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HOSPITAL

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**Testimony to the Committee on Budget, Appropriations and Finance**  
**35th Legislature of The Virgin Islands**  
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Good afternoon, Honorable Chairwoman Senator Frett-Gregory, Honorable Senators of the Finance Committee, other Honorable Senators of the 35th Legislature present, fellow Testifiers, Schneider Regional Medical Center staff, and to the listening and viewing audience. I am Tina M. Comissiong, Esq., MPA, Chief Executive Officer of Schneider Regional Medical Center (SRMC).

I appear before this Committee to present testimony on SRMC's current challenges in meeting its WAPA obligations. SRMC's current payable to WAPA is \$2,796,418.04.

While SRMC acknowledges a large arrearage to WAPA, we must first note that it is not all for power and water that was provided for SRMC. The Department of Health (DOH) occupies a significant percentage of SRMC's RLSH facility and does not have separate metering for its power or water. DOH does not make any contribution towards the SRMC WAPA bill. SRMC is billed in total an average of \$379,000 by the Virgin Islands Water and Power Authority for power and water per month (approximately \$365,000 for the RLSH facility and approximately \$14,000 for the MKS facility; CKCI has a nominal assessment but as it is currently closed it has no major impact on the overall WAPA bill). Using the average monthly bill and DOH's 6% spatial usage of the RLSH facility, a monthly contribution of \$21,900 for electricity and water is required to cover DOH's overhead. Based on DOH's square footage and usage, they should be paying approximately \$262,880 annually towards the WAPA bill.

Every month, two hundred and seventy-five thousand dollars (\$275,000) is garnished from SRMC's monthly allotment and paid directly to WAPA on SRMC's behalf. The Administration also recently re-programmed one million of ARPA funding that was earmarked for SRMC's retention and IT initiatives to WAPA to pay down the outstanding balance that SRMC has with the utility.

SRMC is committed to pay and desires to pay WAPA for the electricity and water that is consumed to take care of the patients of our community. However, SRMC faces significant challenges that prevent the hospital from doing so consistently.

As a hospital, SRMC is required by the Emergency Medical Treatment & Labor Act (EMTALA) to accept and treat any and everyone who walks through our doors, regardless of their ability to pay. SRMC serves an aged and underinsured demographic in the territory. Approximately 75% percent of the patients we treat are either self-pay or covered by Medicare or Medicaid – which pay less than the cost of care. The self-pay for which we are unable to collect despite diligent attempts at collection is included in our uncompensated care number.

Other payors such as Department of Labor Workman's Compensation program, the Bureau of Corrections, the Department of Health, and the Department of Human Services are slow to pay SRMC for services rendered. These are amounts that SRMC expect to collect for services rendered and are not included in the uncompensated care numbers we report – if we were to include those amounts, the uncompensated care number for SRMC would be much higher.

Due to the lack of post acute care facilities, mental health facilities, and post-discharge options in the Territory, SRMC is unable to discharge patients and expends tremendous amounts annually to care for Boarders - patients who remain at the hospital after their acute care is completed because they have nowhere to go. SRMC continues to incur expenses for their ongoing nursing care, physician care, supplies, medications, electricity, water, etc. for which SRMC will receive no reimbursement from Medicaid, Medicare, or Commercial Payors as they are no longer receiving covered services. The care provided to Boarders adds to and is included in the uncompensated care that SRMC reports.

Under the federal Medicaid program structure which requires a cost share of 83% Federal – 17% State/Local for the USVI, the USVI is required to remit payments to the Hospital for approved services provided to Medicaid beneficiaries. The FY23 Medicaid reimbursement equated to \$14,186,406 in approved claims paid by the Federal Government which requires a local match of \$2,905,649.30. This amount is paid to the hospitals via the allotment. So the first \$2.9Million of the allotment that we receive is not actually a subsidy at all, but is in fact the actual required payment for services rendered to Medicaid payments under the federal program requirements.

The balance of the allotment, as per Title 19 Virgin Islands Code Section 240(h), should cover the local uncompensated care provided by the hospital. Uncompensated care is defined in Title 19 Virgin Islands Code Section 221(22) as “the sum of "charity care" and "bad debt" resulting from health care services provided by the Corporation after due diligence to collect.” We understand that contractual adjustments in reimbursement for services based upon an agreement with a payer (to include but not limited to Medicaid and Medicare) are not uncompensated care. So SRMC does not include or expect to be paid directly through the allotment for the difference in the cost of care we provide to patients and the approved Medicare or Medicaid rate for covered services.

SRMC's total uncompensated care for FY23 was \$31,665,691.08. Our allotment for FY23 was \$28,437,500.00 – and after deducting the portion that covers the federally required Medicaid match, SRMC actually received \$25,531,851 towards uncompensated care. SRMC is left to grapple with approximately \$3,228,191 of uncompensated care annually – which makes it very difficult to pay the WAPA bill.

The monies SRMC receives annually through the allotment does not fully subsidize the actual care that is provided or include additional subsidies that would help to account for the disproportionate share of underpayments that SRMC receives from Medicare and Medicaid or the cost of doing business in an aged facility that has lacked investment over the years.

The current leadership team, clinical team, and revenue cycle team at SRMC have worked diligently to achieve significant improvement in our collections and revenues (last year increased to \$56M and so far this year we have collected \$34M, on track to achieve \$68M in total this year-marking approximately 20% increase in collections). We have shown significant success in supplementing our funds by garnering strong community support through the SRMC Foundation. However, without being able to collect the bare minimum to cover uncompensated care, the funds we collect on our own for our daily operations and fundraising activities are stretched and often not sufficient to pay all of our bills in full – including WAPA. SRMC is then faced with very difficult decisions as to buying blood, drugs, and supplies, and maintain minimum essential staffing or paying WAPA. We are care providers and lifesavers first, and often the decision has to be to get the blood, drugs, supplies, and staff that we need to provide care to patients who present to our hospital for care. Yes, we need electricity to provide care too and therefore, we are not minimizing our obligation to WAPA.

If SRMC is able to collect timelier from other agencies with monies owed to us and receive reimbursement through the allotment to cover the uncompensated care that is provided, SRMC will in turn be able to pay its bills – to WAPA and other vendors. SRMC certainly does not want to does not want to create any burden on the Authority that impacts the community and resolving these two challenges will allow SRMC to be pay its bills to WAPA timely.

The Schneider Regional Medical Center provides the best patient care possible with its limited resources. SRMC can not deny medical services to members of our community who need them. Unlike other agencies and instrumentalities, SRMC can not cut off services or raise rates (as we are locked into the rates we receive from Medicare, Medicaid, and our other payors) and must be prepared to provide the standard of care required of a Joint Commission accredited US facility to everyone who presents at the Emergency Room no matter their ability to pay. SRMC has to prioritize our limited available cash to ensure that we pay our almost 600 hard-working, compassionate, and highly skilled employees and we must make payment to critical vendors who supply the drugs and blood and other items required to provide safe patient care.



SRMC will continue to do its best in managing the funds that are available, continue to diligently collect for the services we provide through improving our revenue cycle and collection efforts, and continue to encourage community support through our Foundation. I want to thank all of the dedicated, hard-working employees of SRMC for the work they do every day to care for our community. We appreciate the support of everyone within the government and within the community who push for healthcare as a priority. We understand that the overall pot is limited and that it is one pot, and we hope that there will be continued prioritization for healthcare as it is so important to our community and to our economy and any one of us could need the services of the hospital (for ourselves, or our parents, or our children) at any given moment. It is in our collective best interest to support the Territory's hospitals and we sincerely thank everyone that does. We appreciate the support of the Executive and Legislative Branches for SRMC and appreciate the supplemental payments that are being made to WAPA on SRMC's behalf from other funds as this helps reduce SRMC's arrearage to WAPA.

This concludes my testimony. Thank you.

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