The Virgin Islands Consortium

Senate Passes $7 Million Appropriation Bill To Keep JFL Afloat, But Govm't Has No Money, Finance Commish-Designee Says

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The 31st Legislature met on Thursday in St. Thomas to take action on a bill to appropriate $7 million for the funding of the Juan F. Luis Hospital (JFL), but not before hearing testimony from the institution's CEO Dr. Kendall Griffith.

Griffith, joined by hospital board chairman Dr. Anthony Ricketts and Tim Lessing, JFL's chief financial officer, yet again made his case for why the hospital needed financial help from the Senate to successfully meet a Systems Improvement Agreement (SIA) deadline set between the months of August and September, when the Centers for

Medicare and Medicaid Services (CMS) will inspect the hospital and make a determination on its certification status.

Griffith also revealed savings brought forth by job-cutting and other measures, and Lessing said the hospital was current with payments to Boston-based Ropes & Gray and Greeley Consultants, based in Danvers, Mass., the legal and consulting firms aiding the hospital with CMS compliance.

If JFL loses CMS certification, Griffith argued, the ripple effects would not only affect St. Croix, but the Virgin Islands in its entirety. He also said the hospital relies on Medicare and Medicaid for 60 percent of its revenues, which amounts to $24 million annually, and if those funds were to be lost, the hospital would become unsustainable.

When factoring insurance and other costs that would undoubtedly pile up if CMS pulls out, the annual loss of revenue for the beleaguered hospital would be about $50 million, Griffith made known, a much greater sum than the $7 million the hospital is seeking to not only stay afloat, but to help create a sustaining strategy moving forward.

And it was sustainability St. Thomas Sen. Justin Harrigan questioned Griffith about, after reading reports of the possibility of CMS failing JFL's efforts because they were meant to be only patches and not permanent arrangements, according to Harrigan.

Griffith disagreed, telling the freshman senator,"We are changing JFL inside out. The changes that we are making are to, one, fix those deficiencies, but the plans that [we are working on with Greeley] are to ensure that those changes are sustainable."

Harrigan, after listening to Griffith's testimony of the dire consequences St. Croix would face if JFL does not receive funding, asked Finance Commissioner-designee Valdemier O. Collens, who attended the hearing to testify on the government's behalf, "What are the options that the folks at JFL have."

Collens, however, offered no solutions.

"I'm not here to espouse any policies relative to the hospital. What I do know is that we're looking at cash everyday, and what I can report to you is based on that information, our situation in terms of providing [funding], we definitely will not be able to do it in a lump sum, that will not happen," he said. "But, clearly, we just don't see how we can do it at this time, given the funds that were selected in the bill."

Dissatisfied by Collens' response, Harrigan pressed further.

"Well, Mr. Collens, I'm a little baffled by that. You didn't say, 'Well, we will see what we can do,' [or] 'We will see if we can help.' Plain out we just don't have the money and I guess they're on their own. Is that what I'm hearing from your testimony today," Harrigan asked.

Collens said he was in support of JFL's existence and good standing, but reiterated the government's stance that there is no money to fund the hospital.

"Senator, we are in support of the bill, don't get it wrong. We know that the Juan F. Luis Hospital needs the money to correct the measures that were brought forth. However, in terms of what was presented in the bill, in terms of funding, I'm just here trying to tell you that we just don't have it in those particular funds, and we don't have it when I look day-to-day at our cash balances, especially if the idea is it would be a lump sum from the central government. We cannot do that," Collens said.

St. Croix Sen. Kurt Vialet later asked Collens about some $6.4 million that insurance company CIGNA owed the V.I. government, of which $1 million was allocated to JFL's psychiatric ward. While Collens said he was aware the money had been received, "I don't have that information with me at this time to determine what was allocated," he told Vialet.

Vialet then pointed out to Collens that all the other entities that are owed money from the $6.4 million should receive it, "as prescribed by law."

The bill received full Senate support, and 14 of the 15 senators sponsored an amendment offered by St. Thomas Sen. Janet Millin Young, which appropriates $3.4 million in funding to the Schneider Regional Medical Center in St. Thomas. It was not made clear how the funds for JFL would be dispersed, nor that of Schneider, who is also in financial trouble.

And while the senators supported the bill, they cautioned JFL to not only use the funding wisely, but put in place sustainable mechanisms so the hospital's officials won't be back before the Legislature next year asking for more money.

"Be a good steward of tax payer monies, to the extent that this bill is approved today, and to do the right thing for the people of St. Croix," admonished Sen. Nereida "Nellie" Rivera-O'Reilly.