The Virgin Islands Consortium

VI Delegation Meets With U.S. Lawmakers In Washington To Discuss Issues Affecting Territory During Plaskett's 'VI Advocacy Day'

VIC News / **Published On July 19, 2019 11:11 PM /**

Staff July 19, 2019

Taxes, healthcare, and recovery were at the forefront of the discussions during the third annual Virgin Islands Advocacy Day on Wednesday, sponsored by U.S. Virgin Islands Delegate to Congress Stacey Plaskett, a release the Legislature issued detailing its members' participation in the event, has made known.

Ms. Plaskett extended an invitation to Senators Novelle Francis Jr., Myron D. Jackson, Marvin A. Blyden, Alicia V. Barnes, Janelle K. Sarauw and other VI representatives to meet with members of congress in Washington, D.C. to address critical issues faced by the territory such as drawdown delays from the Federal Emergency Management Agency and to advocate for bills H.R. 410, 412,1354, 1851, and 3300, which will be heard on the House floor in September, according to the release.

H.R. 3300 aims to provide tax relief to workers and families; H.R. 1851 allows certain federally declared disaster areas to be designated as opportunity zones for purposes of economic development and recovery; H.R. 1354 makes improvements to the treatment of the United States territories under the Medicare and Medicaid programs; H.R. 412 modifies the residence and source rules to provide for economic recovery in the possessions of the U.S.; and H.R. 410 provides reimbursement for possessions of the U.S. with respect to the earned income tax credit and the child tax credit.

Senators Myron Jackson, Alicia Barnes, Delegate to Congress Stacey Plaskett, Senators Novelle Francis, Marvin Blyden and Janelle Sarauw

Senators and representatives attending the advocacy day were separated into three groups and each visited with at least seven members of Congress, some represented by their senior policy staff. Ms. Barnes, along with Schneider Regional Medical Center's Chief Nursing Officer Darice Plaskett, St. Thomas Chamber of Commerce representative Richard Berry, and John Feranbach with Winston & Strawn, met with Rep. Frank Pallone's (NJ-06) Legislative Director Roberto Sada, Rep. Ron Kind (WI-03), Rep. Lloyd Dogget's (TX-35) Tax Counsel Dan Smith, Rep. Karen Bass (CA-37), and West Virginia Senator Joe Manchin, to discuss the following:

Medicaid

According to the release, 75 percent of VI patients are uninsured or underinsured, amounting to over $20 million dollars in uncompensated care. If the territory's Health Improvement Act does not pass, the percentage will likely increase. Most U.S. states have an unlimited amount of Medicaid funds, but territories have a ceiling. The federal government presently pays 55%, but territories are also required to pay a fixed percentage. This causes Medicaid reimbursements in the territory to not be as equitable, preventing the purchase of critical supplies, medicine, and equipment that will keep the territory in compliance with regulatory agencies such as CMS. This deficit prevents the territory from providing quality medical care.

Taxes

Recent tax legislation passed in 2017 caused a plethora of unintended consequences to tax regulations in the territory. As it relates to tax incentives, the U.S. has imposed an income limitation, thus treating the territory like a foreign jurisdiction when it comes to sales on the mainland, which is then considered VI income. Representatives said this was an oversight issue, and the implications of the overall legislation did not take the territory into consideration. Representatives said it is an oversight problem that may be fixed with a possible extension packet if the legislation is re-introduced, the release said.

Rebuilding / Permitting Processes

Ms. Barnes specifically advocated for the prioritization of ACOE permit applications, taking into consideration macroeconomic implications to assist the territory's recovery efforts.

"In terms of the permitting processes, most of our capital projects are linked to some sort of federal permitting. Whether it's marine development or maintenance dredging, we have to go through Army Corps of Engineers consultation process, where all applicable federal agencies consult on the project," she said. "The process is protracted and has increased the cost of development. NOAA also listed an additional 18 coral species as endangered a few years ago, so we are either asking for an exemption from the new species list, or to prioritize these projects on a case-bycase basis in terms of macro-economic implications instead of the current policy of first come, first served."