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Cigna Says it Did Not Provide WAPA With Funds for Party at St. Croix Castle; WAPA Explains Further

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Ernice Gilbert **December 14, 2022**

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The Castle of St. Croix. By. LUXATIC.

Cigna Health Insurance on Wednesday told the Consortium that it did not provide funds to WAPA for its party at the St. Croix Castle, a statement that contradicts WAPA's explanation when the authority said that the Castle was donated and that taxpayer dollars were not expended to host the event.

"In no way did Cigna offer any funding or donation for this party," the giant health insurer said. "Cigna Wellness Funds are strictly intended to cover activities that promote healthy living. WAPA is fully aware of what types of activities are considered a covered/reimbursable benefit."

WAPA, in [a statement on Dec. 7](#) clarifying how it paid for the party at the luxurious location, said the facility was donated, and that "much of the funding was provided through Wellness Funds contributed to WAPA by CIGNA, WAPA's healthcare insurer, for employee wellness/welfare events." WAPA further stated that its total out-of-pocket cost for both its St. Thomas/St. John and St. Croix events was approximately \$12,000.

The statements followed [a Consortium report](#) on the struggling authority's decision to host its Christmas party at one of the most opulent locations on St. Croix, at a time when it continues to rely on the local government to provide it with \$4 million on a monthly basis, without which the authority would essentially collapse, according to CEO Andrew Smith. The party is scheduled for Dec. 17.

"We're in survival mode now," Mr. Smith said during an Oct. Senate hearing when asked about the company's integrated resource plan that would allow it to begin to stabilize its operations. "We will return to a longer-term planning process," he said, but in the meantime without the subsidy from the government the company would "run out of cash."

On Wednesday following Cigna's statement, WAPA clarified further with a different statement and said while it receives wellness funds from Cigna, those funds were not used to pay for the party — contrary to what the authority said on Dec. 7. "The Authority receives funds from CIGNA specific for wellness activities. These funds were not used for the party," WAPA said. "When employees elect not to take advantage of the annual savings associated with their annual checkups, the Authority accumulates funds through CIGNA premium. Those funds are then placed in a separate Wellness bucket that is used for quality of life events and activities for employees. "

WAPA's financial crisis was exacerbated by Vitol, its propane supplier, which [suspended delivery](#) of the fuel mid-November over the amount of WAPA's capital lease obligation, or costs for the propane infrastructure that Vitol built at WAPA facilities. WAPA warned that the suspension could lead to rotating blackouts if a solution was not found.

A two weeks ago, WAPA said it had [remedied the situation](#) and that the territory would not see rotating blackouts after the authority successfully arranged a shipment of diesel, enabling normal power production at the St. Croix and St. Thomas power plants. However, the authority warned that due to the shift of operations to 100 percent diesel, "there will be sole reliance on the older generation units which may result in a reduction in reliability." Diesel is also significantly more costly than propane, which means the authority had to expend more funds to secure the shipment.

The authority further stated that the Aggrekos and Wartsilas, the newer generators, would not be in operation due to their need for propane.