



V.I. GOVERNMENT HOSPITAL AND HEALTH FACILITIES CORPORATION

Office of the Chairman

340-772-7324

**35th Virgin Islands Legislature
Committee of the Whole
Honorable Senator Novelle E. Francis, President
Friday, August 16, 2024**

Consideration of funding for outpatient Dialysis Care

**Testimony of
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Chairman, Virgin Islands Government Hospital and Health Facilities
Corporation**

Good afternoon Honorable Senate President Novelle E. Francis, honorable members of the 35th Legislature, Senate Staff, fellow testifiers, and the listening and viewing audience.

I am Christopher Finch. I am Chairman of the Virgin Islands Government Hospital and Health Facilities Corporation (VIGHHFC) more commonly known as the territorial board. I am testifying today on the need for funding for the hospitals to expand outpatient dialysis care.

I wish to start by expressing gratitude to the members of this body for your interest in the wellbeing of the hospitals, and especially to the Committee on Health, Hospitals and Human Services Chairman, Senator Ray Fonseca and his staff for their work with the hospitals to assist with dialysis funding.

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In my testimony today I will describe the expenses for construction, equipment, and startup costs for medications, supplies and staffing for the hospitals to expand their capacity to handle the anticipated increase in dialysis patients. The districts have different solutions and needs so I will describe those separately.

I will start with the St. Thomas and St. John district.

St. Thomas and St. John

Presently, all outpatient dialysis care is provided by the Schneider Regional Medical Center (SRMC) and the Caribbean Kidney Center (CKC) through their respective clinics on St Thomas. St. John patients must travel to the St Thomas centers to be dialyzed. SRMC provides dialysis care to its 74 patients through a clinic within the hospital. CKC has a clinic building located very near to SRMC serving approximately 55 patients. Dialysis patients typically receive dialysis care 3 times a week for 3-4 hours at a time. Thus, even a relatively small patient load requires numerous dialysis stations and support services. The clinics run 6 days a week with multiple shifts a day.

Once we realized that CKC was likely to cease dialysis care at some point, SRMC CEO Tina Comissiong started internal expansion of the RLSH dialysis capacity. This has been accomplished by building out a space adjacent to the present hospital dialysis clinic with twelve (12) additional patient stations to accommodate the CKC patients. Additionally, through diverting funds from other needed purposes, SRMC purchased a water treatment system (the key component of dialysis treatment), and machines and chairs for each new patient station. The equipment has been purchased and the buildout of this space is 90% completed.

SRMC believes the completion of construction, installation of the equipment and required two weeks of water testing may be able to be completed in 30 days. SRMC also needs funding for initial medication and supplies and contracted travel staffing. These costs are detailed below.

Nearly all dialysis patients care is covered by Medicare. CMS will not authorize payments to SRMC until the new stations are certified which will take a few months. While we may eventually receive reimbursement for the initial drugs and patient supplies, SRMC, with only 2 days of cash on hand, does not have the money to preorder these items.

To the best of our knowledge, CKC's largest Pafford expenses are for its St Thomas clinic. It has fewer of its own staff on St Thomas than it does on St. Croix. Accordingly, CKC has relied on Pafford for all or nearly all of the dialysis nurses and dialysis technicians it requires on St. Thomas. Dialysis care is specialized and there is a nationwide shortage of nephrology nurses. If CKC closes and the patients come to SRMC, the hospital will need time to find and hire the professional staff. SRMC will need to start with contracted staff for approximately four months and work diligently to hire dialysis nurses, and recruit and train local dialysis technicians.

Table A (below) summarizes the funding needs for SRMC. This hospital, so far, has spent \$978,009.21 on construction and equipment purchases using both its allotment of PFA and ARPA funds that were designated for other purposes. SRMC desires to be reimbursed for these funds so that the designated equipment purchases and other planned uses for these monies may go forward. SRMC is projecting that to treat an additional 55 dialysis patients will cost for the initial four month the expenses of medication at \$188,540, patient supplies at \$155,980 and contract professional staffing at \$1,047,200. As mentioned, the expectation is that after this four

month initial period, the expansion will have passed CMS certification, and the hospital will be able to bill Medicare and other 3rd party payers. I must emphasize that the hospital does not have sufficient funds to take on this initial cost on its own. The total requested is \$2,381,006.71.

Table: A St Thomas St John funding needs

SRMC	Spent to date	Projected
Construction	\$244,116.55 (PFA funding) \$118,571.66 (ARPA)	\$11,277.50
Water Treatment System	\$291,231 (ARPA)	
Dialysis Machines	\$290,025 (ARPA)	
Dialysis Chairs	\$34,065 (ARPA)	
Medications for 4 months		\$188,540
Patient Supplies for 4 months		\$155,980
Contract Nurses and other medical staff for 4 months		\$1,047,200
Sub-total	\$978,009.21	\$1,402,997.50
SRMC total (reimbursement + projected expenses) \$2,381,006.71		

Tables B and C provide additional detail of the startup costs for SRMC.

Table B: SRMC Medication and Supplies for 55 patients

	Per Patient Cost	Number of Patients	Cost per Month	Total for 4 months
Drugs	\$857	55	\$47,135	\$188,540
Patient Supplies	\$709	55	\$38,995	\$155,980
			Total	\$344,520

Table C: SRMC Staffing - Estimated expense for staffing (contract labor) for additional 55 patients

	# of Staff	Cost per Month	Cost for 4 months
RNs	5	\$92,000	\$368,000
Dialysis Techs	8	\$96,000	\$384,000
Social Worker	1	\$14,400	\$57,600
Dietician	1	\$14,400	\$57,600
Physician	1	\$45,000	\$180,000
		Total	\$1,047,200

I will now move to the St Croix district funding needs for the Juan F. Luis Hospital (JFL).

St Croix

Presently JFL provides dialysis care to 42 patients in a trailer located in the old hospital parking lot. CKC provides dialysis to approximately 60 patients in its Gallows Bay clinic location.

The dialysis situation in St Croix differs from STT/STJ in a few important ways:

- The Juan F. Luis Hospital (JFL) has a long-term solution underway to build a FEMA funded outpatient, off-site dialysis clinic. The cost of buildout, and equipment, as well as several years of lease will be covered by our FEMA PW for this purpose.
- JFL provides dialysis care in a mobile trailer which poses a risk for hurricane damage.
- The short-term solution for St Croix to cover dialysis care needs at JFL until the new clinic is built is problematic due to water supply and fire suppression challenges.
- There is a new non-profit entity, which has received ARPA funding, which is making progress towards opening in late October 2024 and could take many of CKC's patients.
- To our knowledge, CKC has more of its own staff and less reliance on Pafford staff on St Croix than on St Thomas. Should the GVI decide to provide some additional subsidy to CKC to remain open for a time, it will be less expensive to do so on St Croix.

Long-term solution for JFL

The Hospital Redevelopment Team acquired a FEMA PW for a new dialysis clinic and has been working to get a clinic ready to open. We anticipate FEMA funds will be used to purchase the new equipment, pay for the space buildout and the lease costs until the new hospital is built. Unfortunately, we have encountered delays. The territorial board leased a space on the

Northside of St Croix. This space is large enough to accommodate JFL and CKC dialysis patients and allow for expansion. It is just a building shell and needs to be built out. Through an RFP process, an architectural and engineering firm was contracted and has completed drawings for the new space. Through another RFP process a company has been contracted to design, supply and install a complete hemodialysis water treatment system. This is the long lead-time factor. Unfortunately, the third RFP process, for contractor bids to build out the space, was unsuccessful. No one submitted a bid. Mr. Darryl Smalls, Executive Director, of the Hospital Redevelopment Team, is readvertising the RFP as required by FEMA. This places us at best at receiving bids in September. With that delay, it is unlikely the new space will be open until January 2025.

Short-term solution for JFL

In anticipation of CKC closing, JFL worked to position itself for a short-term solution to provide additional dialysis care within the old hospital. The initial step was to purchase additional equipment. JFL purchased 10 portable reverse osmosis machines. These portable R/O machines can serve 2 dialysis stations at a time for a total of 20 stations. JFL also purchased additional dialysis machines and chairs. Combining this new equipment with equipment JFL already owns is anticipated to be sufficient to serve both the JFL and CKC clients for the short term until the new clinic space is ready. Thus, we believe we have the needed equipment should we need to abandon the trailer plus take on the CKC patients. The initial plan was to utilize the former Intensive Care Unit space in the old hospital. However, we have challenges with the backup water delivery system and fire suppression system. JFL has purchased a new water pump skid system and is seeking bids for installing it. These quotes are imminent. The

installation of this tripex pump system is an intricate project. Dialysis has very specific fire suppression requirements and we are working on the best strategy to meet those specifications. We are also continuing to explore whether any other area of the old hospital, like the VI Cardiac Center, may be suitable as a temporary location.

Table D (below) summarizes the funding needs for JFL. This hospital, so far, has spent \$230,000 on equipment purchases using its own funds that were designated for other purposes. JFL desires to be reimbursed for these funds so that other needed equipment may be purchased. JFL projects an estimated \$150,000 is needed to solve the water supply and fire suppression challenges. We are still getting quotes and assessing best strategies for these items.

JFL is projecting that to treat an additional 60 dialysis patients will cost for the initial four month the expenses of medication at \$205,680, patient supplies at \$170,160 and contract and hired staffing at \$1,000,000. As described earlier for SRMC, the expectation is that after this four-month initial period, we will have CMS certification, and will be able to bill Medicare and other 3rd party payers. The total funding requested is \$1,755,840. I must again emphasize that neither hospital has sufficient funds to take on this initial cost on its own.

Table D. St Croix funding needs

JFLH	Spent to date	Projected
Renovation of temporary space for water and fire suppression		\$150,000
10 portable dialysis stations, 3 dialysis stations and 8 dialysis chairs	\$230,000	
Medications for 4 months		\$205,680
Patient Supplies for 4 months		\$170,160

Contract Nurses/Techs \$777,600 plus other medical staff for 4 months		\$1,000,000
Sub-total	\$230,000	\$1,525,840
JFLH total (reimbursement + projected expenses) \$1,755,840		

Tables E and F provide additional detail of the startup costs for JFL.

Table E: Medication and Supplies

	Per Patient Cost	Number of Patients	Cost per Month	Total for 4 months
Drugs	\$857	60	\$51,420	\$205,680
Patient Supplies	\$709	60	\$42,540	\$170,160
			Total	\$375,840

Table F: Staffing - Estimated expense for contract staffing for additional 60 patients

	# of Staff	Cost per Month	Cost for 4 months
RNs	6	\$110,400	\$441,600
Dialysis Techs	7	\$84,000	\$336,000
		Total	\$777,600

Please note that the above contract staffing numbers assume JFL will be able to hire some local staff at a lower cost than the traveling staff. The actual additional staffing costs for JFL will be closer to SRMC's estimated staffing cost. We are estimating \$1,000,000 for the four months.

This concludes my testimony. Thank you for this opportunity and your consideration of these requests. I am available to answer questions.