



# 2024

## GVI FISCAL YEAR REPORT

### Status of STEEMCC

**Steven Mayers**  
Chief Financial Officer

**Earle B. Ottley Senate  
Chambers, Senate Building  
St. Thomas, U.S. Virgin Islands  
Tuesday, June 6, 2023**



## St. Thomas East End Medical Center Corporation

### Board of Directors

Directors	
<b>Karl H. Callwood</b>	Chairperson
<b>Mario A. Francis</b>	Vice-Chairperson
<b>Francia M. Brin</b>	Treasurer
<b>Cereese Lewis- Smith</b>	Secretary
<b>Calvin I. Gottlieb</b>	Member
<b>Carmen A. White</b>	Member
<b>Clifford Charleswell</b>	Member
<b>Dr. Gloria B. Callwood</b>	Member
<b>Hans R. Oriol</b>	Member
<b>LaVerne Slack</b>	Member
<b>Lisle A. Evelyn Jr.</b>	Member
<b>Marilyn A. Haynes</b>	Member
<b>Noreen Fletcher</b>	Member



Committee on Health & Hospitals, Human Services Chairman, Honorable Senator Ray Fonseca, members of the 35<sup>th</sup> Legislature’s Committee on Health, Hospitals & Human Services, other members of the 35<sup>th</sup> Legislature of the U.S Virgin Islands, the viewing and listening public, colleagues: my warmest greetings.

My name is Steven Mayers, Chief Financial Officer of the St Thomas East End Medical Center Corporation (STEEMCC).

My goal today is to share with you the current financial state and future projections of STEEMCC operations.

In that regard, I must begin my testimony here by expressing the gratitude of STEEMCC to the legislature and the administrative arm of the government, that have provided financial and technical support to the center throughout its 30 years of existence. Without you our mission would not be possible, and we thank you for inviting us here today.

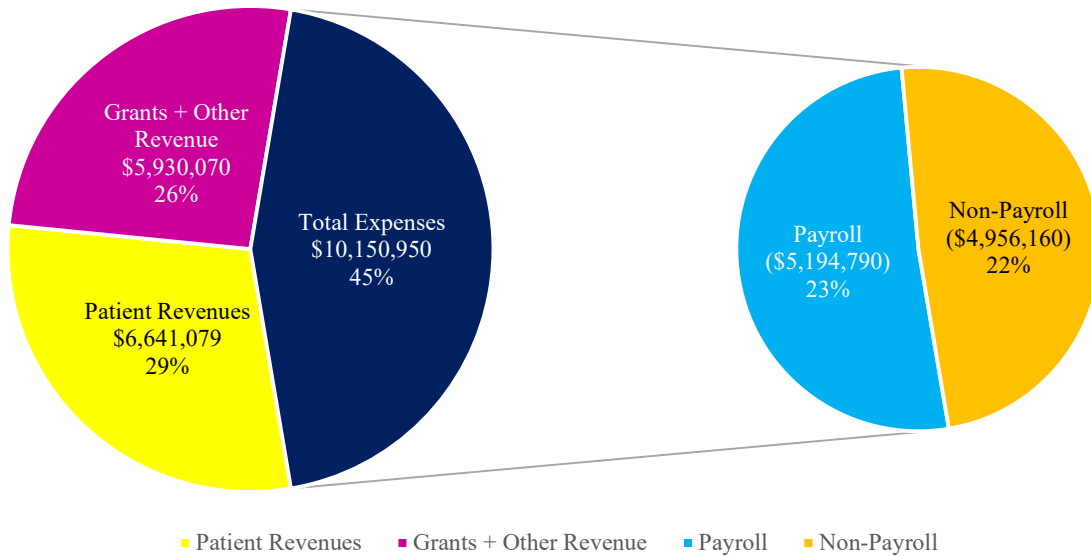
A good place to start is a look at our summarized financial statements since 2019:

<b>Sources &amp; Uses of Funds</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023*</b>
Patient Revenues	\$6,641,079	\$5,179,225	\$4,553,354	\$3,772,654	\$4,739,747
Grants + Other Revenue	\$5,930,070	\$4,404,689	\$6,658,413	\$5,372,767	\$5,459,805
<b>Total Revenues</b>	<b>\$12,571,149</b>	<b>\$9,583,914</b>	<b>\$11,211,767</b>	<b>\$9,145,421</b>	<b>\$10,199,552</b>
Payroll	(\$5,194,790)	(\$5,412,577)	(\$5,817,276)	(\$7,124,085)	(\$8,068,925)
Non-Payroll	(\$4,956,160)	(\$4,055,240)	(\$4,044,322)	(\$5,119,419)	(\$3,636,313)
<b>Total Expenses</b>	<b>(\$10,150,950)</b>	<b>(\$9,467,817)</b>	<b>(\$9,861,598)</b>	<b>(\$12,243,504)</b>	<b>(\$11,705,238)</b>
<b>Change in Net Assets</b>	<b>\$2,420,199</b>	<b>\$116,097</b>	<b>\$1,350,169</b>	<b>(\$3,098,083)</b>	<b>(\$1,505,686)</b>

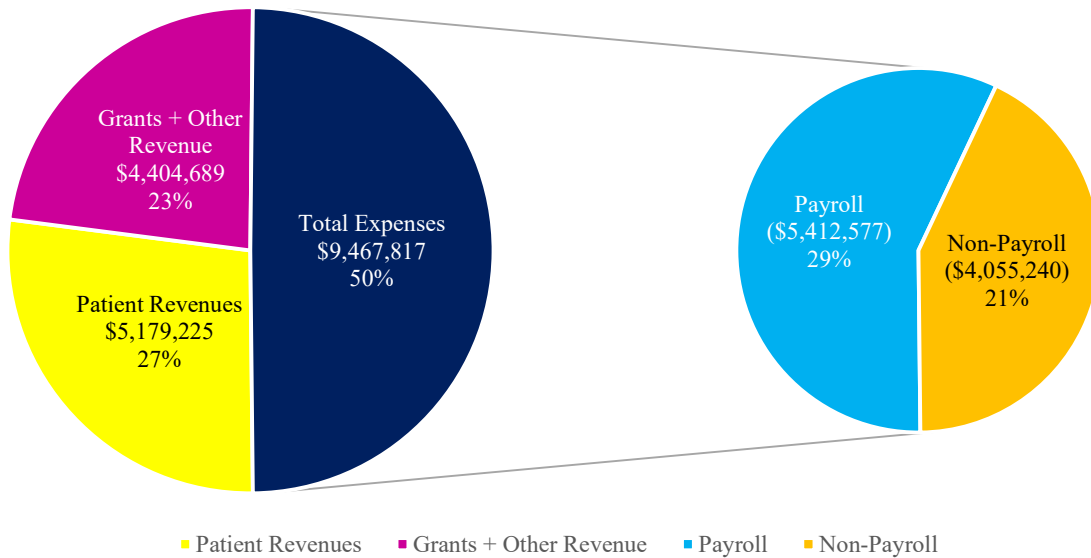
\*Unaudited



### 2019 Sources & Uses of Funds



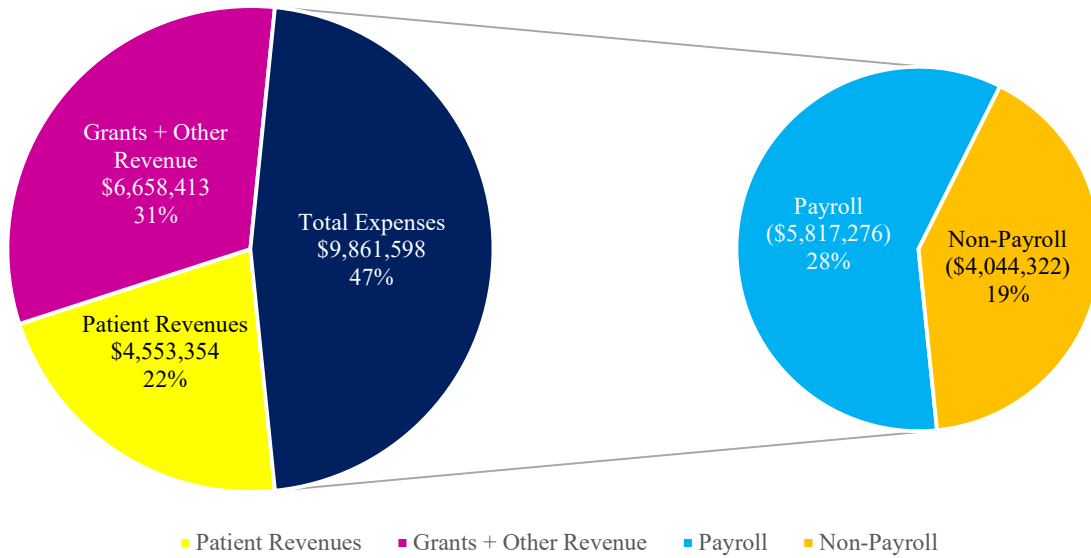
### 2020 Sources & Uses of Funds



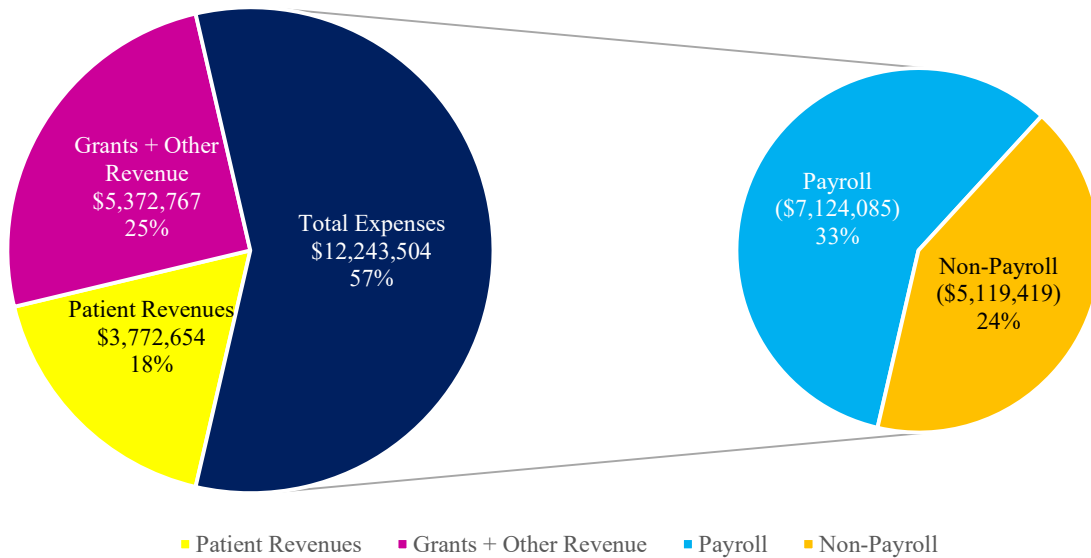
- Federal Fund & Program Income STEEMCC Fiscal Year March 1<sup>st</sup> to February 28<sup>th</sup>.
- GVI Grant Fiscal Year October 1<sup>st</sup> to September 30<sup>th</sup>.



### 2021 Sources & Uses of Funds



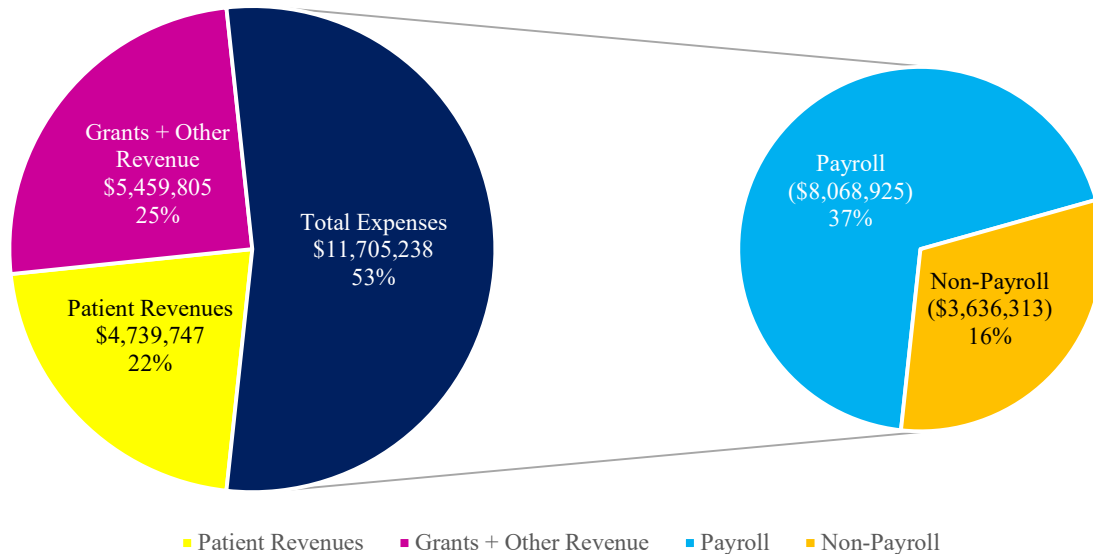
### 2022 Sources & Uses of Funds



- Federal Fund & Program Income STEEMCC Fiscal Year March 1<sup>st</sup> to February 28<sup>th</sup>.
- GVI Grant Fiscal Year October 1<sup>st</sup> to September 30<sup>th</sup>.



### 2023\* Sources & Uses of Funds



I will explain the chart numbers for ease of reference:

- The periods FY2019 to FY2022 are all audited. FY2023 is unaudited.

To say it bluntly, the St Thomas East End Medical Clinic Corporation is in a state of financial crisis.

During the COVID-19 pandemic, STEEMCC suffered catastrophic declines in patient revenues. Those patient revenues declined each year from \$6.6 million in 2019 to only \$3.7 million in FY2022. There was some recovery in 2023 as the virus emergency progressed from pandemic stage to the current endemic state.

Grant income, including our Government of the Virgin Islands’ subvention, has averaged \$5.3 million during the period displayed above, reflecting the consistency of our relationship with GVI, Federal partners and benefactors.

While patient revenues have continued to decline our payroll continued to grow, ballooning 56% over pre-COVID FY2019. Our substantial Payroll expenses cover our net payroll plus local payroll taxes, FICA (Medicare and Social Security), United Healthcare insurance, and matching retirement plan.

Other voluntary deductions include AFLAC, Aero MD, Global Medevac, MASA, and United Way.

Conversely, our non-payroll expenses have been relatively constant at around \$4 million and consist mainly of our Contracted Providers’ costs, occupation expenses (rent and utilities), medical supplies, office supplies and other operating expenses.



It is evident that our expenses outstripped revenues by over \$4.5 million during the previous two STEEMCC fiscal years of 2022 and 2023. Our fiscal year is on the federal cycle from March 1 to February 28.

During the first month of STEEMCC’s FY 2024, the board elected Mr. Karl Callwood. We are confident that he will bring to the table a new proactive disposition towards navigating STEEMCC’s issues and facilitating greater cost consciousness. The board of directors has swiftly moved to stem the tide regarding runaway expenses by reducing our burden of top management and corresponding senior management payroll.

Last year STEEMCC presented to this body the Center’s staff leadership team consisting of nine directors and executives. Today that list consists of Dr. Tess Richards, who serves as both Interim Executive Director and Medical Director and me, as CFO. Only one member of that previous executive team is currently on staff. Dr Richards nor I were members of last year’s executive team.

The focus of the board chair and the board of directors is on rationing our limited resources to maintain the high standard of care provided to our patients by increasing both the quality and quantity of our services.

At this stage we are concentrating on balancing our books. This is to ensure the longer-term viability of our operations.

We have funded most of our losses by not meeting our payment obligations. Because of the magnitude of our payroll, we have been using most of our cash to meet that expense. As a result, our vendors and suppliers have suffered from us paying them late or not at all to date.

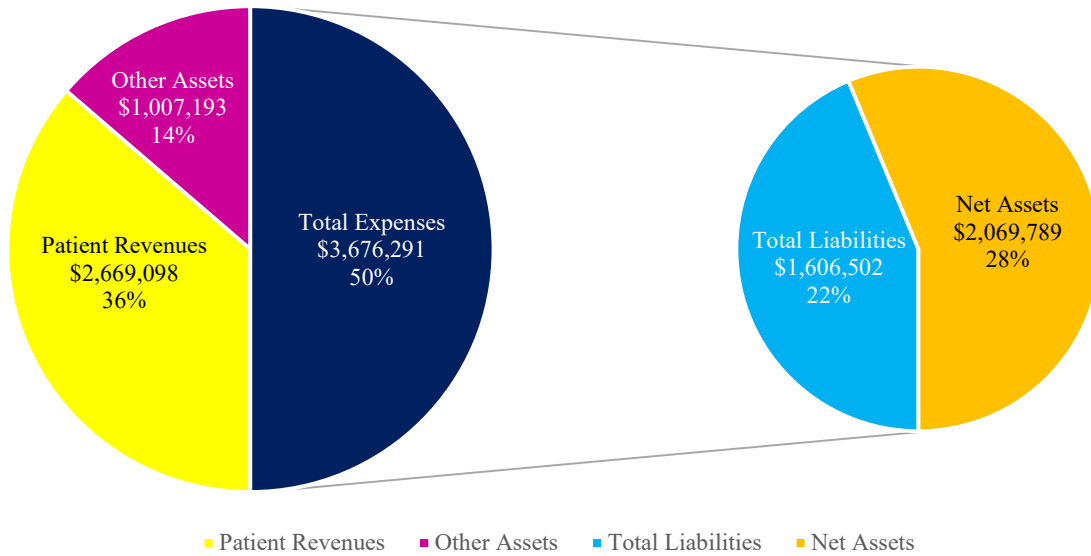
In reality, the \$4.5 million excess of expenses over revenues has been financed by the exhaustion of all financial reserves pre FY2020 and then growing our Accounts Payable to its current \$3.2 million from \$1+ million pre-COVID. See below Balance Sheets for same period thus:

<b>Assets &amp; Liabilities</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023*</b>
Patient Revenues Receivable	\$2,669,098	\$997,042	\$2,431,402	\$746,805	\$1,734,270
Other Assets	\$1,007,193	\$2,138,176	\$2,275,478	\$1,310,446	\$153,939
<b>Total</b>	<b>\$3,676,291</b>	<b>\$3,135,218</b>	<b>\$4,706,880</b>	<b>\$2,057,251</b>	<b>\$1,888,209</b>
Total Liabilities	\$1,606,502	\$949,332	\$1,170,825	\$1,619,279	\$2,933,360
Net Assets	\$2,069,789	\$2,185,886	\$3,536,055	\$437,972	<b>(\$1,045,151)</b>
<b>Total</b>	<b>\$3,676,291</b>	<b>\$3,135,218</b>	<b>\$4,706,880</b>	<b>\$2,057,251</b>	<b>\$1,888,209</b>

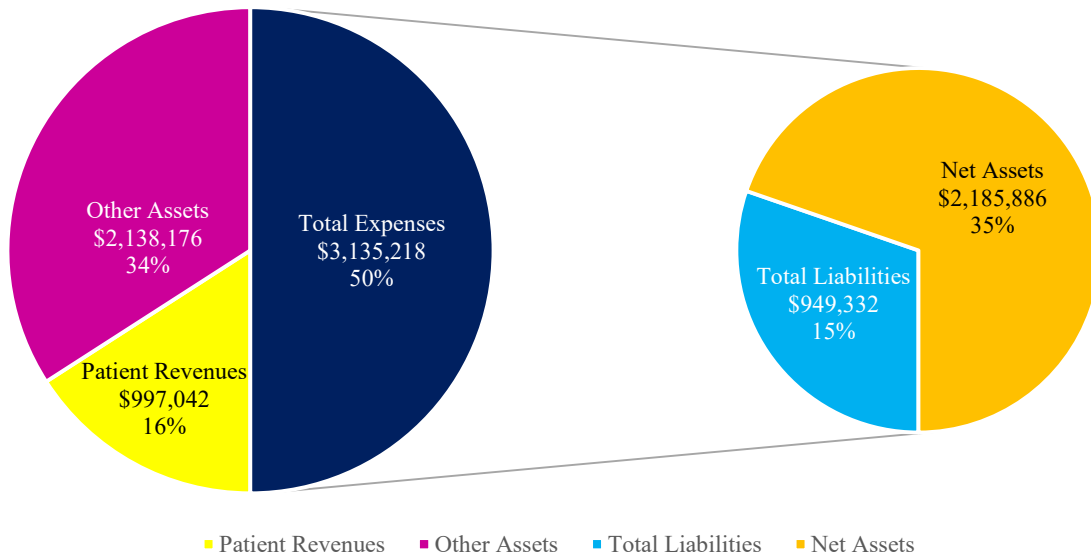
\*Unaudited



### 2019 Assets & Liabilities



### 2020 Assets & Liabilities

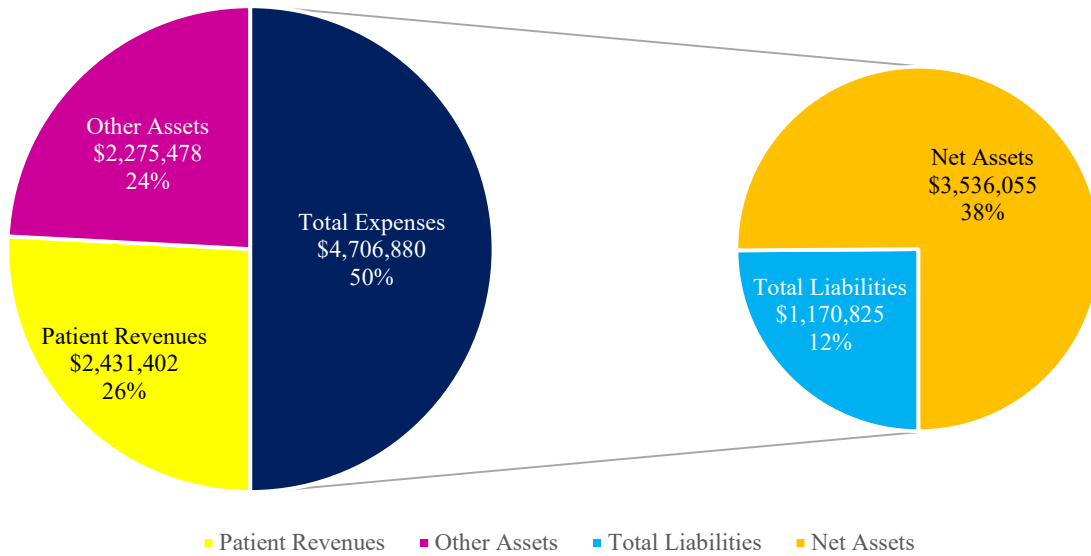


- Federal Fund & Program Income STEEMCC Fiscal Year March 1<sup>st</sup> to February 28<sup>th</sup>.
- GVI Grant Fiscal Year October 1<sup>st</sup> to September 30<sup>th</sup>.

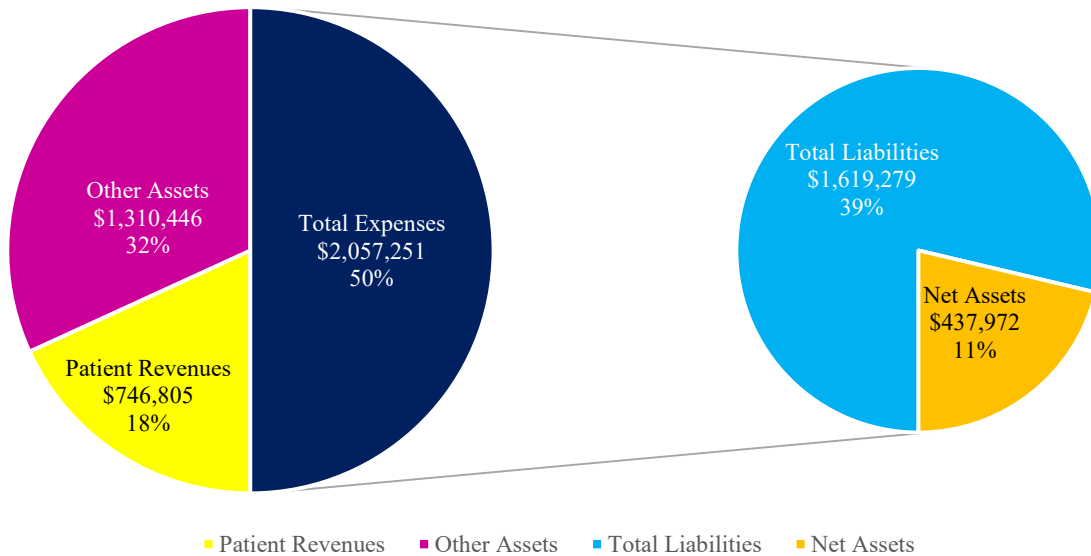




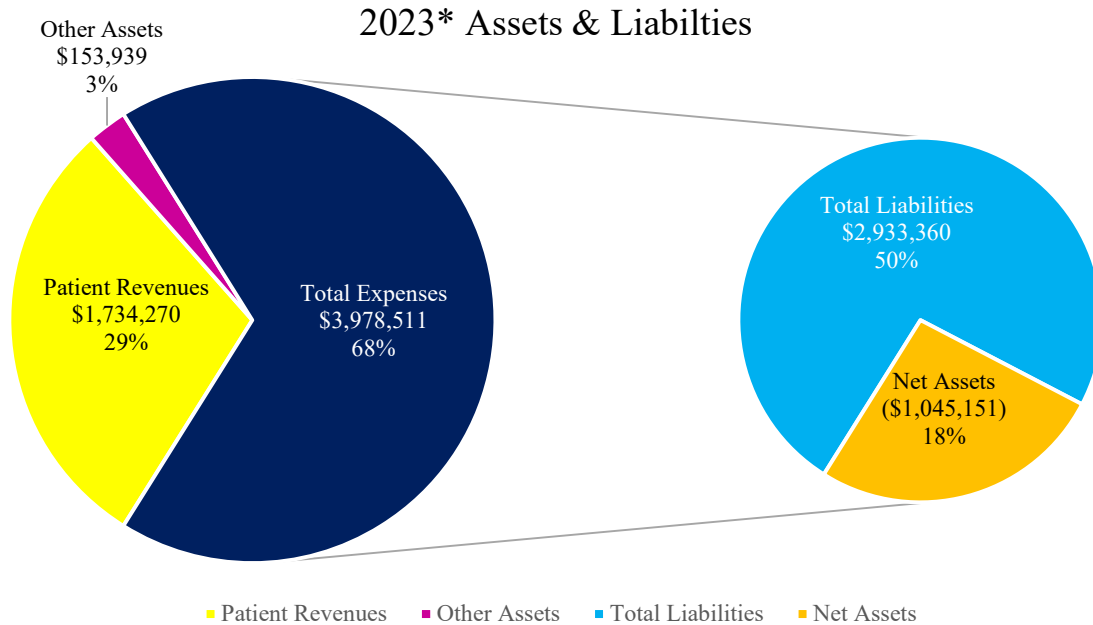
### 2021 Assets & Liabilities



### 2022 Assets & Liabilities



- Federal Fund & Program Income STEEMCC Fiscal Year March 1<sup>st</sup> to February 28<sup>th</sup>.
- GVI Grant Fiscal Year October 1<sup>st</sup> to September 30<sup>th</sup>.



In the past 15 months, or thereabouts, our financial challenges have been exacerbated by the reality that collection of patient revenues lagged so much that our total cash collections (patient revenues, GVI allocation, Federal and other grants) have only been sufficient to cover net payroll.

This means that our essential payments for local and federal taxes and other payroll liabilities have lagged, thus jeopardizing our operations.

STEEMCC is committed to being more responsible in its financial dealings and we are open to sharing with this body our financial records and whatever other information you may require.

We continue to reach out to our vendors and appraise them of our circumstances. They, of course, remain nervous as we work through this difficult time. So far, we have been fortunate that they have been patient as they too have expenses to cover.

We have petitioned to the Office of the Governor for assistance and made a formal application for funding under the Asset Recovery program.

The STEEMCC Board of Directors has approved a corrective action plan. The team chosen to lead that plan includes a consultant, previous executive director, and some members of the board.



Program Income					
	2019	2020	2021	2022	2023
Medicaid	\$3,258,357	\$4,175,709.00	\$1,942,379.00	\$2,809,301.00	\$2,789,428.03
Medicare	\$539,404.00	\$389,940.00	\$412,221.00	\$322,762.00	\$236,294.43
Private Insurance	\$490,505.00	\$292,605.00	\$310,957.00	\$334,541.00	\$367,375.64
Self-Pay	\$707,817.00	\$320,971.00	\$40,041.00	\$306,050.00	\$393,936.46
<b>Total</b>	<b>\$4,996,083.00</b>	<b>\$5,179,225.00</b>	<b>\$2,705,598.00</b>	<b>\$3,772,654.00</b>	<b>\$3,787,034.56</b>

FY 2019 Program Income

