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Unpaid Patient Bills of Over \$24 Million Threatens Schneider Regional Medical Center's Financial Health

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The Schneider Regional Medical Center in St. Thomas, USVI. By. ERNICE GILBERT, V.I. CONSORTIUM

Schneider Regional Medical Center is striving to provide advanced healthcare and save lives, according to the CEO, Tina Commissiong. In her recent appearance before the Senate Committee on Budget, Appropriations, and Finance on Tuesday, she defended the organization's \$105.7 million budget for fiscal year 2024, making it clear that additional funding is urgently needed.

Projected to generate \$72.3 million in net patient revenues in FY 2024, SRMC sources about 70% of its funds internally, Ms. Commissiong explained. She further outlined a proposed \$31 million appropriation from the territory's general fund, targeted to cover uncompensated care and local

Medicaid matching requirements, among other items.

In a breakdown of financial burdens, senators discovered the heavy weight of uncompensated care, which is expected to surpass \$24 million for the fiscal year. For FY 2023, SRMC has already billed over \$14.7 million in charges for self-pay patients, while only collecting 4%, or approximately \$556,000.

Among SRMC's biggest challenges is dealing with insufficient reimbursement from Medicare and Medicaid, coupled with difficulties in collecting revenue from self-payers. Ms. Commissiong highlighted that 80% of the care provided to the community by SRMC is either entirely uncompensated or significantly underpaid.

In response to the concern raised by Committee Chair Senator Donna Frett-Gregory regarding the high percentage of self-pay individuals failing to settle their bills post-hospitalization, Ms. Commissiong proposed various solutions, including improving Medicare and Medicaid reimbursement rates, extending local insurance coverage, and lifting the cap on Medicaid funds at the federal level.

Despite funding complications, SRMC is pushing forward with efforts to increase revenue, streamline collections, and trim expenses. CEO Commissiong cited a 17% increase in cash collections, peaking at a record \$5.7 million for May 2023. Additionally, she mentioned the introduction of an online bill pay option and text message bill notifications.

SRMC is also considering the expansion of its service lines in fields such as psychiatry, cardiology, dermatology, and gastroenterology, according to Ms. Commissiong. On the other hand, to reduce costs, the medical center is replacing expensive contract labor with permanent staff and has plans to divert some long-term care funding to compensate for care already provided.

Another significant challenge, as noted by Ms. Commissiong, is the hospital's struggle with deferred maintenance due to insufficient capital funding. The aging facility should be investing \$3.9 million annually into maintenance, repair, and replacements, she said. This sentiment was echoed by Darryl Smalls, executive director of the Territorial Hospital Redevelopment Team. However, he also mentioned that plans are now focused on complete replacement rather than renovation of the medical center, which needs to be taken into account while considering capital work.

Building trust within the local population remains a priority, with SRMC aiming to capture part of the \$30 million in insurance dollars that leave the territory. However, Senator Marvin Blyden expressed his dissatisfaction with the current situation by sharing a negative personal experience at the hospital. Sen. Frett-Gregory urged for robust quality assurance processes to prevent similar scenarios.

On a brighter note, Ms. Commissiong reported some significant successes for SRMC, such as the facility maintaining full accreditation for two years after completing the Joint Commission surveys with no major findings. Additionally, an exceptional review was received from the Centers for Medicare and Medicaid Services for the hemodialysis department.

The hospital is also progressing towards implementing a patient portal and virtual nursing platform. A new system, 82% complete, is anticipated to increase collections annually by around \$2.5 million. However, an additional \$3.5 million is required for completion, and the hospital is also seeking data backup solutions.

Concluding her appeal, Ms. Commissiong maintained that despite the financial challenges, SRMC is making good progress and delivering quality care to the community. She stressed the urgent need for financial support from the government of the Virgin Islands, underlining that, "We're an aging population. We are underinsured and uninsured. The hospital must receive meaningful financial support to continue to provide high-quality health care to the territory."

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