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Raises For Schneider Executives Are a Modest Reward for Team That Placed Hospital on Firm Financial Footing, Acting CEO Contends

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S.R.M.C. Interim Chief Executive Officer Dr. Luis Amaro By. S.R.M.C. VIA FACEBOOK

ST. THOMAS — Schneider Regional Medical Center’s acting CEO defended pay increases for hospital executives as a “modest” income boost for the management team that he said steered the hospital from near-fiscal ruin to firm financial footing.

“Schneider Regional Medical Center (S.R.M.C.) is far from being in shambles,” Interim Chief Executive Officer Dr. Luis Amaro. “We have improved, and brought the hospital from the financial red and into the black. I think that should be rewarded.”

Perhaps. But the optics of the highest paid hospital executives pulling down even higher salaries as the facility continues to recover from the destructive 2017 hurricane season have not been good, and the action has solicited a backlash from Virgin Islands residents and lawmakers alike.

With that in mind, Mr. Amaro spoke to the Consortium on Friday about the pay raises, which total \$71,000 spread among eight senior executives. This amounts to less than 1 percent of the hospital's current cash balance, he said.

The raises [were approved last week](#) at the regular monthly meeting of the Virgin Islands Government Hospital and Health Facilities Corporation Territorial Board.

Senator Kenneth Gittens, for one, is not happy. He called on the hospital board [to rescind the pay increases](#).

“Our hospitals are in shambles and Virgin Islanders are being forced to fly off-island for basic services,” he said. “Lives are literally being put at risk and families are going into debt in order to receive care in Puerto Rico or the states. Where are our priorities? We should be looking at salary decreases for executives right now given that neither of our hospitals are fully functional.”

The St. Croix lawmaker said funds designated for salary increases should be diverted to helping senior citizens with the expense of traveling off-island for care. “This \$71,000 spent on executive raises could go a long way in assisting those in need.”

“When we actually begin rebuilding or resuming services at our hospitals then we can take a look at raises,” he said. “I do not know how in good conscience the Hospital and Health Facilities Territorial Board could consider raising salaries by even one dollar at this crucial time.”

Mr. Amaro said he “appreciates” Mr. Gittens’s concern. “He’s a legislator and has to answer to the people.” However, Amaro said, critics may not have been fully informed of the factors behind the hospital board’s decision to up the take-home pay of those in Schneider’s executive suite.

“Reading about Schneider executives getting raises – without the proper context ... I can appreciate legislators would be very upset,” Mr. Amaro said.

For the context, Mr. Amaro said the senior leadership of S.R.M.C. has been focused over the past five years on a strategic plan that has brought financial solvency to the hospital. “The result,” he said, “is a cash balance today that is six-times higher than the average balance S.R.M.C. has carried for the past few years.”

The hospital has landed on solid financial ground as a result of factors that are a combination of sound budgeting and plain, old good fortune.

For its part, Schneider Regional, along with the other public medical facilities — among them the Juan F. Luis Hospital and Frederiksted Healthcare — identified territory-wide errors in past federal funding reporting corrected cost adjustments to reimbursements owed to Medicaid providers. The savings from these two steps amounted to \$39 million of Medicaid funds to the Virgin Islands, \$13.5 million of which went to S.R.M.C., Mr. Amaro said.

“We took these monies and we did the right thing. We paid our debts. We took care of our vendors. We eliminated our WAPA (Water and Power Authority) bill. We adjusted all the negotiated rates of our union employees and our nurses and brought them up to market rates.

“We took care of all” before implementing “a very, very modest increase” in salaries, Mr. Amaro said.

He told the Consortium that S.R.M.C. employees of two unions had yet to solidify a new bargaining agreement, but Mr. Amaro stressed that he was certain a deal would be reached in the coming months.

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