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## Uncompensated Care, Vendor Debt, and Poor Collections Push JFL Toward Crisis

Despite projecting \$88.1M in revenue, JFL collected only 45% of expected funds and faces \$38.7M in uncompensated care and \$21.2M in debts, leaving lawmakers alarmed that St. Croix's only hospital may struggle to maintain supplies and services.

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JFL North, the temporary facility that houses most of the hospital's services. By. V.I. CONSORTIUM.

The Governor Juan F. Luis Hospital on St. Croix is facing a financial crisis that lawmakers fear could severely impact its ability to serve patients. Massive collections shortfalls, mounting uncompensated care, and \$21.2 million in accounts payable — some dating back over a decade —

have left the island's only hospital in a precarious position.

JFL Chief Executive Officer Darlene Baptiste told the Committee on Budget, Appropriations, and Finance on Friday that while the hospital calculated \$37.9 million in net patient revenue between October 2024 and March 2025, only \$16.9 million was actually collected — just 45% of what was expected. “High [accounts payable] liabilities continue to affect our vendor relationships, which in turn impact the timely delivery of medical supplies, staffing continuity, and ultimately patient care outcomes,” she testified.

The hospital's revenue challenges are compounded by uncompensated care, which Ms. Baptiste pegged at \$38.7 million for FY2025. She warned senators that this “poses serious threats to our financial sustainability.”

Despite projecting \$88.1 million in revenue for the year, JFL owes significant sums to major government entities, including the Water and Power Authority, the Government Employees' Retirement System, and the Bureau of Internal Revenue. Some of those debts have been outstanding since 2012 and are tied up in litigation, preventing them from simply being written off.

Meanwhile, government agencies also owe the hospital. Ms. Baptiste reported \$14.6 million in receivables dating back as far as 2010, adding to the imbalance between what JFL earns and what it can actually collect.

The situation has been worsened by a cyberattack in early 2025 that disrupted billing systems at both JFL and the Schneider Regional Medical Center. At JFL, staff have manually imputed 314 paper claims totaling \$1.5 million, but it remains unclear how many will be honored.

Lawmakers expressed alarm at the scope of the problem. Senator Marvin Blyden pointed out that at least five vendors are owed over \$1 million each. Senator Hubert Frederick worried that suppliers may stop providing essential goods if JFL's “current cash flow position” prevents it from paying down debt. He argued that some debts should be written off, though Ms. Baptiste explained litigation prevents that option.

“We've gotten so bad with paying our debts... People want their money up front because they don't believe you,” admitted Dr. Regina Flippin, JFL's acting chief medical officer. The hospital now must rebuild trust, she said. “We have to change the narrative.”

To address the crisis, JFL has launched what Ms. Baptiste called a “comprehensive revenue improvement strategy,” aimed at improving clean claim submissions and supported by First Source Solutions USA, a revenue cycle management partner. Deposits for elective procedures are now being required in “real time,” and bills are being sent out more quickly.

But senators questioned whether outsourcing collections would solve the problem. “Now it's going to cost us. That's another payable,” Sen. Frederick warned, adding that the move could “reduce our net margin that we're supposed to be getting.” He pressed JFL leadership on whether resources were being put directly into the hospital's collections department to improve recovery within the first 90 days of billing.

Senator Kurt Vialet was skeptical of JFL's explanation that the cyberattack was the main reason for poor collections. “Prior to the cyber attack, those individuals that are tasked with collecting are just not doing what they're supposed to do,” he argued. “We know we already don't get back 100% from Medicaid and those other entities. It literally cripples the ability of the hospital to

function.”

Ms. Baptiste acknowledged the criticism but said the hospital is “empowering” its team to be more strategic, strengthening public communication to encourage compliance, and taking a more “forceful” approach to collections. Still, a \$6.5 million appropriation from the Legislature has barely dented JFL’s \$21.2 million accounts payable, leaving senators worried that the hospital may not be able to maintain relationships with suppliers.

As Dr. Flippin put it bluntly, “They don’t trust us.” And until JFL can fix its billing, collections, and credibility issues, that mistrust will continue to threaten its future.

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