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Senators Question \$200,000 Dermatologist Hire Amid East End Medical Center's Cost-Cutting and Revenue Gains

Lawmakers scrutinize STEEMCC's budget request while acknowledging significant savings and service expansions

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STEEMCC Interim Executive Director Dr. Tess Richards By. V.I. LEGISLATURE

On Wednesday, the St. Thomas East End Medical Center Corporation was the second medical facility to ask the Committee on Budget, Appropriations, and Finance to approve more funding than what the Government of the Virgin Islands is willing to offer for FY2025.?

According to STEEMCC's interim executive director Dr. Tess Richards, an appropriate general fund allocation is \$3.26 million, instead of the \$2.1 million proposed by the GVI. The money would supplement grant funding for a total of \$7,770,108.

"STEEMCC provides care for people with no money," Dr. Richards said, a similar sentiment to that expressed by the Schneider Regional Medical Center, which defended its budget just minutes prior. "We very carefully aligned our budget request for 2025 to meet those needs," the director said. "STEEMCC cannot continue our operations and continue to provide care for our at-risk population with the current GVI allotment."?

Dr. Richards believes that the increase is justified, as STEEMCC plans to "continue to be fiscally responsible," instituting changes to both reduce spending and increase revenue. She testified that the Center's staff has been trained to "operate like a business in order to improve the Center's financial position." Balancing the budget, she said, is a critical part of functioning as a business. To this end, the interim executive director said STEEMCC has evaluated spending, policies and revenue collection. Dr. Richards was pleased to report that the Center has "cut monthly expenses by about \$250,000 within the last 12 months."

"If you're making all these cuts and reductions, why are you coming asking for more funding?" questioned committee chair Senator Donna Frett-Gregory. Dr. Richards responded that the cuts have closed the Center's monthly finance gap by \$200,000, down to \$100,000. Granting the increased budget request, she contended, would allow the entity to break even.?

Major savings from successfully negotiating out of a long-term \$30 million lease, and a decrease in payroll by "about \$2.5 million each year" are expected to help as well, Dr. Richards said. The Center has expanded revenue-generating services, including reopening its in-house laboratory and retaining the services of an additional pharmacy for its 340B program, according to Dr. Richards. Most notable for STEEMCC, though, is the onboarding of a dermatologist, believed by Dr. Richards to be the only one on the island.

The latter was not a decision lauded by most lawmakers, with dissent from Senators Frett-Gregory and Marvin Blyden in particular. However, Dr. Richards was adamant that hiring a dermatologist is part of STEEMCC's effort to diversify its payer mix. "In order for anyone to see a dermatologist on St. Thomas, they have to come to STEEMCC," she boasted. "It's actually quite a calculated move." The dermatologist is available three days a week, for a position budgeted at well over \$200,000 annually. She assured lawmakers that the availability of a dermatologist has attracted "commercial payers."

While patients may choose not to pay for primary care services, Dr. Richards revealed that "if they want to see a specialist, they're going to pay...that's a little bit of a plus for us." Meanwhile, STEEMCC's chief financial officer Stephen Mayers assured doubtful lawmakers that "it will be profitable or it will not be there." Senator Blyden was not convinced. "We must prioritize our needs, and that's not a need right about now around here," he contended. Dr. Richards, in defense of their hiring decision, explained that the dermatologist has "found a lot of skin cancer in the last seven months that has been going on undiagnosed and untreated."

Legislators soon learned though, that while hypertension, diabetes and obesity are some of the most prevalent health issues among the Center's patients, there is no dietician, nephrologist or endocrinologist on staff. "You don't see the need or a priority for that over the dermatologist?" queried Senator Novelle Francis. "No," replied Dr. Richards, who said "we don't have very many people who are actually on dialysis and who are in active renal failure." STEEMCC is reportedly

working to identify a dietician that can be onboarded in the future.

While the Center works to evaluate the profitability of that decision, Dr. Richards made another impassioned appeal for more money. “The main threat to the Center continues to be financial instability, largely due to insufficient revenue generation,” she testified. “My ask is that we not just discuss this. We need to do something...or we can just continue to have mediocre access to care for our community,” contended Dr. Richards.

She called on the keepers of the GVI’s pursestrings to prioritize healthcare. “We’re a nonprofit, we’re not looking to make money...This is a community health center. Everybody benefits.”

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