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Severe Cash Shortages, Delayed Vendor Payments, Overcrowded ER: USVI Hospitals Face Operational Crisis

USVI hospitals face severe cash shortages, with only two to ten days of cash on hand at SRMC. Delayed vendor payments, unpaid GERS obligations, and boarders occupying beds are straining resources, forcing ER patients to endure longer wait times for care.

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The Schneider Regional Medical Center. **By. ERNICE GILBERT, V.I. CONSORTIUM**

The territory's ongoing failure to adequately fund its public healthcare facilities is fueling a budgetary crisis within the institutions, members of the Senate Committee on Health, Hospitals and Human Services heard during a recent meeting.

“Insufficient funding for uncompensated care and insufficient funding for the maintenance of the aged facilities have had a major negative effect over the years on the financial sustainability of SMRC,” said Schneider Regional Medical Center CEO Tina Commissiong, as she testified before the committee on Tuesday.

The hospitals are required to provide care for anyone who turns up at the emergency room, regardless of their ability to pay. Funds allocated from central government are supposed to underwrite that cost. Uncompensated care alone for Schneider Regional ran to $44 million, Ms. Commissiong said, but the hospital only received $32.5 million.

In addition to the deficit being created there, Ms. Commissiong says Medicare and Medicaid payments also do not cover the cost of care. “When you couple the $14 million that's not coming through the allotment for uncompensated care, another $14 million in underfunding for Medicaid, underfunding for Medicare, it's really tough for the hospitals to do what we need to do,” she said. Chief Executive Officer for the Juan F. Luis Hospital Darlene Baptiste concurred, noting that JFL billed close to $37 million under the programs in 2024-2025, but has only collected $11 million. The recent shedding of thousands of Virgin Islands from the Medicaid rolls in July 2024 has also stressed hospitals, Ms. Baptiste noted in her testimony.

Rising prices is another factor. “Inflation in health care is more than 4%, yet SRMC continues to receive an essentially flat budget,” Ms. Commissiong told lawmakers.

Over the years, the situation has escalated into an annual budgetary nightmare. “As a result of being underfunded for years, the daily cash on hand for Schneider Regional fluctuates between two days and ten days throughout the month, so we do not have operational funding to make substantial payments on our accounts payable,” Ms. Commissiong said. Well-run hospitals of similar size serving similar populations, the SRMC CEO said, “are comfortable with having about 100 days cash on hand.”

The constant scarcity of cash, Ms. Commissiong says, means that SRMC does not have enough money on hand “to make all of our vendor payments. It's not enough to make strategic investments. It's not enough to maintain our facilities.” Capital investment and facility repair budgets have been zero for years, forcing management to use operational funding to make repairs on an as-needed basis to the over 40-year old facility.

Federally-funded replacement facilities, while already obligated, are still at least three to five years from completion, Ms. Commissiong estimated, arguing that money needs to be spent maintaining the current healthcare facilities until the new ones are ready to serve the public.

In order to get the hospitals back on a healthier financial footing, Ms. Commissiong petitioned lawmakers to consider additional measures of support. “The GVI should earmark funding to help us with paying down the accounts payable” that have accrued as a result of the chronic underfunding, the SRMC CEO said. “We especially need to make those payments to local vendors and to our supply and staffing vendors,” Ms. Commissiong told lawmakers. Debt forgiveness would also be welcomed, “specifically around GERS payments and old Division of Personnel health insurance payments on the employer side,” Ms. Commissiong suggested, with Ms. Baptiste agreeing.

The hospitals also need immediate funding for maintenance and capital repairs. Ms. Commissiong noted that SRMC requested $9.7 million for that purpose in their FY 2025 budget presentation, and received nothing when the facility's budget appropriation was finalized by the legislature. “Without this funding, there's no ability to do replacements and repairs to the interior and exterior of the buildings, to the AC systems, the generators and to our major medical equipment, to ensure a safe environment of care and to maintain our accreditations," Ms. Commissiong said.

A large number of "boarders" taking up critical bed space has a double impact on hospital finances. Not only is the care provided to these individual uncompensated, but the facility is not able to accommodate paying patients in the beds occupied by those who do not need further hospitalization but lack other suitable accommodation. According to JFL CEO Baptiste, approximately half of JFL's "med surg" beds are occupied by someone meeting the definition of boarder. Each of these beds has a daily rate of over $1750, equating to a cost of over $52,700 per boarder. "This does not include medication, supplies, staffing, and other overhead costs," Ms. Baptiste indicated. Additionally, with boarders occupying much-needed hospital beds, patients are being forced to remain in emergency room beds for longer than is necessary, causing what Ms. Baptiste referred to as a "domino effect" leading to lengthy ER wait times.

Noting that two-thirds of SRMC's operating funds come from billing and collections revenue, Ms. Commissiong said that the hospital itself needed to ensure that internal revenue generation processes were improved. An enterprise-grade electronic medical records management system that serves both the Juan F. Louis and Schneider Regional hospitals is a needed item in that regard, both CEOs agreed. The new system "is going to allow us to optimize and increase our billing and collecting," said Ms. Commissiong. Engaging with third-party billing and collections agencies is also expected to allow for increased collections through "process improvement, better coding, better documentation, better submission of claims, more timely filing and less denials," she told lawmakers.

However, the government has a huge role to play. Apart from the needed interventions she outlined earlier to alleviate long-standing debts and adequately reimburse for uncompensated care, Ms. Commissiong suggested that the health plan offered to government workers "should offer incentives and discounts for patients to receive their care within the territory's hospitals." Both CEOs welcomed the idea of insured persons not having any copayments when seeking medical care locally.

Despite the pointed testimony from the two hospital CEOs on the need for additional direct budgetary support from the government, however, lawmakers did not seem to have much appetite for the subject, instead focusing on other aspects of the discussion including generating efficiencies by merging and combining management and possibly procurement decisions.