

The Virgin Islands Consortium

GERS Fed Up With Juan Luis \$5.3 Million Debt, Vows Action Against The Hospital

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In a meeting Thursday at its Golden Rock offices in St. Croix, the Government Employee Retirement System (GERS) board vowed it would take action, including the opening of a criminal investigation into possible embezzlement, to recoup the estimated \$5.3 million St. Croix's Juan F. Luis Hospital (JFL) owes the retirement system.

JFL has been withholding GERS contributions from its employees' paychecks, but have not made those payments to the retirement system for more than two years. The hospital also has not made its employer contributions to GERS.

By unanimous vote, the board approved two motions made by member and retired judge, Edgar Ross, the first of which authorized GERS Administrator Austin Nibbs to take appropriate action to begin collecting the outstanding debt from JFL.

The second motion made way for the matter to go before the V.I. Attorney General and the U.S. Attorney's Office to be investigated for criminal conduct and possible prosecution.

Ross called JFL's dealings "criminal" and suggested the board take court action against the hospital. However, Nibbs informed Ross that under the de Jongh administration, government entities were prohibited from engaging each other in lawsuits. Under the new Mapp administration, however, Nibbs said that could change.

While the hospital has not been making the required payments to GERS, JFL has handed out \$1 million in raises and \$600,000 in retroactive pay, a recent revelation that has brought the hospital's leadership under fire.

In the fall of 2014, the Centers for Medicare and Medicaid Services (CMS) was on the verge of decertifying the hospital, which would have stopped the funds the publicly-owned hospital receives from the federal agency. The decision came following the results of an audit CMS conducted at JFL last summer that revealed a host of severe deficiencies and non-compliance issues at the hospital.

However, JFL's decertification was averted when hospital officials visited the agency's offices in Baltimore to plead their case. JFL was first given weeks to establish a Systems Improvement Agreement (SIA) and an additional nine months to execute it. CMS officials will perform an unannounced visit to JFL in August to see if the hospital had met the requirements of the SIA.

Luis Hospital officials say they need \$10 million to meet the requirements of the SIA. On March 7, after receiving testimony from hospital CEO Dr. Kendall Griffith, the V.I. Senate approved \$7 million in appropriations -- an amount the lawmaking body admits the government doesn't have -- to help fund the hospital's CMS-compliance efforts. The bill has not yet been signed by Gov. Mapp.