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One Year Later, \$1M Still Unpaid to Frederiksted Healthcare as Federal HIV Prevention Grant Nears End and Services Face Strain

Frederiksted Healthcare says it has yet to receive a \$1M appropriation approved in 2024, while a key HIV prevention grant will expire next year and Medicaid cuts loom—threatening vital services for the uninsured and low-income patients across St. Croix.

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ST. CROIX — Nearly a year after the passage of [Act 8920](#), the \$1 million appropriation intended for Frederiksted Healthcare, Inc. (FHC) has yet to be delivered—a delay that comes as the facility braces for the expiration of a key federal HIV prevention grant and the financial pressures of federal and local policy changes.

The pending \$1 million is considered essential by FHC leadership to help offset operational demands and expand services, particularly in behavioral health. “Our preference would be to build, as opposed to rent,” said CEO Masserae Sprauve-Webster, who explained that FHC recently closed its Lena Schulterbrandt Health Center, opened just four years ago, and is now seeking to replace it.

Sprauve-Webster revealed the delay in receiving the funds during her testimony before the Committee on Budget, Appropriations, and Finance on Wednesday. Despite requests to the Office of Management and Budget, the appropriation has not been disbursed. Committee Chair Senator Novelle Francis pledged to intervene. “I’ll personally call OMB tomorrow morning and find out what’s going on there with that,” he said, stating, “the funding is there.”

Sen. Francis also encouraged FHC to prepare a detailed spending plan to “drive home the issue of the funding.”

Meanwhile, FHC is facing a second urgent challenge—infrastructure failures at its primary location, the Ingeborg-Nesbitt Clinic. Although the facility operates under a 99-year lease, the clinic is responsible for “the vast majority of the maintenance and repairs of that building,” according to Sprauve-Webster. In 2024, FHC paid for plumbing repairs without government assistance. More recently, electrical failures forced the center to spend \$15,000 on diesel fuel to run generators for three weeks and \$22,000 to replace external wiring.

“The cost of diesel fuel posed a financial burden and the wear and tear on our backup generator impacts reliability during emergencies,” she told lawmakers. Although the Government of the Virgin Islands is contractually responsible for external electrical issues, FHC has “not received any support or funding” and is now seeking reimbursement.

FHC has also submitted a \$3 million general fund request for FY2026. Sprauve-Webster explained that the funds represent the local share of the Medicaid match for services provided, and also help cover uncompensated care for uninsured and underinsured patients.

But looming federal funding cuts could make that request insufficient. A \$500,000 grant used for comprehensive HIV prevention programs is set to expire in June 2026. “There is no replacement funding in the pipeline,” Sprauve-Webster testified. While she assured senators that “FHC would never turn away patients,” she warned that reductions in grants and Medicaid reimbursements would result in difficult budget decisions. “The Big Beautiful Bill is projected to cost billions of dollars in higher uncompensated care and will jeopardize coverage for many of our residents.”

Sprauve-Webster noted that 57% of FHC patients are MAP recipients, 12% are on Medicaid, 10% have private insurance, and 21% are self-pay. She expects the number of uninsured patients to grow under upcoming federal policy changes. “One in four people that live on St. Croix are our patients,” she told Senator Marise James, noting that FHC recorded 45,000 patient encounters in 2024.

Despite these challenges, Sprauve-Webster said the facility remains committed to providing care, but she reiterated the urgency of receiving the \$1 million appropriation and protecting critical federal funding. “The annual allotment is not a gift. It represents the local share of the Medicaid match required for the services that we provide.”

Senator Kurt Vialet emphasized FHC’s long-standing contribution to public health in St. Croix, stating, “I think it is very important for us to keep in mind as we go through this budgetary process.”

