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SRMC Warns Flat Budget and Delayed Allotments Leave Hospital Unable to Meet Wage Mandates, Make Timely Vendor Payments, and Risk Staff Dissatisfaction and Turnover

Board members heard SRMC has halted vendor payments for five weeks, cannot absorb wage mandates or union raises, and risks staff dissatisfaction and turnover, as late government allotments and a flat FY 2026 budget leave operations under strain.

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The Schneider Regional Medical Center in St. Thomas. **By. ERNICE GILBET, V.I. CONSORTIUM.**

The perennial issue of late and partial allotments from central government is placing a financial strain on the Schneider Regional Medical Center, said CEO Tina Commissiong during the hospital's board meeting on Wednesday. A flat budget allotment for the upcoming financial year leaves no room to grow, however internal revenue generating efforts continue to bear fruit, board members learned.

“Things are extremely tight right now,” Ms. Commissiong noted during her report to the board. “We've only received about $600,000 of our August allotment,” she said, which is about a quarter of what was due. “We've not received any of our September allotment,” she continued. Board members were told that this has led to a halt in vendor payments, which have not been made for five weeks.

The hospital's FY 2026 budget remains virtually unchanged from last year, apart from the $1.5 million allocated to fund the Charlotte Kimmelman Cancer Institute. According to a report from departmental leadership, the flat budget leaves SRMC unable to make capital investments in their fleet, or accommodate newly legislated minimum wage increases or raises negotiated with the unions — “both of which creates staff dissatisfaction and turnover risk,” according to Director of Financial Services Kenisha Angol. Board members were placed on notice that wage compression would create additional strain on payroll and labor relations, something warned about by Governor Bryan.

In the absence of the needed support from government sources, the hospital has been able to maintain operations due to the “work that our in-house team is doing to generate revenue,” work that Ms. Commissiong says she is “very thankful” for. Acknowledging that efficacy in revenue collection needs to be improved, the SRMC CEO said that initial steps in that direction have shown positive results. “We have moved forward with engaging a third party revenue cycle vendor that is an extender of our business office,” Ms. Commissiong told board members. “We're already starting to see some improvements there.” She expressed confidence that collections would return to their previous average of between $5.5 to $6 million a month within three months. “In the future, going even above that, as we're making really strategic improvements to the system overall,” Ms. Commissiong declared. Another contractual engagement has uncovered almost $1 million in claims stalled due to incomplete records that are now being addressed. Updates to late charges and other billing procedures are also expected to strengthen the hospital's financial position.

Despite the positive trajectory, “we are still dependent on the allotment [from government] for offsetting the uncompensated care we deliver,” Ms. Commissiong noted. Estimates for uncompensated care in FY 2026 are over $36 million. “We know the allotment doesn't quite cover that,” she emphasized. Nonetheless, “it covers a substantial portion” of the uncompensated care costs. Given SRMC's mandate to serve all who need healthcare, and the hospital's general inability to divert patients to receive care elsewhere, “that offset of the allotment is tremendously important,” CEO Commissiong underscored.

While the receipt of these much-needed funds is beyond the control of SRMC officials, the hospital is continuing its own efforts to increase revenue. Raising rates is one pathway. “We're working on a charge master increase,” Ms. Commissiong told board members. “It's time for us to look at our pricing and adjust our pricing in line with what's happening in the industry,” she asserted. “Just as the national inflation in healthcare is higher than general inflation, and those costs continue to increase, we have to increase our pricing.” In response to a question from the board, it was discovered that a major update to the charge master – a detailed listing of billable hospital services – had not been performed in perhaps seven to ten years.

SRMC is also pushing to receive more reimbursement from insurers. Upcoming contract renewals will hopefully be renegotiated “in a way that better aligns our reimbursement with the actual cost of care,” Ms. Commissiong said.” Such discussions have already begun with Cigna. According to Ms. Angol, initial conversations have been “constructive,” with certain concessions from the insurer demonstrating that “progress is possible.”

Overall, SRMC officials concluded that the hospital's admirable efforts in righting the financial ship is being dragged down by a lack of timely and adequate support from government. “The hospital's ability to maintain stable operations is increasingly dependent on the timely release of government allotments,” Ms. Angol insisted. Schneider Regional has “made real progress in compliance, collections and peer engagement, but these internal wins are being overshadowed by external funding shortfalls and a flat budget that does not keep pace with operational realities,” she concluded.