

The Virgin Islands Consortium

Financial Crisis: V.I. Government Not Making Budget Funds Allotment To Hospitals

VIC News / **Published On March 11, 2017 12:07 PM /**

Ernice Gilbert **March 11, 2017**



ST. CROIX -- The territory's hospitals, already struggling with various other financial woes -- the hospitals owe the Virgin Islands Water and Power Authority millions in unpaid power bills -- have not received their budget allotment from the V.I. government in over a month, executives of the Schneider Regional Medical Center (SRMC) and the Juan F. Luis Hospital (JFL) said during a Committee on Government Affairs, Veterans, Energy and Environmental Protection Senate hearing, held in the Frits E. Lawaetz Conference Room here on Friday.

According to SRMC CEO Bernard Wheatley, the hospital has consistently received its budget allotment 6 to 8 weeks late for this fiscal year, which began on October 1, 2016.

"To date, SRMC has not received one penny of February's allotment from the central government of the Virgin Islands, nor has it received one penny of March's allotment," Mr. Wheatley said. "SRMC is presently awaiting \$3.9 million from February and \$1.93 million from March. SRMC is desperately waiting to receive its allotments and is struggling to maintain operations and provide quality patient care.

Mr. Wheatley said the allocated funds are used to offset "the tremendous amount of uncompensated and undercompensated patient care that the organization provides," which he says helps the hospital maintain its operations and keep its doors open.

As for JFL, Acting CEO Richard Evangelista said at the hearing that the hospital had not received its budget allotment for February, and that it was struggling to make its biweekly payroll -- which compounded its ability to make payments to WAPA.

"As soon as the hospital can meet its biweekly payroll in a timely fashion, the hospital will add WAPA to its mandatory monthly costs," Mr. Evangelista said.

The acting chief executive said JFL's employees were instructed to "turn off the lights in any room that is not in use and to either ensure faucets are closed or leaky faucets repaired post haste."

Combined, the territory's hospitals owe WAPA \$18.6 million in total, with SRMC owing \$8.1 million, while JFL owes \$10.5 million. Year to date, JFL owes \$136,666, while SRMC owes \$76,000.

Both hospitals have been considering energy efficiency alternatives to reduce their power consumption, but the hospitals need funds to implement those changes.

Meanwhile, during the same Senate hearing, WAPA Executive Director Julio Rhymer Jr., revealed that the authority had appealed in the territory's Superior Court a Public Services Commission decision to deny a previously approved base rate increase, contending that the PSC's decision, if upheld, would have "catastrophic" consequences not only for WAPA, but V.I. residents.

"As a result, the authority was left with no choice but to seek relief by the Superior Court of the Virgin Islands," Mr. Rhymer said, adding that the case was filed on February 28.

According to Mr. Rhymer, the basis of WAPA's filing includes the failure of the PSC to give WAPA with ten days' notice of a meeting as required by law; the failure of the PSC to notify WAPA that it was considering rescinding the increased rates that were previously approved; and the failure of the PSC to allow WAPA due process, present evidence, ask questions, and establish to the PSC the impact of its action to rescind the base rate increase.