

The Virgin Islands Consortium

Sen. Graham Suggests Tax Refund Garnishment For Residents Who Fail To Pay Hospital Bills

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ST. THOMAS -- Uncompensated care. It's the biggest drag on the Schneider Regional Medical Center (SRMC) according to officials testifying during a Committee on Finance budget hearing on Thursday. It costed SRMC \$28,753,566.25 in fiscal year 2014, and currently stands at \$16,830,522.59 this year -- and will grow to \$25,245,783 by October 2015 if current trends continue, according to the hospital's CEO, Dr. Bernard A. Wheatley.

Uncompensated care is the total amount of healthcare services, based on full established charges, provided to patients who are either unable or unwilling to pay. Sen. Clifford Graham, chairman of the committee, said it is his belief that the government should pay

for residents who receive attention but cannot afford it.

"I've said it before and I'm going to continue saying it: for every dollar of uncompensated care that the hospital experiences, it is not the hospital's responsibility to pay for that," Graham began. "That is the Government of the Virgin Islands' responsibility.

"If you have a certain segment of your population that is not insured and they seek medical attention, right now you are carrying the burden," Graham added, motioning to Wheatley. "And that is not fair to the hospital."

The St. Thomas Democrat said the territory's medical facilities will never become solvent if this trend continues.

"And that's another reason why the Schneider hospital and the [Juan F.] Luis hospital will continue to have operating deficits, because you can't turn them [patients] away. You have to provide the service. And it can go as far as a shooting victim that goes into surgery, it could be someone that's hit by a car crossing the road -- you have to treat them whether they have insurance or not," Graham said.

Graham then asked Wheatley the means through which SRMC investigates uninsured persons, "because I'm sure that there may be a population out there that is uninsured, but was provided service by the hospital, but they do get a tax refund check," Graham said.

He then asked: "Can you go and investigate things like that with an agreement with the Bureau of Internal Revenue?"

Wheatley, however, said that such a move represents "uncharted territory" and "new turf," adding that he's not aware of any such option.

The CEO then diverted the conversation to focus on steps the hospital should implement on its end to recoup lost funds.

"We have to do due diligence at the front end, because what we find [is] that some people may have a medical assistance card, for whatever reason they got this card, and when you do a check, they do have Cigna or Blue Cross," Wheatley said. "That happens quite a lot in the territory, because they are trying to defer the co-pay and they think they're going to lay under the radar, so we have to do the front end work in our patient registration area to verify patients."

He added: "Many times you check the patients who say they have no insurance, [however] they turn out to be medicaid-eligible or medicare-eligible and may even have Cigna or a spouse may have Cigna, which is qualified because they are under a family plan. So that's incumbent upon us to do our jobs at the front end."

Graham, however, insisted that Wheatley and his staff have a conversation with BIR, "because some of that bad debt that you have (\$16 million) on your books, may be people who are getting returns every year, and we have to be able to find a way that the two government entities can communicate, legally of course, so in fact that you may be made partially whole on some of these cases."

The senator did not specify or give ideas as to what percentage of tax refunds would be garnished if such a move took hold.

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