

The Virgin Islands Consortium

V.I. Government Receives Over \$19 Million In "Retroactive" Medicaid Funds

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The Virgin Islands Government has been given \$19.9 million in what is being called the medicaid "retro funds claim," after the federal government conducted an "exhaustive audit" commissioned in 2011.

As the funds became available, Governor de Jongh drafted legislation revealing how he believes the money should be spent.

In his transmittal letter to Senate President Shawn-Michael Malone, the governor said his proposal centers on the vital "need in our community to address the interlocking relationships of critical healthcare coverage, mental health needs, our seniors, early

childhood efforts and our juvenile rehabilitation requirements." The letter also stressed the onetime nature of the funds, and urged the money not be used for appropriations or be added to the annual budget.

"The proposed use of \$12 million of the total follows my administration's deep-seeded priorities that healthcare coverage be accessible to those with the most needs, while at the same time reducing uncompensated healthcare costs and allocating our limited resources in the best possible way," Governor de Jongh said. "Funding for the two hospitals includes \$1.5 million each to be paid directly to the Water and Power Authority (WAPA) for outstanding electricity bills. The remainder of the funds will go to the Department of Human Services to address the need for elder care, complete some Head Start projects, and construct new buildings at the Youth Rehabilitation Center on St. Croix."

According to the Governor's proposal, the funds should be spent as follows:

- \$5 million to Governor Juan F. Luis Hospital & Medical Center (\$2 million for general purposes, \$1 million to rebuild and restore the acute care inpatient psychiatric unit, and \$1.5 million to WAPA);
- \$5 million to the Schneider Regional Medical Center (\$3.1 million for general purposes, \$400,000 to develop a pilot day program for adults with mental illness, and \$1.5 million to WAPA);
- \$1.5 million to the Department of Health (for mental health programs and implementation of care coordination services for the enhanced Medicaid Program via a patient centered medical home);
- \$250,000 each to the Frederiksted Health Center and St. Thomas East End Medical Center (for implementation of care coordination services for the enhanced Medicaid Program via a patient centered medical home);
- \$7,941,076.50 to the Department of Human Services (\$3,072,600 to construct four buildings at the Youth Rehabilitation Center on St. Croix, \$2 million for a pilot home-based program for frail seniors, \$250,000 to finish the Claude O. Markoe Head Start site and renovate or replace playgrounds at other Head Start sites, and \$2,618,476.50 for Government of the Virgin Islands' matching funds for various Medical Assistance Program initiatives).

The funds became available at a very critical time for the territory, as the downturn in the economy--mostly due to the closure of the HOVENSA refinery--has lead to the cutting back by government agencies and residents alike.

The Governor said he was pleased the audit confirmed the availability of these funds and thanked the Center for Medicare/Medicaid Services for its swift review of the information submitted by the Department of Human Services, and for making the funds readily available.