



2024

GVI FISCAL YEAR REPORT

Budget Hearing Testimony

Tess G. Richards, MD
Interim Executive Director

**Earle B. Ottley Senate
Chambers, Senate Building
St. Thomas, U.S. Virgin Islands
Wednesday, August 2, 2023**



St. Thomas East End Medical Center Corporation

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Interim Executive Director Summary

Good morning, Chair of Finance Committee Senator Donna Frett-Gregory, members of the Finance Committee, other members of the 35th Legislature, viewing and listening audience. I am Dr. Tess Richards, the Interim Executive Director at St. Thomas East End Medical Center Corporation, hereafter referred to as STEEMCC. The team with me today is Mr. Karl Callwood, Chair of the Board of Directors, Mr. Steven Mayers, Chief Financial Officer and Ms. Donna Street, Revenue Manager.

Thank you for the opportunity to present testimony on our budget this morning. I would also like to thank our Board of Directors and the staff at STEEMCC for their hard work, perseverance, and most of all support during the difficulties that STEEMCC has been facing. This has been beyond challenging, but what I have learned is how dedicated our staff is to this community so thank you, thank you, thank you- STEEMCC Board of Directors and STEEMCC staff.

St. Thomas East End Medical Center Corporation is a Federally Qualified Health Center that has been serving the community for more than 30 years. In order to understand our mission and some of the challenges and obstacles we face each year, it is crucial that you have an understanding of who we are as an FQHC. Having a really clear understanding of STEEMCC as an FQHC and what that means for the community is actually a critical piece of understanding our budget request and our budget needs.

The purpose of federally qualified health centers is to make sure that everyone has access to medical care. Essentially, STEEMCC bridges the gap, so to speak, in medical care. What that means is that while we offer services to everyone, our main focus is to make sure that the underserved population of the St. Thomas- St. John district is provided access to care. That means that the population that is uninsured or underinsured can still receive high quality care because of STEEMCC.

As an FQHC, STEEMCC is required to follow the mandates and guidelines set forth by HRSA (Health Resources and Services Administration), our governing body. There are a host of rules and regulations we are required to follow. We also have reporting requirements and requirements about services that we must provide to the community that we serve.



FQHC Requirements

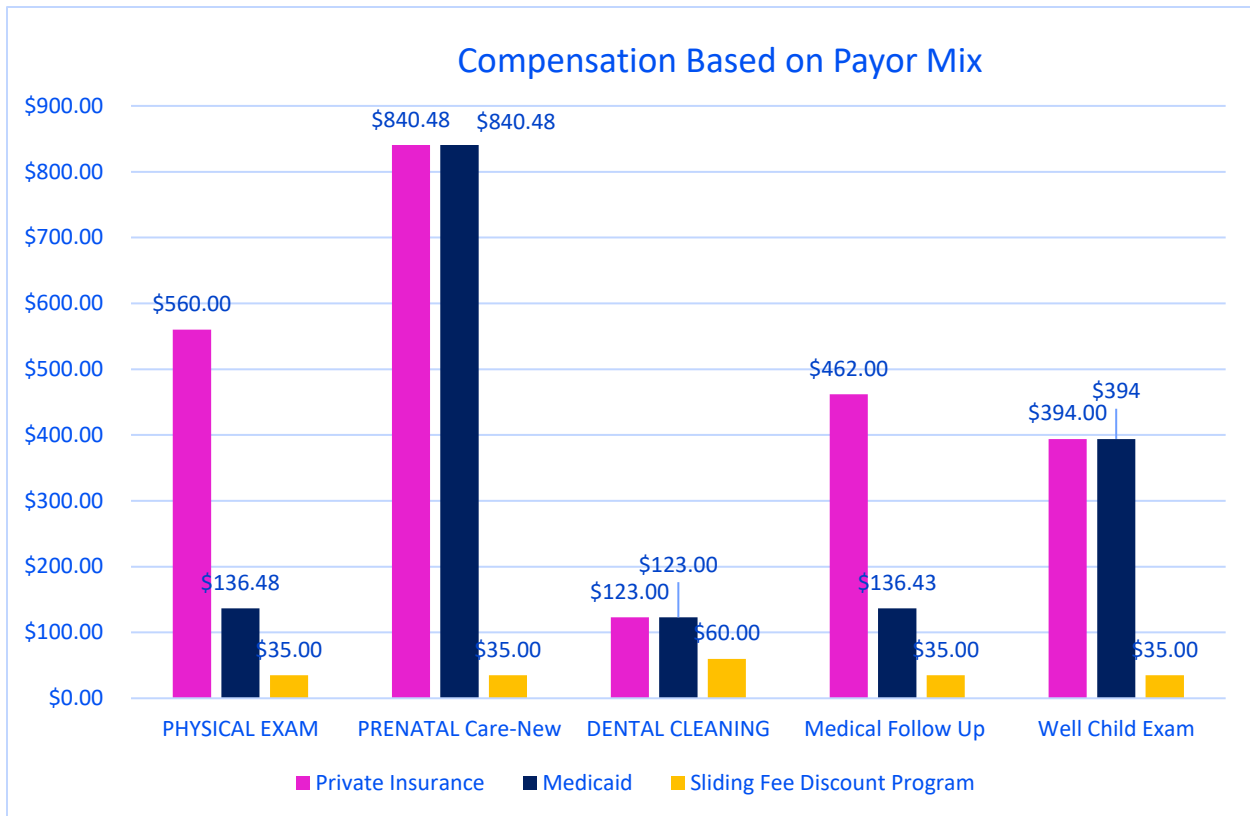
One of the main requirements as an FQHC, is that, just like the hospital, we are required to provide care to everyone who walks through our doors, regardless of their ability to pay. Every single Virgin Islander deserves to have someone who prioritizes their health and welfare. That is our mission at STEEMCC:

Mission Statement

The mission of St. Thomas East End Medical Center Corporation is to eliminate barriers to health care for those who are poor, uninsured, or who simply lack access to doctors and basic health services.

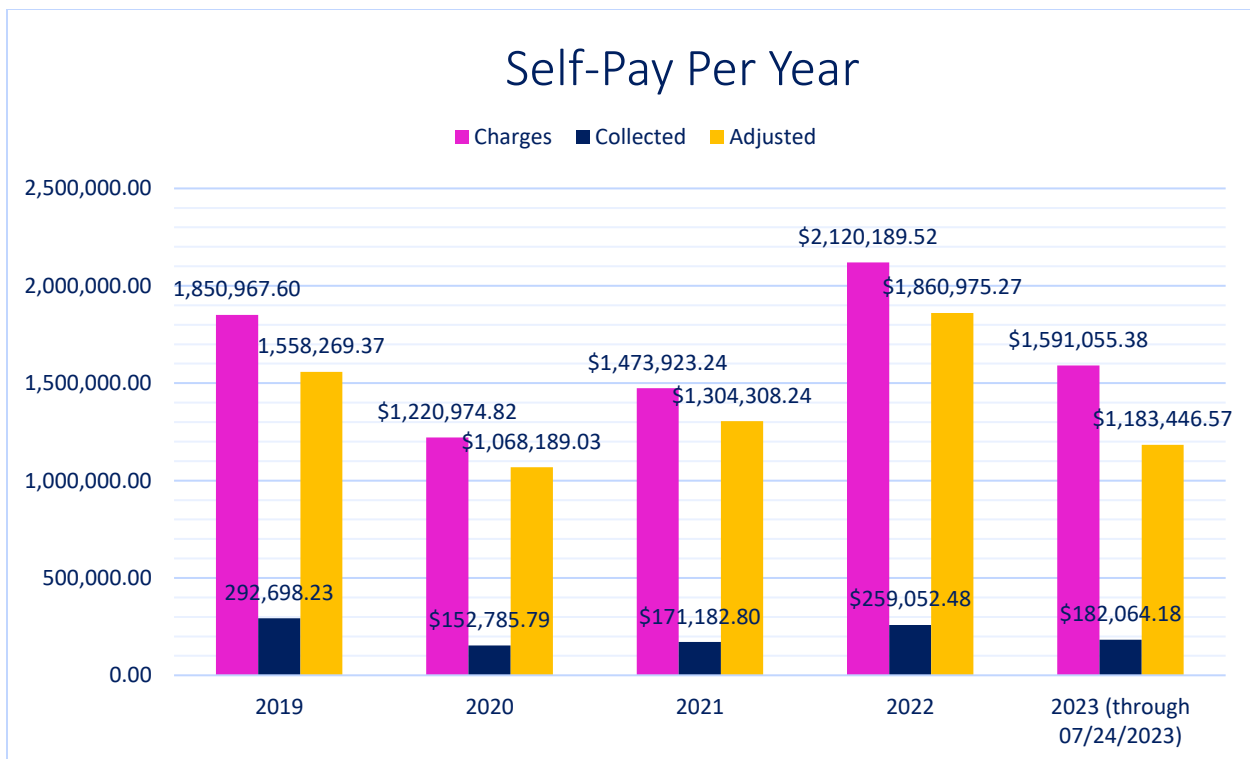
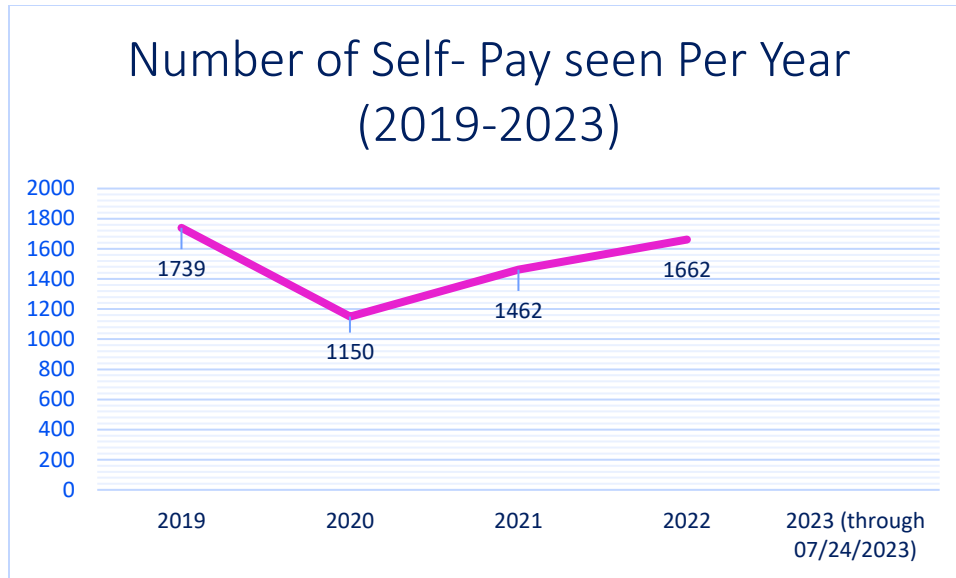
The difficult part is that, very often, the care we provide remains uncompensated. STEEMCC sees approximately 7,000 patients every year. Some of those patients **do not** pay their bills and some **cannot** pay their bills. We also have many patients who are seen at extremely discounted rates, because they are on our “slide.” Because we are an FQHC, we are required to have a sliding fee discount program (SFDP) that is referred to as a slide. For patients who do not have insurance or do not have sufficient insurance, their individual financial situations are evaluated, and they can be enrolled in our sliding fee discount program. Again, the sliding fee discount program is one of our HRSA mandates, so we **must** have a sliding fee discount program.

When a patient is on the slide, the center is paid very little for services compared to what the center is paid for someone who has commercial insurance or medical assistance. The compensation to take care of patients in our sliding fee discount program is very, very different. This chart compares the compensation from different payors for a few of our most common services.



The compensation for our self-pay patients is very different and when ¼ of our patients fall under the slide, that ends up being quite a lot of patients. That equates to a lot of money we cannot collect because we are mandated to provide care at discounted rates for a sector of our population. That sector continues to grow, and we continue to see increases in those self-pay numbers. We anticipate our number of self-pay patients will be increasing even further, because many of the patients who qualified for medical assistance during “the covid years” will no longer qualify for medical assistance. These same patients are likely to become self-pay.

The graphs below reflect the number of patients we have seen for the past few years who are self-pay, how much we charged for services, how much we collected for services and how much we adjusted off because the patients were self-pay or were part of our sliding fee discount program.



As you can see, over the last few years, the self-pay number has been increasing. We had a dip in patient numbers between 2019 and 2020 because of COVID and the safer at home and physical distancing mandates. But overall, the trend is toward an increase in self pay numbers each year.

In 2022 STEEMCC saw 1,662 self-pay patients and charged \$2,229,333 for their care. We collected \$343,695. All of that is uncompensated care. If STEEMCC’s payor mix was different and self-pay only represented a small percentage of our patients, it probably would not have as

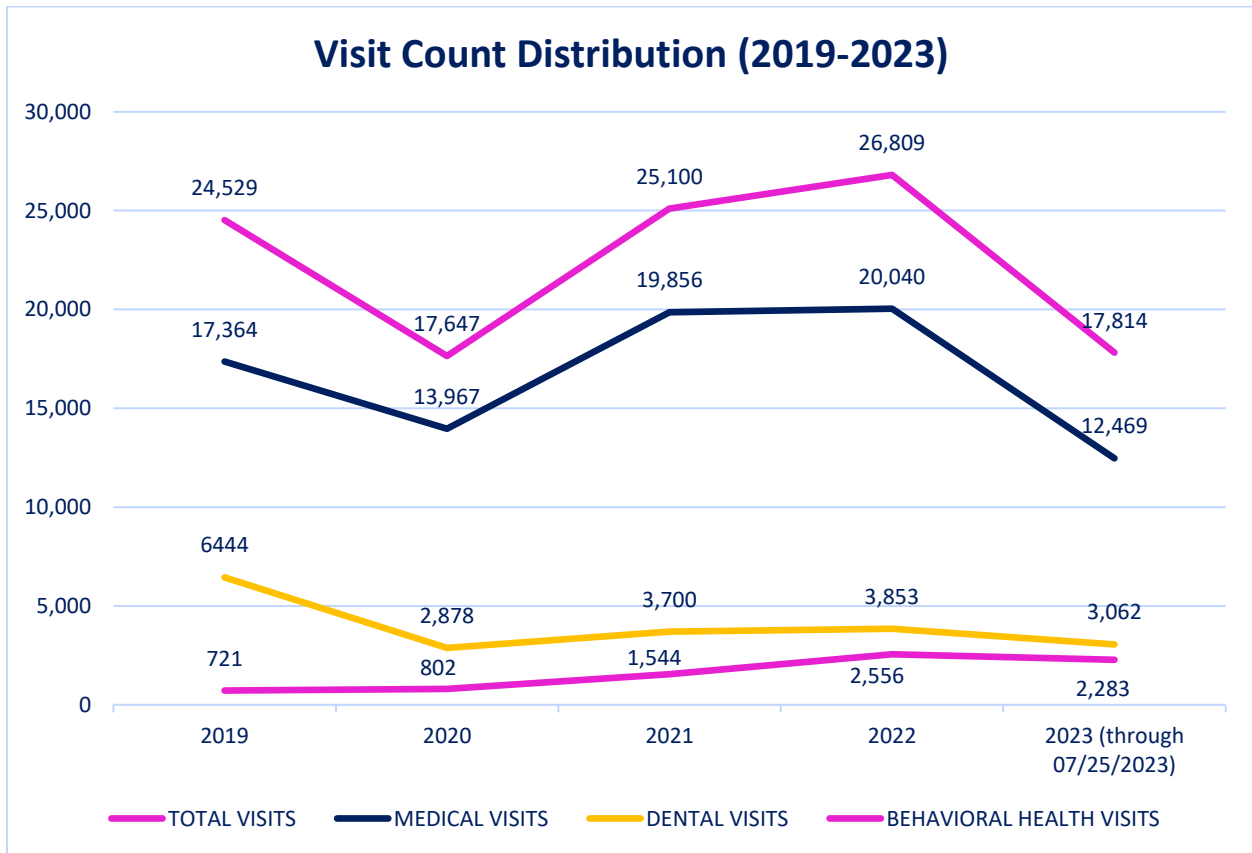
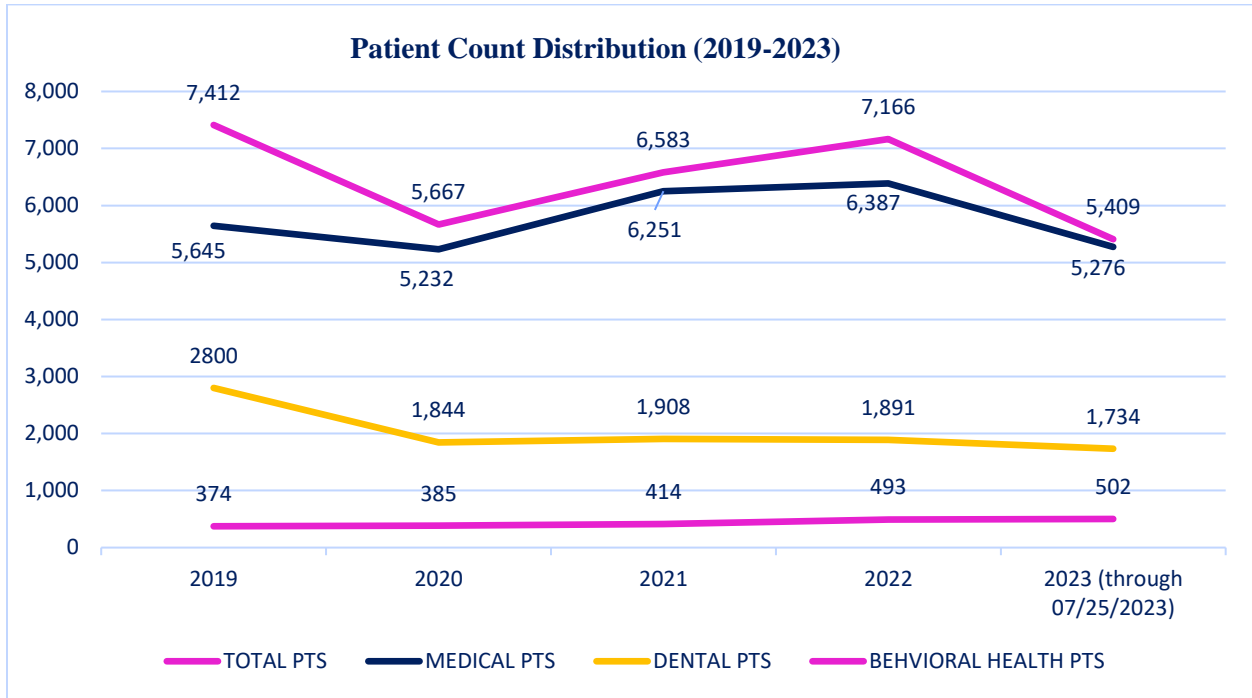


much of an impact... But 25% is a lot. There is no other outpatient facility that cares for this large number of at-risk patients. The vast majority come to STEEMCC for their care.

Let us review who our patients are, patient numbers, demographics, some of the main conditions we treat and then, of course, the finances, looking at the federal poverty rates and our payor mix.



Services Provided at STEEMCC





Demographics: Gender

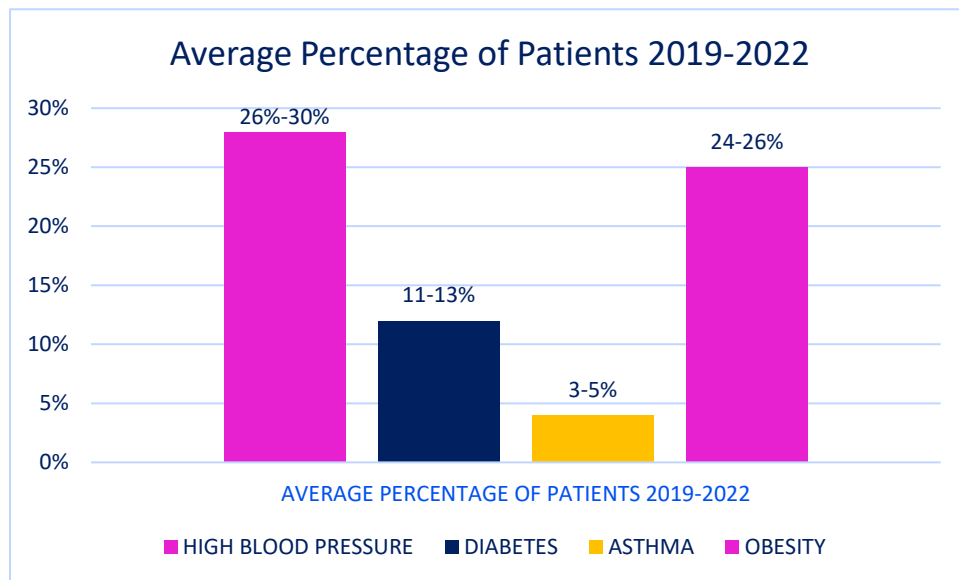
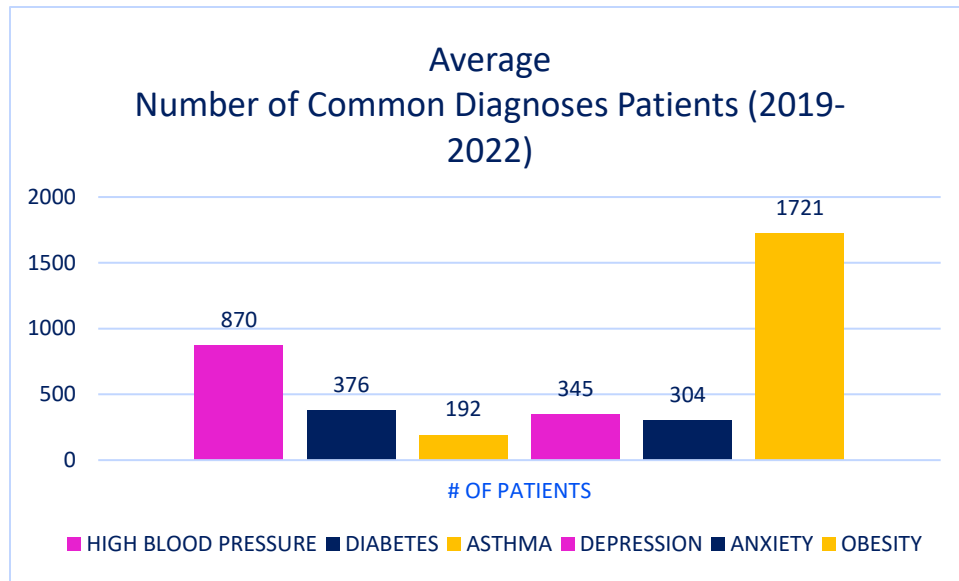


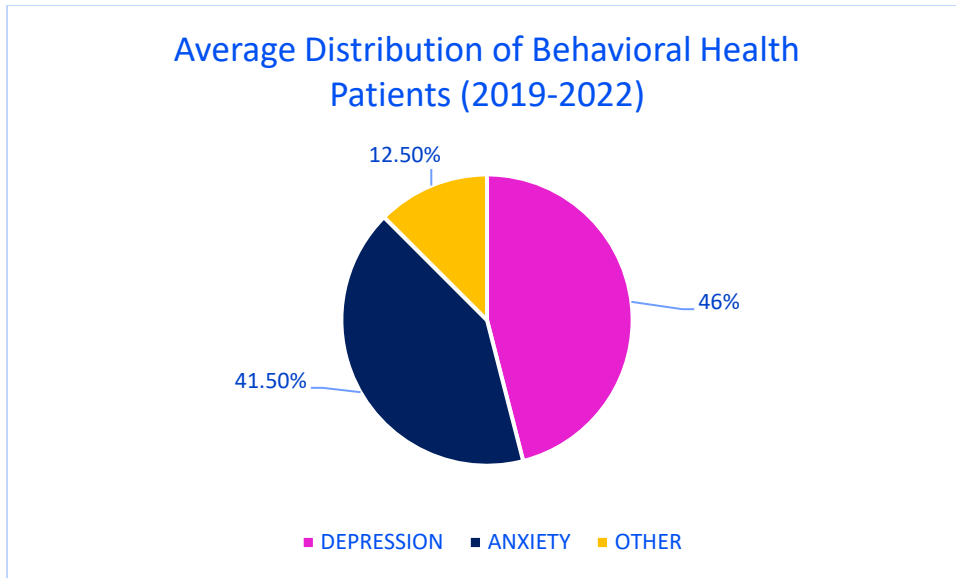
Demographics: Age



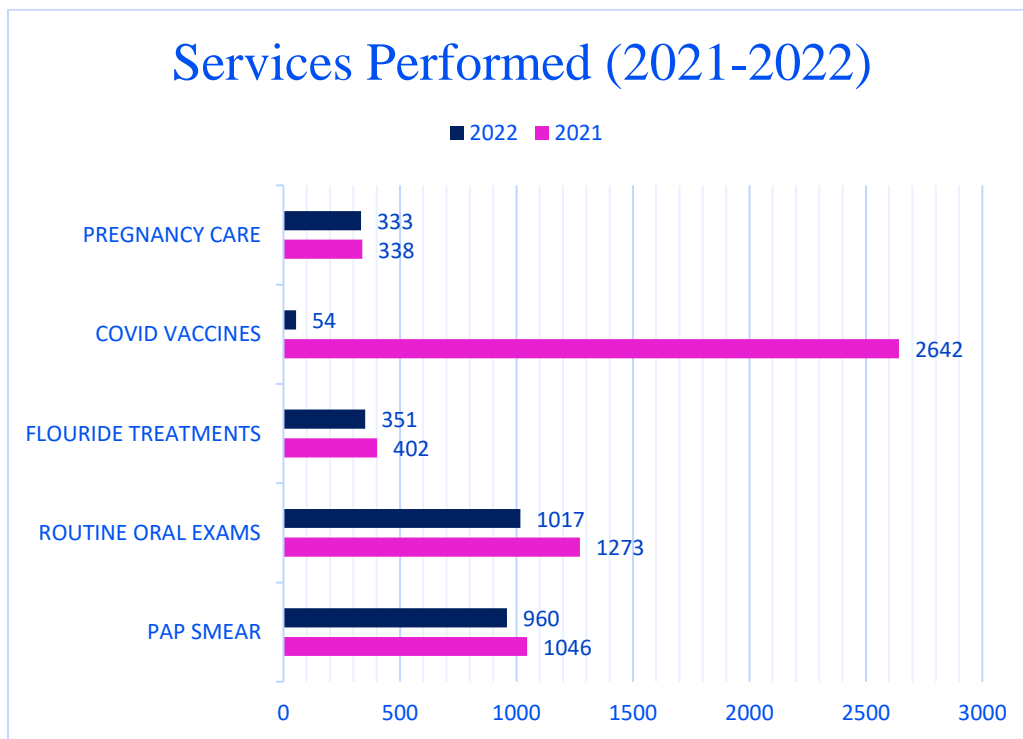


Common Diagnoses We Treat:





CY2021-CY2022 Services Data:

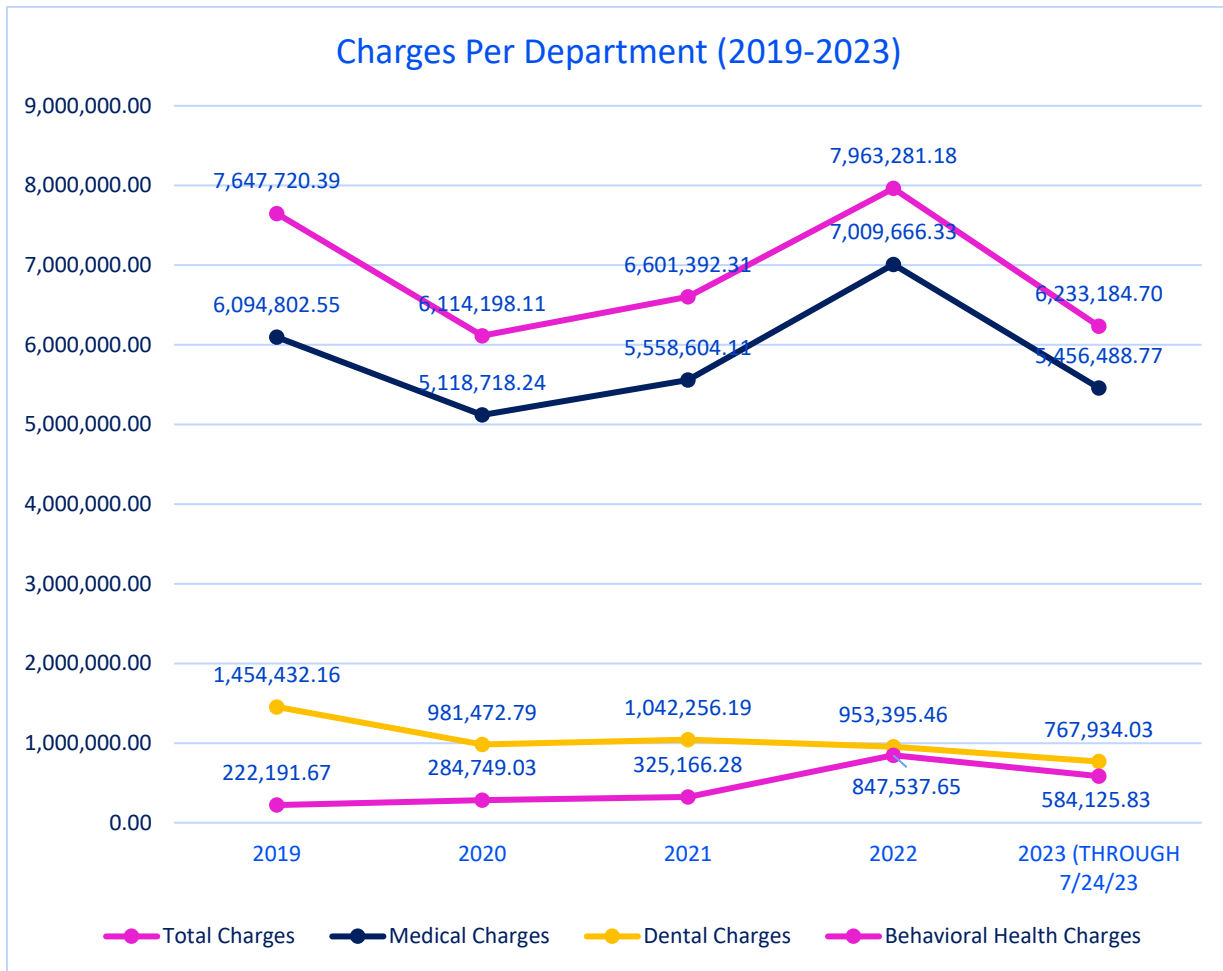


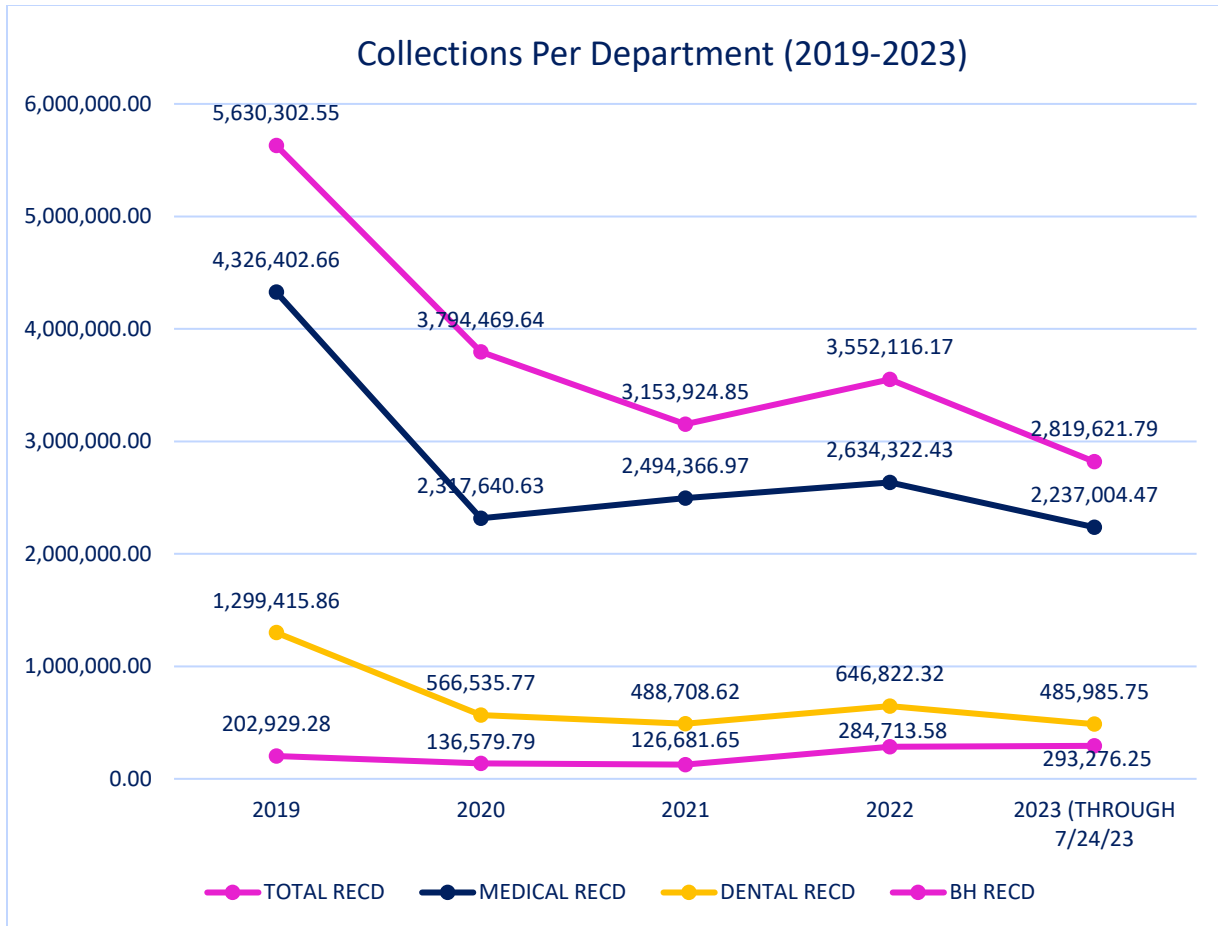
The graphs and tables above were included to provide some insight into who we see and what we do for our patients every day. We also wanted to give you an idea of some of the more common diagnoses we treat, because they likely reflect the main chronic medical conditions seen at the hospital and throughout our community in general.



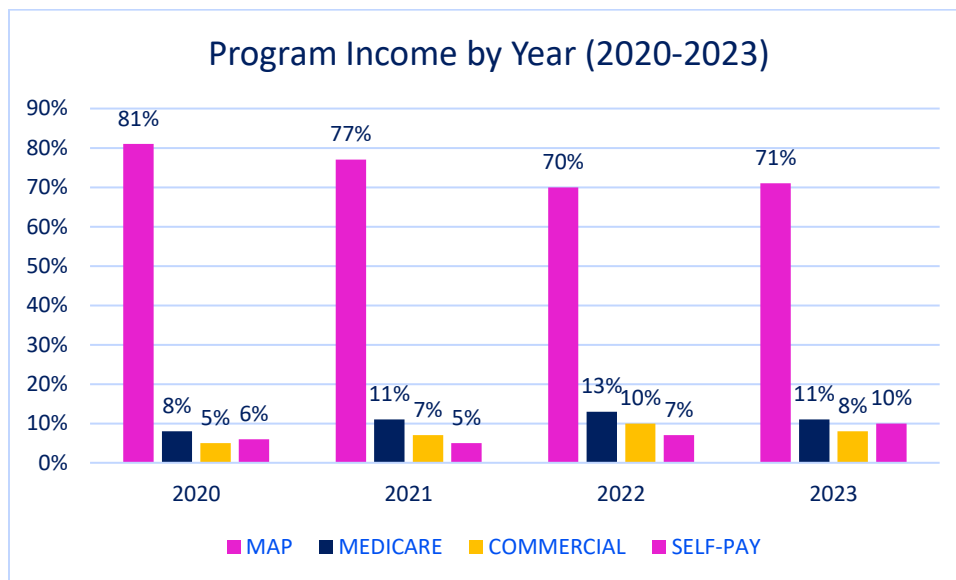
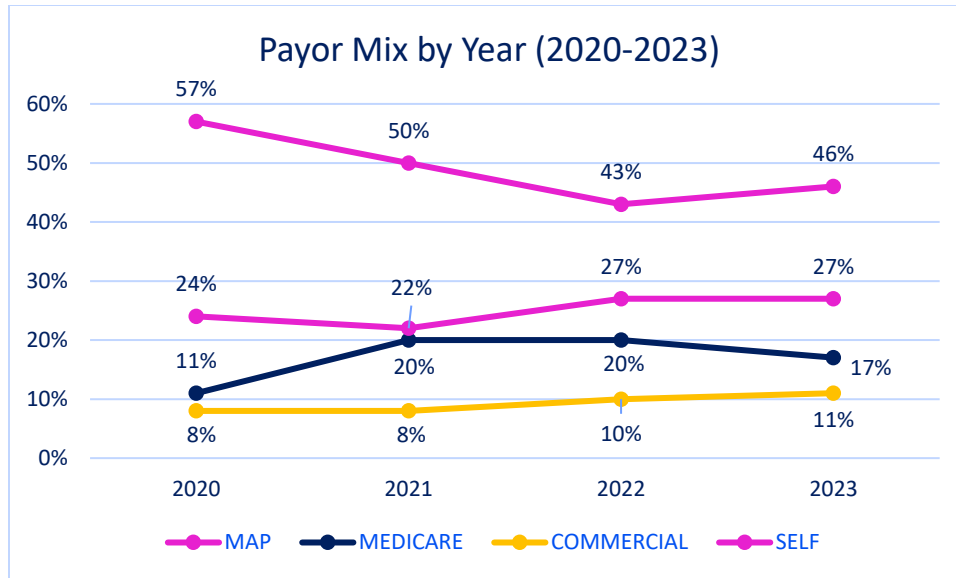
So now that we have an idea of who we see and what we do, let's shift the focus to finances and how we are compensated for the work we do.

The graph below shows the charges per year from FY2019-FY2023. The data is also broken down by medical, dental, and behavioral health (BH) charges and collections to compare revenue generation and collection in each department.





There is a considerable gap between charges and collections. One of the main reasons for that is our payor mix. When you look at our patient population, we have 10% with Medicare, 12.5% with Commercial Insurance, approximately 53% with MAP, 24.5 % who are self-pay. One quarter of our patients are self-pay so Medical Assistance and self-pay are our biggest payors, representing 77% of our payor mix.



Looking at these two graphs, it is very clear that most of our patients do not have money for their medical care. We saw 7,166 patients last year and **6,573 live below the federal poverty line**. Despite their inability to pay for their care, they deserve to receive good health care. That is why we do what we do every single day. We make sure that even if a patient does not have any money to pay for the services, they receive.... they still receive care. However, that puts us in a difficult financial position because we still must pay our bills and meet our financial obligations, even if our patients cannot and do not.

Our priority continues to be caring for our patients regardless of their ability to pay. As a result, the center suffers a financial loss each year to fulfill our mandates, our vision, and our mission.



We have touched on what an FQHC is and why we exist. We reviewed who our patients are, provided examples of the services we provide, reviewed some of the chronic medical problems we manage and discussed our payor mix.

Now that we have a picture of who we are, what we do and why we must continue to exist, we would like to spend the rest of our time discussing our operating budget for FY 2024, some of the initiatives taken since the new team started in March, as well as some of our challenges that we are hoping we can work through together- with this body, as well as with our health care partners within the territory.

Let us begin with our operating budget which is \$10,759,816. This is made up of program income and federal and local government allotments. Those are the main, constant sources of money. We also receive other grant funds based on availability and eligibility.

As a part of our overall budget, our external funding sources are the federal government (\$1.5 million dollars) and the local government. The rest of our budget comes from program income and that is the piece that comes from all the blood sweat and tears of our staff. The hard work of STEEMCC employees. This table shows the decline in program income over the last few years. It also shows an increase in our payroll expenses and a decline in net assets.

At this point, our program income reflects about 46% of our total revenue which is just not enough. One of our goals is for our program income to increase so we can sustain ourselves a bit better. Back in 2019, program income was about 53% of our total revenues and, at a minimum, we would like to get back to at least that 53%. To increase our program income, we must put several things in place including increasing revenue generation, revamping our revenue cycle, and expanding our services, to name a few. To accomplish this, we need an infusion of cash, and our budget request reflects this. We would like to share some of our goals and initiatives with you so you can get an idea of our plans and why our budget request is what it is.

(GVI) FY 2023 Budget Overview and Breakdown

The information provided below features a breakdown of STEEMCCs budget request is **\$4,635,683** for the upcoming GVI Fiscal Year.



Financial Obligations

STEEMCC recognizes and responds to the needs of our underserved population. Our mission is to help our patients meet their medical and dental health financial obligations. As an FQHC, we are required to provide financial assistance to patients without insurance who qualify for our Sliding Scale Fee Discount Program (SFDP). For those patients who cannot afford to pay in full for services rendered, we offer a payment plan.

STEEMCC also has memorandums of understanding with outside vendors who provide services to our uninsured and underinsured patients. These services include blood work, mammograms, pap smears, prostate screening, diagnostic imaging (x-rays, ultrasounds, CT scans etc.), transportation, and medications. Our budget request reflects funds we set aside to assist patients who are unable to pay not only for their visits at STEEMCC, but also for the consulting services for which they are referred.

Budget Components and Justifications

Personnel Salaries

Salaries for our 70 current employees and the projected new hires (providers) have been budgeted at \$5,565,408. This includes our providers, clinical support staff, billing and business office staff, administrative staff as well as the projected new hires.

Employee Benefits

Employee benefits are offered to employees to express our appreciation to our staff and to show them we are invested in their health and future. The Center's budgeted 2023 benefit rate is approximately 25% which equals \$1,335,076. Our benefits package includes Life, Disability and Health insurance, Employer FICA, Pension, Unemployment Insurance and Workman's Compensation insurance and the employer portion of our retirement plan. Costs associated with employee benefits are anticipated to increase by a minimum of 2% for each year.

Contracts and Consultants

Contract(s) and Consultant(s) Services have been budgeted at \$1,267,000. Professional services include our annual audit, legal fees, bio-waste disposal, laboratory services, Pharmaceuticals, Radiology, and our electronic health records system. The balance of costs is primarily payments to Provider Staff (\$212,000) which includes a part-time Obstetrician/Gynecologist, one part-time dentist, translator service and on call services. This category is expected to experience an inflationary increase of 2% over the next three years.

Supplies

The cost of supplies utilized during patient care, including items used in medical and dental services delivery, laboratory reagents for our point of care testing, immunization supplies and basic office supplies has been budgeted at \$469,371. Expected pricing increases for the next fiscal year have been included in each category. These inflationary factors range from 2 percent for general office supplies to 7 percent for pharmaceuticals. Inflation factors have been projected to continue over the next three years.



Travel and Continuing Education

The cost of business-related travel has been budgeted at \$20,000. This cost is approximately 27% percent attributable to the administrative staff and approximately 73% percent attributable to patient care and business office staff. Examples of business purposes include education and/or industry updates in reimbursement, patient care, quality assurance, ERISA requirements. Travel costs are incurred to attend meetings and/or continuing education as well as local and national industry associations (for example, our annual NACHC- National Association of Community Health Centers) convention. Costs will be controlled through review of local seminars, teleconferencing and webcasts instead of out of territory conferences whenever this option is available.

Facility	
Administrative & Maintenance Services and Equipment	Amount
STEEMCC Rentals (spaces, land and off-site storage)	\$1,107,760.80
Communications (Cost of updating and upgrading in-house telephone and paging system, scanners, computers, satellite phones, development of a phone tree and patient portal)	\$60,000
Utilities (water and electricity)	\$239,200
Repairs and Maintenance	\$55,000
Machine/ Equipment Rental	\$72,000
Total	\$1,533,960.80

Other Services

Other Services have been budgeted at \$145,000. This amount includes recruitment which is budgeted at \$30,000. Recruitment costs include engaging a recruitment agency, posting classified and journal advertisements, candidate interviews and telephone listings. Promotion, Advertising and Events are budgeted at \$50,000. Promotion expenses include patient mailings, patient newsletters, health promotion materials and events, outreach, National Health Center Week, open houses, patient education and engagement and health screenings. Staff uniforms, bank charges, postage and dues and subscriptions are also included.

Insurance

Insurance cost has been budgeted at \$33,000 and includes the cost of building, contents, directors’ liability, valuable papers, and bond insurance. Federal Tort Claims Act coverage is utilized to minimize malpractice expenses.

Projected Expenditures

STEEMCC Employment cost consisting of salaries and benefits along with provider services are the source of the largest expense outlay to the corporation representing about 65% of all expenses incurred by the organization. It is crucial that STEEMCC be able to continue funding these positions as they are needed to maintain high standards of care.



Projected Expenditures	Amount
Personnel Services	\$5,565,408.00
Fringe Benefits	\$1,335,076
Provider Services	<u>\$1,443,000</u>
<i>Total Personnel, Fringe Benefits, Provider Services</i>	\$8,343,484.00
Supplies	\$ 469,371
Other Services and Charges	\$ 413,001
Facility	<u>\$ 1,533,960</u>
Total	<u>\$10,759,816.00</u>

The budget presented today will help STEEMCC get to a better financial position. In so doing, we will be able to bring on more providers, resulting in better access to care for our most vulnerable population.

STEEMCC needs funds to hire staff, expand the range of services offered and extend our hours. Approval of this budget will afford us the opportunity to grow as a center and optimize patient engagement and experience.

Thank you for your continued support, and for making healthcare a priority!



Quality Summary 2022

NOTE: The term “year” refers to the actual **calendar year**, not the fiscal year

(2022 refers to January 1st –December 31st)

RED- Below Benchmark (49.9% or less)

YELLOW- At Benchmark (50%-74.9%)

GREEN- Above Benchmark (75% or greater)

Front End- Auditing Charts for HIPAA And Consent to Treat Forms	
Measure	Year: 2022
HIPAA Forms	94.75%
Consent to Treat Forms	94.75%

Purpose: This review looks for a current HIPAA and consent form in each chart

After Hours Calls	
Measure	Year: 2022
Prescription Refill	92.9%
Request for Appointment	97.86%
Request For Call Back	93%

Purpose: This review evaluates how after-hours calls are addressed. Our after-hours policy ensures that our community has access to care 24 hours a day/7 day a week.

Health Information Technology	
Measure	Year: 2022
Scanning (See Him Reports)	99%
HIPAA Compliant Release of Information Process (See Him Reports)	98%

Purpose: Scanning process- the reviews consisted of randomly selected charts that contain scanned documents which may be ancillary, diagnostic, therapeutic, correspondence, and other supportive data not created in the EHR. The elements of performance measured are document type; correct patient, correct document type and legibility of document scanned. The compliance ratio is 90% of all charts reviewed or better.

HIPPA compliant release of information process the review consisted of randomly selected requests for medical records. The elements of performance measured are patient’s name and date of birth is on the request; the authorization to access or release information is dated and signed by the patient or legal representative; verification that the requester can legally make the request; the request is logged in the ROI log. The compliance ratio is 90% of all requests reviewed or better.



Medical Provider Performance Review	
Measure	Percent Compliant 4th Quarter 2021
Appropriate Diagnosis	100%
Appropriate Exam	90% (some notes were incomplete at the time of the review. The exam had not yet been documented and was therefore counted as “not complete/not appropriate”)
Medications Dosed Correctly	100%

Purpose: This review looks at medical records to evaluate provider performance and documentation.

Gonorrhoea and Chlamydia Follow Up	
Measure	Year: 2022
Percent of Positive Cases Treated	100%

Purpose: This review checks to make sure that all patients who tested positive for gonorrhoea and/or chlamydia were treated.

Normal Pap Follow Up	
Status Of Follow Up	Percent Compliant 4th Quarter 2021
Completely Done- Reviewed by Provider, Logged and Scanned into Chart	83.32%
Paps Reviewed/Signed by Provider, Logged into Binder. But Not Scanned into Chart	100%

Purpose: This review is to make sure that all pap smear results are reviewed, signed, logged into the pap binder, and scanned into the patient’s chart.

Abnormal Pap Follow Up	
Measure	Percent Compliant Year: 2022
Cases Complete (Patient Notified, Follow Up Done)	93%

Purpose: This review is to make sure that all patients are contacted regarding their abnormal pap smear results and that a follow up plan is scheduled and executed as indicated based on those results.



Nursing Documentation	
Measure	Year 2022
Blood Pressure	100%
Last Menstrual Period	84%
Smoking History	88%
Temperature	100%
Oxygen Saturation	100%
Pulse	100%
Respiratory Rate	100%
Weight	100%
Height	100%
BMI	100%

Purpose: This review looks at nursing staff documentation for accuracy and completion.

Post Partum Follow Up	
Measure	Year 2022
Percent of Post Partum Patients Seen Within 6-8 Weeks After Delivery	96% Note: All Patients with Missed Appointments Were Called by STEEMCC Staff to Be Rescheduled

Purpose: This review looks at post-partum patients to ensure they are not lost to follow up.

Newborn Follow Up	
Measure	Year 2022
Percentage Of Newborns with Follow Up Within One Week	100%

Purpose: This review looks at our newborns to ensure they are entered into care with a provider.

Antenatal Sheet Transmission	
Measure	Year 2022
Percent Of Prenatal Documentation Sent To L&D	97.4%

Purpose: This review is to make sure that all patients are contacted regarding their abnormal ap smear results and that a follow up plan is scheduled and executed as indicated based on those results.