipment, and other resources. She told lawmakers that the garnishment “takes some of that flexibility in choice and juggling away from us... We live with it, but unfortunately, it means that some other critical vendors don’t get paid.”

There is no promise that the Legislature will approve SRMC’s request instead of the OMB’s recommendation, however. Senator Angel Bolques Jr. wondered whether management had “actionable plans to bridge that 15.3 million gap without compromising the quality of patient care.” It’s a “tough question,” Ms. Commissioning replied, as SRMC is obligated to care for all patients whether or not they can afford it. “It will delay care. It will mean that certain services that people are expecting won’t be available.”?

SRMC has used its request of \$46.3 million plus projected revenues to build its budget. It includes \$55 million for salaries, \$19.6 million for fringe benefits, \$12.2 million for supplies, \$16.7 million for other services and charges, \$6.4 million for utilities and \$1.8 million for repairs and maintenance, a figure described as insufficient.?

“We have to appropriately support our hospitals so that we can serve the community,” Ms. Commissioning pleaded.