The Virgin Islands Consortium

WAPA Says All Employee Health Benefits are Safe Despite Unanswered Questions Regarding Premium Payments

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The Water and Power Authority reassured employees on Friday that their health benefits are safe despite heated questions from the governing board about late or missed payments to health and dental insurer CIGNA.

WAPA management circled the wagons and issued press materials that, among other things, include:

- A statement from Lawrence J. Kupfer, the embattled executive director of WAPA. The statement guaranteed that the authority is current in its medical and dental premiums payable to CIGNA.
- An email dispatch from WAPA Human Resources Director Sabrina King Leone to employees emphasizing that no one is at risk of losing health care coverage. The authority is in “good standing” with CIGNA and other providers, she said.
- A Florida-based benefits administrator, the Gehring Group, wrote a letter stating that WAPA “… provided verification that premium payments have been submitted through August 31, 2019.”

The all-hands-on-deck response came, in part, in reaction to a VI Consortium story on Friday reporting that nearly 500 WAPA employees could potentially be affected by late or delinquent insurance premium payments from WAPA to the insurer.

Governing board members were overheard Thursday demanding answers from WAPA staff to questions about the impact of delinquent “critical” payments on covered WAPA employees.

Board members in St. Croix and St. Thomas met via teleconference for an emergency meeting on Thursday to approve plans to hire an engineering company to swap used parts from a broken-down 20 megawatt generator on St. Thomas to repair a failing, twin generator on St. Croix. The board approved the nearly $1 million contract.

Prior to the emergency meeting, which was open to the public, board members met for an executive session behind closed doors. Executive sessions are intended only to discuss pending litigation and personnel matters.

The door was closed, but voices carry. And board members were heard sharply questioning WAPA finance staff about unpaid or late premiums due to CIGNA. It was unclear from the discussion on Thursday whether board members’ questions were resolved.

Kurt Gehring, head of the benefits managers, the Gehring Group, later on Friday wrote a letter apparently solicited by WAPA. Gehring said the company was unaware of any potential problems with employee coverage. “As of this date, there is no known risk that there will be any lapse in coverage,” he said in a letter provided to the media.

“This letter will serve as confirmation that Gehring Group has received verification from the Virgin Islands Water & Power Authority (WAPA) that premium payments have been submitted through August 31, 2019 to CIGNA Health and Life Insurance Company (CIGNA) for its employees’ medical and dental plans.”

The Consortium attempted to reach the Gehring Group for comment at an office phone number listed on the Gehring Group letter.

Each call to the Gehring Group office phone line in West Palm Beach was answered by the familiar message for a dead phone line. “The number you have reached is not a working number. Please check the number and try your call again.”

A second listed phone number – an 800 number – rang numerous times before the call was disconnected.

The Consortium interviewed several WAPA employees deeply familiar with healthcare and other fringe benefits offered by the authority

Each said they were aware of late or missed insurance premium payments by WAPA. The employees – who asked that their names not be used publically – also said that they have never experienced a lapse in healthcare coverage or had any problem obtaining medical services due to WAPA payments to CIGNA.

“The Gehring Group has received verification from the Virgin Islands Water & Power Authority (WAPA) that premium payments have been submitted through August 31, 2019 to CIGNA Health and Life Insurance Company (CIGNA) for its employees’ medical and dental plans,” said Kurt Gehring, company owner.

CIGNA provides medical and dental coverage to U.S. Virgin Islands’ government employees, as well as quasi-government outfits such as the WAPA. It is unclear when the payments to CIGNA were brought current, or how long the authority had been digging itself a shallow grave with a backlog of overdue insurance payments.