The Virgin Islands Consortium

Stakeholders Testify On $39.5 Million Medicaid Reimbursement As Bill Is Sent To Rules And Judiciary

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While Governor Albert Bryan during a recent interview with The Consortium maintained his stance that St. Croix lawmakers were pandering for votes when they attended a Juan F. Luis Hospital employees meeting on Mr. Bryan's proposed use of a $39.5 million Medicaid reimbursement, Mr. Bryan's finance officials -- Dept. of Finance Commissioner Designee Kirk Callwood and Office of Management and Budget Director Designee Jenifer O'Neal -- admitted during a Wednesday Committee of the Whole session that they would have done things differently after hearing from the stakeholders.

Bill No. 33-0072 appropriates specific sums of money to various government agencies from a $39,467,909 retroactive Medicaid fund paid to the Virgin Islands Medical

Assistance Program (V.I.M.A.P.) for the territory's medical facilities.

The question prompting the response from the Bryan administration officials was posed by Senator Allison DeGazon, who asked, "Would you change anything in the bill having all of this information, and possibly meeting beforehand with the stakeholders? What are your thoughts now? Because if we haven't learned something here, then I think we're really just defeating ourselves."

Mr. Callwood responded, "Absolutely, and as director designee O'Neal put it in her testimony, we would rethink the whole bill because now with the data information coming out, we know that the funds were generated by these health facilities, so rightfully so, they need to be at the table."

Mr. Bryan, when asked in the interview whether the stakeholders should have been at the table, said were the circumstances different, they would have been brought to the table, but because of the urgency of the matter -- contending that WAPA desperately need the funds -- he stood by his action.

Senators, however, decided that the measure needed further vetting and that stakeholders' input needed to be heard. A special-order attempt during a May 14 session failed. Senators have since decided to start over, sending the bill back to the Committee on Rules and Judiciary. Wednesday's session was a chance to give stakeholders the floor.

Testimony came from the Juan F. Luis Hospital, the Schneider Regional Medical Center, the St. Thomas East End Medical Center and Frederiksted Health Care -- all medical facilities, along with Sea View Nursing Home, that were supposed to be beneficiaries of the funding. Senator Kurt Vialet told The Consortium Thursday morning that the bill will be amended once in the Committee on Rules and Judiciary to include funding for East End Medical and Frederiksted Health Care. Additional funding will also go to the hospitals aside from what will be used to pay down their debt to WAPA, according to Mr. Vialet. He said funding to assure that JFL's interventional cardiology services is stabilized will be included, along with funding for S.R.M.C.'s Operating Room, which Mr. Vialet said was "falling apart."

The medical facilities spoke of their need, highlighted damages they suffered following the 2017 storms, and how their operations were affected. They also sought to remind lawmakers that the $39.5 million was not free money, but instead funds owed to the facilities.

Bernard Wheatley, S.R.M.C. CEO, said the $39.5 million recently received by the territory was not an award of additional funds. "It is reimbursement for care provided under the Medicaid program and determined by reconciling providers' costs to their Medicaid payments," he said. "As with any cost reconciliation payment methodology, providers' cost is audited to determine if their cost of providing services to Medicaid clients was covered by the initial payments they received for those services. As such, providers will be due an upward or downward adjustment to previously paid claims. The net results are the providers are owed or due the difference between what was paid and the adjusted amount."

Massarae Sprauve-Webster, Frederiksted Health Care CEO, highlighted the work the medical facility has been providing to the community along with areas where work needed to be done. "As we look to solve these challenges, we must ensure our organization remains on sound financial footing and operations are sustainable. Fair compensation for the services we provided is imperative," she said.

Mrs. Sprauve-Webster said the cost report analysis before the funding was released took place over the course of almost two years beginning in 2017, with which Frederiksted was in full cooperation. She said the cost report analysis required significant resources not only from F.H.C., but J.F.L., S.R.M.C., East End Medical in St. Thomas and the Sea View Nursing Home.

"We were truly disappointed and saddened to realize that Bill No 33-0072 was presented to the Finance Committee without notification to Frederiksted Health Care, and further we were not afforded the opportunity to provide testimony," Mrs. Sprauve-Webster said.

"This amount is a legitimate debt owed to the health center for services that were 1) approved by the Virgin Islands Medical Assistance Program (M.A.P.), 2) provided by the St. Thomas East End Medical Center as an authorized Medicaid provider by M.A.P., and 3) delivered to certified Medicaid patients as determined by M.A.P.," said S.T.E.E.M.C. Executive Director Moleto A. Smith, Jr.

WAPA, considered a stakeholder in the distribution of the funds because of the substantial debt owed to it by the medical facilities, was also present to testify. CEO Lawrence Kupfer expressed disappointed that the total sum owed to WAPA -- more than $22 million -- would not be realized.

"Per the Bill, the sum of $9,903,746 is to be appropriated directly to the authority for payment of the services owed by the Governor Juan F. Luis Hospital and Medical Center. Further, the sum of $4,312,454 is appropriated to be paid directly to authority for services owed by the Schneider Regional Medical Center. The total combined amount allotted per the Bill is $14,216,200. For the record, the combined total owed by the hospitals for water and power services to the authority is approximately $22.9 million, which is the amount that the authority was anticipating. On an annual basis, the authority bills the JFL and the SRMC Hospitals $2.8 million and $ 3.7 million respectively," Mr. Kupfer said.

Mr. Kupfer said WAPA vendors were threatening to halt services if it couldn't meet its obligations. "Many critical vendors have indicated that they will no longer continue to provide their services to the authority if the amounts owed are not addressed. Should this occur, the authority will not be able to continue to provide certain necessary services," he said.

The tables were turned on WAPA, however, with the authority being lambasted by senators on a number of issues, including a recently revealed FBI investigation looking into how $2.3 million of missing WAPA funds were transferred to an offshore account.

The Waste Management Authority, which stands to receive $3 million from the $39.5 million, testified, too. The testimony revealed that the authority, like WAPA, was deep in debt and needed relief.

"The authority has an outstanding debt of $27,583,974.30 at the end of April," said Adrian Wade Taylor. W.M.A.'s interim director. The breakdown includes $12.6 million for landfill operations; $6.2 million for wastewater treatment plant operators; and $4 million to other vendors.