

The Virgin Islands Consortium

Hospital Workforce Reduction Plan Moves Toward Board Review as Leadership Seeks to Redirect Personnel Spending

Darlene Baptiste says JFL and SRMC are analyzing a workforce reduction plan that could shift \$6 million to \$6.5 million from salaries into supplies and accounts payable, while union talks continue and a final proposal moves toward board review this fall.

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Leadership at the territory's two hospitals is developing a workforce reduction plan intended to redirect between \$6 million and \$6.5 million from personnel expenses toward supplies and long-standing accounts payable, with implementation potentially occurring

at the end of the fiscal year.

Darlene Baptiste, chief executive officer of the Juan F. Luis Hospital and Schneider Regional Medical Center, told the Senate Committee on Health, Hospitals and Human Services on Wednesday that the plan remains under review and has not been finalized.

Hospital officials have met with the unions representing employees as they evaluate the proposed reductions.

"We met with the union yesterday and let them know that we haven't finalized. It's just a plan in motion..." Ms. Baptiste said to Senator Joseph.

A new chief financial officer has also been hired, and hospital administrators are now "looking at the numbers," according to Ms. Baptiste.

The austerity review is examining approximately \$6 million to \$6.5 million "in savings and personnel costs that we need to look at." That amount was based on 2025 figures. For the current year, a reduction ranging from 5 percent to 7.5 percent is being considered.

Personnel Costs Dominate Hospital Budgets

Ms. Baptiste said salaries and employee benefits account for 79 percent of the budget at JFL and 70 percent at Schneider Regional Medical Center.

"A functional system cannot operate with having wages and benefits at that level," she said while answering questions about the recently announced workforce reductions.

Ms. Baptiste later explained to Senator Novelle Francis that the goal is to move money away from personnel costs and into other areas of hospital operations.

"we submitted the austerity plan in reference to the \$6.5 million dollars we're anticipating to repurpose within our budget."

The hospitals intend to direct the money toward supplies and "long-standing accounts payable."

Responding to Senator Joseph's questions about implementation, Ms. Baptiste said hospital leadership must complete its analysis before presenting the plan to the governing board.

"once we're finalized and go through, we take it to the board, and then we make a determination. From a leadership perspective...the best time for us to do it is at the end of the fiscal year."

She assured lawmakers that administrators would "make sure that persons aren't readily affected by how we impose it."

The final form of the workforce reduction has not yet been determined.

"We don't know exactly what it's going to look like. We're doing a lot of analysis around it, so it's really important," Ms. Baptiste told Senator Francis. "I know that folks are very concerned, but again, we're looking at our KPIs, those persons who bring value. We're

looking at our retirees and budgeted vacancies and opportunities to introduce technology into the sphere of our circle of work,” she said.

The review will therefore consider employee performance indicators, retirements, currently budgeted vacancies and areas where technology could be introduced into hospital operations.

Ms. Baptiste later repeated that those areas remain central to the analysis.

“We’re looking at our retirees and budgeted budgeted vacancies and opportunities to introduce technology into the sphere of our circle of work,” Ms. Baptiste stated.