



Tina M. Comissiong, Esq., MPA, FACHE | Chief Executive Officer
Testimony to the Budget, Appropriations, and Finance Committee
36th Legislature of the Virgin Islands
Monday, August 11, 2025

Good afternoon, Honorable Senator Novelle Francis, Chairman of the Budget, Appropriations, and Finance Committee, Honorable Senators of the Budget, Appropriations, and Finance Committee, other Honorable Senators of the 36th Legislature present, Schneider Regional Medical Center staff, and the listening and viewing audience. I am Tina M. Comissiong, Esq., MPA, FACHE, Chief Executive Officer of Schneider Regional Medical Center (SRMC).

Thank you for the opportunity to appear before this Committee with the members of SRMC's leadership team to present testimony on SRMC's Fiscal Year 2026 (FY26) Budget. I want to begin by thanking all our SRMC staff for their continuous hard work and dedication to providing high quality care to our community despite the challenges we have faced over the past year with IT downtimes, staffing limitations, and supply shortages. It takes a team of committed individuals with a variety of skills to take good care of our patients – our doctors and nurses are awesome and are as highly trained and skilled as anywhere in the US – and we have many other employees who are part of the end result. Lab techs who run labs, pharmacists who provide medications, biomedical engineers who service clinical equipment, facilities maintenance personnel who maintain our environment of care, environmental services staff who ensure the patients rooms are clean, dietary aids who deliver patient meals, hemodialysis technicians who provide life-saving treatments, respiratory and physical therapists who build patients strength up for discharge, and the many other valued individuals who we can't all name that work hard and each play an important role in the symphony of caring for a patient.

My leadership team and I are blessed to serve and support that important work. We constantly engage with lawmakers, executive branch leaders, and community activists/members to advocate for our patients and the communities we serve. We are committed to partnership with JFL and the work of VIGHHFC to streamline and improve the healthcare system. We are also engaging with

the St. Thomas East End Medical Center (STEEMCC) to create warm hand-offs and increase access to primary care. We are committed to working collaboratively with all stakeholders to improve and expand access to high quality healthcare in the VI.

I would like to start my testimony by thanking this body for the appropriation of \$10 Million to assist SRMC with paying down our large Accounts Payable (AP). On May 28, 2025, under ACT No. 8985 we received \$6.5 Million from that appropriation and, as of July 22, we issued more than \$6.1 Million in payments. The remaining approximate \$400,000 of payments are actively being processed. While that \$6.5 Million provided much-needed relief on some outstanding important vendor accounts, these payments were catch-up payments for old amounts that built up over years due to the persistent underfunding of the system during those time periods. We must have the remaining \$3.5 Million that was passed in ACT No. 8985 released to us so we can continue making payments to vendors with outstanding account balances as there are a number of important supply and staffing vendors that are awaiting and demanding payment on their accounts.

This body's swift action in allocating funding for healthcare to restore services and give the hospitals the ability to get staffing and supplies is tremendous. Responding to the community's constant demands for adequate funding for our healthcare facilities shows that you are connected and that you care. Everything we do at SRMC is about the people we serve, and we are good stewards of the money you have given us.

THE PEOPLE WE SERVE

The SRMC umbrella includes three key facilities: The Roy L. Schneider Hospital (RLSH) on St. Thomas, Myrah Keating Smith Community Health Clinic (MKS) on St. John, and the soon-to-reopen Charlotte Kimelman Cancer Institute (CKCI) on St. Thomas which will serve the entire Virgin Islands and our neighboring islands including the British Virgin Islands.

Our facilities are very busy, and we serve a high volume of patients at our facilities. SRMC had a total of 73,351 patient encounters in FY 24. This includes 21,458 patient days in inpatient beds at RLSH, 18,150 emergency department (ED) visits, 26,118 outpatient services including labs, x-

rays, and doctor visits at RLSH, and 7,625 outpatient services including labs, x-rays, and doctor visits at MKS. Those volumes have remained steady throughout FY25.

SRMC's Gastro Health department was opened in October 2023 to address the need for on-island cancer screening colonoscopy and endoscopy services. In FY24 we performed 862 GI procedures and so far for FY25 776 GI procedures have been performed. These visits have led to cancer being detected earlier and lives being saved.

SRMC's Wellness Clinic which we opened in April 2023 to address the need for on-island mental health and therapy services has had more than 1,898 mental health therapy sessions and office visits so far this Fiscal Year.

SRMC's Operating Room continues to serve both emergency and scheduled elective patients. We performed 1676 procedures in FY24 and 1109 so far for FY25.

SRMC's Labor and Delivery Unit delivered more than 361 babies and has provided OB/GYN services to more than 1,165 women so far this Fiscal Year.

And, unfortunately, SRMC continues to care for 12 boarders, which costs SRMC approximately \$6 Million annually. Due to the high numbers, we were forced to create an entire unit which operates at a loss. The Department of Human Services has no bed placement options for them in the Territory, and despite our repeated advocacy there still are no available DHS or Medicaid contracted beds that have been secured outside the Territory. As the hospital is not the appropriate setting for these individuals, proper placement needs to be prioritized.

THE COST OF CARING

All of us at SRMC want to keep providing access to services and expanding the specialties, procedures and therapies that are available on the island, but the reality is "the cost of caring" continues to increase annually.

Today's healthcare environment continues to be both complex and uncertain. Healthcare always has its challenges to navigate, but we are at a tipping point; we must acknowledge what healthcare truly costs and get serious about adequately funding it.

The American Hospital Association (AHA) published a press release in April 2025 detailing the current landscape of hospital systems nationally. They described the present financial pressures of hospitals across the mainland as a "perfect storm" of persistent cost growth, inadequate reimbursement, and shifting care patterns driven by both policy changes and an older, sicker population with more complex, chronic conditions. This perfect storm is our current reality in the VI.

Hospitals' average operating expenses across the nation and in the VI have surged and remain elevated. Nationally in 2024, hospital expenses increased at a faster rate than inflation, 5.1% vs 2.9 %, respectively. And Medicare and Medicaid payments are not keeping up with the increasing cost of care. From 2019 to 2023, Medicare and Medicaid shortfalls nationally have grown an average of 14% per year. Our Medicare and Medicaid reimbursements have always been outdated, horribly low and flat. Sixty percent of the patients we serve are covered by either Medicare or Medicaid.

We also have a tremendous number of uninsured patients that we serve and uncompensated care that we deliver. Self-pay patients account for approximately 15% of our payor mix. In FY 24 that equated to 9,913 accounts with billed charges totaling more than \$21.8Million.

When you consider that 60% of patients are covered by either Medicare or Medicaid and another 15% are without any form of insurance coverage, 75% of the care SRMC provides is either undercompensated for or not compensated for at all.

For FY26 uncompensated care for SRMC is estimated to be \$36.2 Million. \$36 Million may seem excessive or dramatized, but with such a large percentage of the population uninsured, and many without the ability to qualify for Presumptive Eligibility or Medicaid, that is the reality of our local market. Today, I will share five brief real-life patient-care cases, obviously de-identified for

HIPAA compliance, just to give you examples of the uncompensated care presentations that are common at SRMC:

Scenario #1

An uninsured patient was admitted for 35 days from August 2024 to September 2024, treated for respiratory failure and spent 10 days in the ICU on a ventilator. Total cost of their care: \$145,859.05. Total collected:\$0.

Scenario #2

An uninsured patient was admitted for 11 days in October 2024 due to a motor-vehicle-pedestrian accident that caused multiple lacerations and internal organ damage. Total cost of their care: \$67,178. Total collected:\$0.

Scenario #3

An uninsured patient was admitted for 7 days in March 2024 for a gunshot wound, treated for tibia, humerus, and knee fractures and received multiple blood transfusions. Total cost of their care: \$39,740.00. Total collected:\$0.

Scenario #4

An uninsured patient was admitted for 25 days from April to May 2024 due to diabetic complications and was treated for sepsis, gangrene and an ulcer. Total cost of their care: \$93,174.00. Total collected:\$0.

Scenario #5

A patient with Medicaid was admitted for 38 days from May 2024 to June 2024 and treated for acute respiratory failure with hypoxia and sepsis, received a transfusion of pack cells and plasma and was on a ventilator for 9 days in the ICU. Total cost of their care: \$124,539.89. The patient's Medicaid coverage paid \$38,451.00, leaving a balance of \$86,088.89.

Those five people spent a total of 116 days- about four months- in the hospital and accumulated almost \$500K in charges. SRMC collected just \$38,000, not even 10% of the total billed charges. To take care of those five patients, staff had to be paid, supplies and medication had to be purchased, and tests had to be run in order properly diagnose, care for and treat them. This is the uncompensated care we talk about.

The GVI Appropriation, by law, must cover both the local Medicaid match and Uncompensated Care [As defined in Title 19 Virgin Islands Code Section 221(22)]. For FY26 the local Medicaid match is estimated to be \$3.6 Million. Coupled with an uncompensated care value of \$36.2 Million, the GVI allotment for SRMC at a minimum should be \$39.8 Million. The approved budget ceiling for SRMC for FY26 is only \$31,750,000.00. This will not be enough to maintain the levels of care the hospital is required to provide. The hospital will continue to struggle and owe vendors; it is too big a burden to offset with our operations. The GVI must cover uninsured and uncompensated care.

Healthcare is expensive. When it comes to major expense categories for hospitals, labor remains the single largest category. Salaries and wages for SRMC for FY26 are budgeted at \$52.9M, representing approximately 47% of the total operating expenses and fringe benefits are budgeted at \$18.2M or 16% of the total operating expenses. S&B together account for 63% of SRMC's total operating budget. Our bi-weekly payroll is approximately \$2.4 - \$2.5M, inclusive of benefits. Labor costs in the territory track above average rates due to factors such as a higher cost of living and geographical challenges.

Expenses in both salary and benefit categories are expected to increase as salary increases are in some cases long overdue and are needed to bring our salaries to market. Salary increases must be issued by SRMC to our hardworking staff this Fiscal Year to maintain the workforce and meet the new minimum wage requirements. Fifty-five employees at SRMC will be impacted by the new minimum wage legislation which will add approximately \$242K to our payroll annually. We are also in ongoing union negotiations with SIU Masters and Allied Health, USW, and IAMAW (security guards) which are expected to be finalized by the start of the upcoming fiscal year. We are preparing for negotiations to begin with the Association of Hospital Employed Physicians (AHEP). We also have non-classified union employees who need to be moved to step. In sum, all the salary adjustments will cost SRMC and have been budgeted at \$6.2 Million for FY26.

Our second major category of operating expenses is "other services and charges" which are budgeted at \$20.5M. This category includes costs that are associated with services we must outsource to third parties such as reference laboratories, agency staffing [to include Licensed

Temporary Physicians (Locum Tenens), temporary coverage for CRNAs, midwives, RNS and Allied Health professionals], contracted labor, housekeeping services, and revenue cycle professional services. For FY24, SRMC spent \$8.9 million on temporary staffing related expenses- to include salaries, travel and accommodations for MDs, APRNs, and Allied Health clinicians.

Our third major category of operating expenses is materials and supplies. For FY26, SRMC has budgeted \$14.7 Million for materials and supplies, which is a 21% increase from FY25. Supply chain pressures are real nationally and are especially difficult here locally. SRMC admittedly has been challenged with not having all the supplies we would like to have on hand at all times- due primarily to cash flow issues and having multiple competing vendor priorities. SRMC generally has all the supplies we need to provide high quality care to our patients, even if occasionally we do not have everything we would like to have.

In addition to the general price increases for pharmaceuticals and medical supplies nationally and internationally, SRMC also grapples with very expensive freight and shipping as we have to pay to import almost every item and supply. We are also impacted by the cost increases associated with the newly imposed tariffs.

SRMC's increased budget for materials and medical supplies is directly tied to the recent expansion of our Hemodialysis Unit. The addition of 34 hemodialysis patients doubled our hemodialysis specific supply orders from approximately \$35K to over \$70K. In just a two-week time frame we also spent an additional \$7K hemodialysis related drugs. We also are adjusting for the increased expenses tied to the re-opening of CKCI at the start of the upcoming fiscal year.

We continue to work through our discounted group purchasing organization (GPO) and with JFL on group purchasing and contracting to obtain the best prices possible for all supplies, both medical and non-medical.

Another major category of operating expenses for SRMC is utility costs. For FY26, SRMC utility costs are expected to be \$6.0M, primarily for payments to the Water and Power Authority (WAPA).

HOW WE HELP OURSELVES

With expenses rising, we know we must do everything possible to collect everything possible for the work we are doing. We also know that we must make tough decisions and cut costs where possible. Though our operations have faced significant financial constraints over the past year, SRMC is fiercely dedicated to improving our financial position. Recognizing the need to make substantial changes for our operations to become more financially stable, we have implemented several austerity measures.

In January 2024 we implemented an overtime reduction initiative which led to a 29% reduction in overtime hours since the inception of this initiative. We have taken a hard look at our staffing plan and organizational chart. We made staffing adjustments in some areas, and we are currently only hiring for critical positions, many of which are allied health professionals who are significant contributors to our high temporary staffing costs.

All departments at SRMC are examining their contracts to see what services can be brought in-house and/or adjusted. As of May 2025, we have achieved over \$300K in annual savings through contract eliminations and adjustments. This is an initiative we are continuing to work on.

SRMC is putting major focus on collecting better and generating more revenue. FY24 collections averaged \$4.6-5 Million a month. We had begun to show great progress and then were totally devastated by two ransomware attacks in CY24. The two ransomware attacks resulted in FY25 collections dropping to an average of \$3.5 Million per month. The total revenue loss attributed to the cyberattacks was \$6.9 Million in FY24 and 7.9 Million in FY25. The cost of a new system is expensive, but the cost of inaction is more costly.

Significant staffing challenges in SRMC's business office have also been a major contributing factor in the decrease in collections. FY25 collections are projected to end at \$43 Million. To get back to the rate of collecting \$6+ Million per month for FY26, we have launched an exciting revenue enhancement engagement with an experienced billing, coding and collecting agency that will serve as an extension of our Business Office and work our claims on a contingency basis. This

will enable us to do better at billing and collecting for the care we provide. We plan to collect \$74.3 Million in net patient revenue on our own in FY26.

To hit these numbers, we are focusing on improving point of care collections, particularly in the Emergency Department, which has historically been our greatest challenge. Newly trained patient access staff have been assigned to assist in this effort and have been provided with scripts and recurring educational updates on the importance of increasing upfront collections. Collections totals are also being tracked and provided to the Finance team monthly.

With our collections, allotment budget ceiling and CKCI line item, SRMC presents a conservative budget of \$112.2M for FY26. This budget is inclusive of RLSH, MKS and CKCI.

CKCI BUDGET

It will cost more than \$8.9 Million to operate CKCI its first year. As with the total overall budget for SRMC, salaries and benefits account for the largest share of the budget at \$3.8 Million. Materials and Supplies, the second largest budget category, total over \$2.8 Million. Other expenses in Year 1 are projected to be \$1.76 Million and include contracted labor, dosimetry services and other professional fees. Utilities are projected to cost \$450K.

CKCI will operate with a higher share of contracted labor during year 1 as SRMC works to onboard necessary personnel with a significant decrease expected by year 2. Other services and charges include expenses such as repairs and maintenance contracts, advertising, training, equipment, freight, travel and many other minor categories.

Funding is required to re-open CKCI. It will take a few months for revenue to start coming in for the services that will be provided and for the volume of patients served to grow. Potential collections for Year 1 are \$4.1 Million. With expenses projected to be \$8.9M, CKCI will have a shortfall of almost \$4.8 Million in its first year of operation. SRMC has built into the budget a separate line-item allotment appropriation of \$4.8 Million for CKCI which is required to open CKCI as planned in December 2025/January 2026.

WHERE WE STILL NEED HELP

Additional line-item support is needed for the following three categories:

Facilities Maintenance

When I sat before you a year ago, I spoke about the need for line-item funding for the capital budget to address the major issues with the maintenance of our facilities, particularly with our backup generator, roof, medical air and AC systems. SRMC is in a very old building and every year we are forced to incur major expenses for repairing our boilers, generators, sterilizers, washers, and other equipment. A year later, these same issues persist, and we continue to spend excessive amounts on repairs which has to be taken from operating capital – leaving less money to buy supplies that week. For example, we spent \$31K on boiler repairs because we needed to get the unit repaired to maintain a safe environment of care. Many of the parts of our current AC system are obsolete and require complete replacement, and we continue to have a price tag of almost \$200K annually for repairs and maintenance. We spent \$1.5M to maintain the facility and equipment in FY24 and are on track to spend \$1.3M for FY25, much of which could be reduced if we were able to invest in new equipment and upgrading our physical plant. SRMC needs a line item of at least \$1.5Million in FY26 to cover these expenses that we know will arise throughout the year and allow for the necessary facilities upgrades and equipment replacements.

IT & Capital Equipment

SRMC must enhance and strengthen our IT infrastructure. Acting is expensive (\$11 Million is the total cost over ownership over three years including 3rd party contracts for a new enterprise-wide electronic medical record system for both SRMC and JFL) but not acting is even more costly (as both SRMC and JFL have experienced). After suffering not one, but two cyberattacks in one calendar year, it is a must. We have to install software that will strengthen our security system. We also need to modernize our infrastructure and transition to a cloud-based electronic medical record (EMR) system. This will improve our coding and billing and increase collections.

In addition to the cost of the new enterprise-wide electronic medical record system, the cost to modernize and enhance our IT infrastructure to add the necessary security platforms, hardware, and switches is \$3.3 Million. SRMC requires a line item of \$3.3 Million for FY26 to begin its very necessary IT infrastructure overhaul plus a line item over the next three years in the amount of \$11

Million, with year 1 being \$6.1 Million and \$2.3 Million each in years 2 and 3. We take advantage of all the opportunities presented to us and have submitted applications for grant funding via the Office of Health Information Technology (OHIT).

Resolving Old AP

SRMC needs the government's assistance with funding to resolve our current outstanding Accounts Payable and Accrued Liability which is at \$44.6M as of June 5, 2025. We have made great strides to pay down the debt we owe to GERS, especially for retirees and individuals that have been separated from the organization, allowing them to collect their annuities. SRMC has paid \$7.3M against this debt between FY24 and FY25. The remaining balance as of June 5, 2025 is \$12.9M. SRMC is also engaging with IRB in a payment plan to resolve the outstanding remainder of \$2.4 Million in taxes owed to IRB.

The funding we get through the allotment is meant to cover uncompensated care and the Medicaid match is used to support the current operational costs of caring for current patients. There is no available funding within that allocation to support maintenance of the facilities, investment in IT and capital equipment purchases or resolving old AP. SRMC needs additional line-item support for these important realities.

POLICY DISCUSSION

The disjointed old "sick model" where you spend money on a fee-for-service basis when people are already sick is way more expensive, and we do not get the outcomes we should as a community for the money we spend. We should be focused on designing an aligned system that includes prevention, early intervention and chronic condition management that is a win-win-win (patient, provider, payer). We need additional primary and preventative care services in the Territory. With increased access to primary and preventative care, the overall health of patients will improve and when our citizens show up at the hospital they will have shorter stays, better outcomes, and ultimately the cost of care will be reduced, benefiting the hospital, the patient and the GVI.

We applaud Governor Bryan for evaluating and suggesting new insurance plan options for the GVI. Rising insurance premium costs of the current Cigna plan are a challenge for SRMC. Our

current monthly allotment deduction for Cigna premiums is approximately \$750K. Lack of insurance options for individuals and small businesses is a real problem, leaving a larger segment of the population as self-pay. Increasing insurance coverage and spreading the risk including a mandate for individuals and/or small businesses to participate will lead to more covered lives, less self-pay, and more reimbursement for the hospitals. With a state plan, the hospital could become a preferred location and provide incentives to beneficiaries who opt to receive care locally. Not only would it be cost saving for the beneficiary and the plan, it would also help to improve the hospital's revenues.

We need to jointly lobby the federal government for CMS rebasing. The Territory's hospitals are reimbursed under TEFRA. The TEFRA rates have not been adjusted for SRMC in 43 years, and it has been 29 years since the rates were adjusted for JFL. The hospitals cannot continue to sustain their ability to provide services at rates well below the true cost of care.

We need your support for the completion of the Medicaid audits and rate adjustment. Currently, Medicaid reimburses the hospitals a flat rate for its patients regardless of the care provided. You can see from the examples provided earlier that the hospital takes a big loss. We would like to advocate for the audits to be completed so that rates can be reviewed and adjusted to better compensate the hospitals.

We encourage this body to consider legislation that allows the Department of Human Services (DHS) or some other entity to quickly take account for patients who are undocumented or abandoned in the hospital. Borders are a significant financial burden for the hospitals, and the current realities facing lack of wrap-round services and lengthy legal processes to obtain guardianship are impacting the hospitals' ability to get paid for the services rendered to these patients.

CONCLUSION

The SRMC team is providing high quality care to the residents of the Virgin Islands. We are focused on increasing the community's trust in our hospital system. We listen to community feedback and have met with participants of the recent protest, and we will be engaging in focus

groups to hear your concerns. We are committed to improving and enhancing our physical infrastructure as best we can while we wait for the new hospital. We are excited about the re-opening of CKCI at the end of the year and Interventional Cardiology. We also have the expansion of other services including our Gastroenterology, ER Fast Track, Laboratory, and Surgical Services.

We want our community to choose to come to SRMC when they have a choice in where to go, not just when they must come to our ED. I thank our senior leadership team, our entire clinical team, and our support team for their continued hard work and dedication to SRMC and the community at large.

Schneider Regional Medical Center is committed to improving our financial position. We are working to help ourselves. We will continue to be aggressive with our billing and collections while simultaneously implementing cost-saving measures, but the hospital must receive appropriate financial support from the Government to continue to provide high quality care to residents and visitors of the Territory.

Meaningful action from this body, the central government, and our partners could help to transform the current healthcare landscape in the Territory:

Thank you to this Committee for the opportunity to present our budget to you today. I would also like to thank Honorable Governor Bryan, his Administration, and our Territorial and District Governing Boards for their continued support of our healthcare system. The Senior Leadership Team and I stand ready to answer your questions.

This concludes my testimony.

