The Virgin Islands Consortium

JFL 'Riding On A Prayer' To Deal With Problems; Assistant CFO Resigns Following Decrease In Salary

Health / **Published On February 05, 2017 10:59 AM /**

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ST. CROIX -- Officials of the Juan F. Luis Hospital were at the Fritz E. Lawaetz Legislative Hall on Friday explaining to members of the Senate Committee on Health and Human Services, the major issues the hospital is facing. Two pressing problems that are currently hard to solve because of the lack of funding: JFL's debt load of $52 million, and finding monies for a new $19 million heating, ventilation and air conditioning (HVAC) system, which the Centers for Medicare and Medicaid Services identified in its latest report of noncompliance. The hospital also rejected bids it had placed out for repairs of the HVAC system, with one of the reasons being "clearly unreasonable prices," according to hospital acting CEO Richard Evangelista.

Mr. Evangelista spoke about the steps the hospital had taken as it grapples with ways to satisfy its own Plan of Correction document that was rejected by CMS; JFL has since resubmitted a new document. He mentioned preparation for work on the hospital's roof as part of the deficiencies identified by CMS, adding that the hospital had retained a vendor to commence work on the project.

"The hospital remains committed to promoting a safe environment for patient care and fulfilling the action plan outlined in the revised plan of correction," Mr. Evangelista said.

Yet, even with all its efforts, funds to meet the demands of the hospital's P.O.C. remain scarce, and Mr. Evangelista described the situation as "riding on a prayer."

"We do have an ongoing capital improvements needs list. Unfortunately, everyday, depending on what occurs, that list changes in priority, and we can only address those issues that we can actually afford," Mr. Evangelista said. "Having said that, we pray that everything stays afloat, but if something sinks in the middle of the night, then obviously we have to go address that issue."

Giving an example, Mr. Evangelista pointed to the facility's drainage system between the emergency department and the medical records room that was recently clogged. The hospital had to expend funds to fix the problem.

"You ask what is our plan? We're really riding on a prayer," Mr. Evangelista said.

Another major problem as made known at the hearing, was the resignation of the hospital's former assistant chief financial officer, Michael Younger, who resigned effective January 31 following a St. Croix district board action that decreased his salary from $120,000 to $90,000 annually.

The board instructed Mr. Evangelista, who then instructed Chief Financial Officer Tim Lessing to carry out the directive. Mr. Lessing said he told Mr. Younger about the board decision. "Obviously he was concerned," Mr. Lessing said. "But his response was, 'Is there going to be a reduction in my work as a result of a $30,000 reduction?' And I told him at that time, no. There would be no reduction or change in work. At that point, that is when he made the decision that he would start looking elsewhere," Mr. Lessing said.

The directive to lower Mr. Younger's salary and his subsequent resignation, which riled many senators during the Friday hearing, was signed by then-Board Chairman Troy de Chabert-Schuster. Asked whether the position that Mr. Younger held commanded a $130,000 salary, Mr. Lessing explained that prior to Mr. Younger's arrival, there was a consultant group that the hospital was paying $300,000 for the hospital's patient financial services. When Mr. Younger came on, he was taking care of the patient financial services component as well as materials management -- double the work for less than half of what the consultant group was being paid.

Senator Kurt Vialet, former chair of the Committee on Health and Human Services and ardent supporter of the hospital, described the situation relative to the hospital's ability to bill and receive compensation for services as troubling. He asked if it was possible for Mr. Lessing to perform the role of Mr. Younger while remaining CFO, in an effort to keep billing at the levels equal to when Mr. Younger was employed at JFL, Mr. Lessing said, "In my opinion, no sir. There's just not enough time in the day." Asked whether the hospital had a short-term plan to fill the void, Mr. Evangelista said he would have to wait until the next board meeting, which takes place on February 15, to even begin the process of searching because of a board directive that requires such actions be approved by the board.

Mr. Vialet decried the structure, stating that it was impeding the hospital's ability to function. He chastised the board and floated the idea of dismantling it altogether. "Something is seriously wrong, and I keep on saying that over and over and over. It really doesn't make a difference how many meetings we have. It doesn't make a difference how much money we give to the hospital in assistance. If we don't have some very basic changes, and if we don't have the process of meddling to stop, we're going to continue to have issues," Mr. Vialet said. As if to highlight the dysfunction, he said that in his short time as a senator, JFL has had three CEOs and no sustained leadership.

"The biggest issue I have is that we don't have a permanent CEO, we don't have a permanent CNO, we don't have anybody as a COO," he added. "So the only permanent position we have right now is a CFO. At some point we have to name individuals, have a firm team, and then proceed forward."

And, even as the hospital continues to struggle financially, the board approved a search for a new CEO that's set to cost $135,000; a search that's not certain to yield a positive result. Mr. Vialet said the search, at a time when the hospital is literally begging for money, was not a prudent decision.

Asked whether there was someone in the finance department that could fill Mr. Younger's job duties, Mr. Lessing said there was no one with that level of expertise. He said two new positions were needed to meet the demands: a director of the business office, and a director of patient financial services -- positions that could cost the hospital $160,000 combined, and $40,000 more than what Mr. Younger was being paid.

Mr. Younger was able to pass on knowledge of critical functions of the Medical Information Technology, Incorporated (Meditech) system that the hospital uses, "to ensure that employees get paid," according to Mr. Lessing. But there was no one with the knowledge to perform the system's complete list of functions.

"The board of the hospital is what has literally destroyed everything that we have tried to put in place for the last year and a half, to include Dr. Okolo, who was there and all the foolishness that went on, and literally chased him from the island when we were seeing some changes," Mr. Vialet said. He said if the board continued meddling, "we might just have to disband the board and come up with a different structure."

According to Mr. Lessing, Mr. Younger is now employed by a firm named PSM Inc, which helps hospitals -- including JFL -- with billing. "As soon as PSM became aware that he had put in his resignation, they had made the statement, knowing his expertise, 'We would hire you today,'" Mr. Lessing said. Mr. Younger then discussed the proposal with his wife, and made a subsequent decision to except the offer. Mr. Younger is employed at a high level at PSM, according to Mr. Lessing.

The advisory board's work that JFL had hired before retaining Mr. Younger and Mr. Lessing, included patient accounting, business office as well as working with developing revenue cycle. That work load was absorbed by Mr. Lessing and Mr. Younger, according to Mr. Lessing. He said their combined duties accounted for millions of dollars in funds to the hospital, including Medicaid funds. But with Mr. Younger no longer at JFL, Mr. Lessing must now scramble to fill the void, and yet he can't take action until a February 15 board meeting.

"Lord have mercy," Senator Sammuel Sanes lamented. "So we got rid of an individual that was costing us $120,000 to be exact, and now we are in jeopardy of losing millions."

"Man, we don't move forward at all. We don't get a break. We really do not get a break," he said.