

The Virgin Islands Consortium

Senators Weigh Giving St. Thomas East End Medical Center Additional \$800,000 to Meet Deficit Related to Uninsured Patients

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St. Thomas East End Medical Center Executive Director Molet A. Smith Jr. By. V.I. LEGISLATURE

The Committee on Finance has been left to consider whether or not to provide the St. Thomas East End Medical Center (STEEMC) with an additional \$800,000 to supplement its operations in Fiscal Year 2023.

Although STEEMC is a privately-run facility, the government has historically funded about a third of its overall operating budget to meet the deficit for uninsured patients who are

treated at the center.

STEEMC Executive Director Moleto A. Smith Jr. on Monday shared with lawmakers that for the previous three years, the center has accumulated bad debt of \$1.9 million which it has written off for 2019 (\$715,000); 2020 (\$572,000); 2021 (\$624,000). He said the entity has made efforts towards collecting those monies without success.

“We have implemented a number of financial counseling collection efforts and so forth among the patients themselves in an attempt to collect them [outstanding monies]. Individuals who may qualify for presumptive eligibility, we ramped that up, to bring them in line with Medicaid eligibility but a vast majority of those persons based on our information, don’t qualify for Medicaid,” he explained.

During the pandemic, Medicaid was funding 93 percent of patient care through the Federal Medical Assistance Percentages (FMAP) – a temporary increase for the territories for fiscal years 2020 and 2021. This meant that the government would only have to match 7 percent of the cost. But that rate of reimbursement will revert to 55/45 by the latter part of 2022. According to STEEMC, the territory will go back to receiving 55 cents from the federal government for almost every dollar it spends on its Medicaid program.

Mr. Smith and his team have therefore asked law makers to approve \$2.9 million in government funding for 2023 - an additional \$800,000 compared to its appropriation in the 2022 budget of approximately \$2.1 million. He said those monies would help meet the gap in uncompensated care, to account for the increased cost of service delivery and employee compensation as well as to support the expansion of services offered at the facility.

“The impact is that the gap would widen unless otherwise funded through other means, particularly through the Legislature,” he remarked.

Eric Baynes, STEEMC chief financial officer said 90 percent of the funds given by the government goes towards personnel, while the remainder assists with utilities. “The local funds primarily cover support staff, so about 90 percent cover support staff and the other portion covers one quarter of operating expenses in terms on rent and utilities,” he said.

From March 2022 to July 2022, the center accumulated \$1.2 million caring for Medicaid patients; \$619,898 for Medicare; \$882,056 for self-pay; and \$316,746 for private insurance. Using those calculations Medicare represents about 50 percent of the hospital's program income; Medicare 10 percent; 15 percent for insurance; and 25 percent self-pay.