

The Virgin Islands Consortium

JFL Loses \$3.2 Million In January, But Hospital On Path To Retain CMS Certification

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We looked at your hospital from top to bottom and we were gratified to learn that there were not a host of clinical problems. We did not discover bad care.

-- Bud Pate of Greeley Consultants

St. Croix's Juan F. Luis Hospital (JFL) is well on its way to retaining its certification when the Centers for Medicare and Medicaid Services (CMS) is expected to revisit the hospital in August to determine whether a Systems Improvement Agreement (SIA), issued by CMS to allow JFL to get its house in order, was upheld.

That's according to an executive of Greeley Consultants, the company hired by JFL to aid the hospital in its SIA compliance efforts, at a Hospital Board meeting held Saturday at the Luis Hospital.

"We looked at your hospital from top to bottom and we were gratified to learn that there were not a host of clinical problems," Bud Pate said via telephone. "We did not discover bad care."

Pate continued: "What we did discover was things related to the past findings, the ability to resolve those findings, and we did find obviously financial and governance issues. And our basic finding was that the organization was doing a lot of things, but lack, in general, the traction for sustainability."

Pate then described the way in which Greeley has been working to accomplish its goal of making JFL fully compliant.

"We started along with the leadership of the organization on a series of very tight IOU assignments [to determine] who was going to do what by when. This has been very well incorporated into the functioning of the organization, and we have a series of action plans and tracking sheets that ensure that commitments are kept," he said.

Pate also spoke of initiatives being taken by Greeley to bring JFL up to par; however, it wasn't until board member, Dr. Anthony Ricketts asked directly about the hospital's SIA progress did Pate share what everyone at the board meeting wanted to know.

"I would estimate that [JFL] is 85 percent complete and you will be at 99 percent by the end of this month," Pate said. "Then we expect [through our] current projection, that somewhere in June of this year, you should be in full compliance -- not just in the things that were cited, but for the rest of the commitments of participation through the actions that I previously described, so that we will have a couple of months to begin practicing in full compliance before we expect the CMS survey."

Yet, JFL remains in a financial hole -- one that has been dug deeper with [recent](#) retroactive pay and pay raises given to some employees at the institution.

JFL already owes [more than \\$50 million to its debtors](#), and according to documents made available by the hospital, in the month of January alone, it netted a loss of \$3,192,441, compared to a loss of \$2,887,673 in 2014, a difference of \$304,769.

The documents showed that JFL's operating income for October 2014 through January 2015 was \$7,452,378, compared to \$6,316,454 from October 2013 through January 2014, a difference of \$1,135,924.

Tim Lessing, the hospital's new chief financial officer, acknowledged the \$3.2 million the hospital lost in the month of January, but pointed to areas of improvements, including "[gross charging](#)," which he says is a "direct result of the efforts put in place through our redesign," and "charge capture," which is the sourcing of information for use in a medical claim document, a critical element of the hospital's overall revenue cycle.

Lessing said he and his staff were able to identify opportunities for enhanced services, and a rate increase that was recently included.

"All-in-all, we were still able to maintain the contractual rate [which] continues to improve. And as we try and identify the different tier population that comes through our door, [the information] will help us to better determine and project what the expected cash flow is from that business," he said.

Lessing further explained that the contractual rate in 2014 was 68 percent but has decreased this year.

"For every dollar you made you were writing off approximately 68 cents," he said. "[However], that improved in January 2015 with a reduction to 65 cents." He said January was "an opportunity month" for JFL.

In other board action, the hospital reappointed the medical staff privileges of six physicians for two-year terms, including:

1. Olivine A. Treasure, MD -- OB-GYN
2. Guy Garmin, MD -- Surgery/Otolaryngology
3. Germaine Owen, MD -- Family Medicine
4. Learie Lindsey, MD Neonatology
5. Jason Snow, PA -- Internal Medicine
6. Kelly Richert, PA -- Emergency Medicine

The board also granted two new candidates a one-year term of medical staff privileges. They include:

1. Lisa Gay, Nurse Practitioner
2. Lactancio Fernandes, MD, Critical Care/Pulmonary Medicine

The JFL board adopted a resolution to open a reserve account for the purpose of housing the \$10.3 million the hospital expects to receive from the Senate, Mapp administration and other sources to complete the SIA. However, the language is being changed to not include a specific figure because Lessing said the hospital is not yet sure if the cost of full compliance of the SIA will be more than \$10.3 million.

The JFL board also adopted a resolution to remove Paul O'Neal as the hospital's certifying officer and another for the hiring of a new certifying officer.