



Board of Directors

*“Your Health is our **First** Priority”*

**Statement by the Board of Directors
of the
St. Thomas East End Medical Center Corporation, Inc. (STEEMCC)
to the
COMMITTEE ON HEALTH, HOSPITALS & HUMAN SERVICES
The Honorable Ray Fonseca, Chairman**

**35th Legislature of the U.S. Virgin Islands
Capitol Building, P.O. Box 1690
Charlotte Amalie, V.I. 00804**

February 7, 2024

Good day, Chairman Fonseca, committee members, other participating senators, staff and public:

Thank you, Senator Fonseca for inviting us to give an update on the status of the St. Thomas East End Medical Center Corporation, Inc., also known as STEEMCC.

My name is Karl Callwood, chairperson of the Board of Directors of STEEMCC.

When last I appeared before this body, it was with news of a medical center in extreme distress and potentially facing a near term shut down. That did not happen.

Through the diligent work of our Chief Financial Officer, Mr. Steven Mayers, our Interim Executive Director, Dr. Tess G. Richards, key senators and the governor's team, we were pledged just over \$2 million dollars in grant funding through the American Rescue and Recovery Act. At the time of this writing, \$1.5 million of the money has been distributed to us. These funds literally kept our doors open during the summer months. They allowed us to catch our breath and make certain significant changes to our operations that we project will stabilize us for the near term.

To draw down these funds, we had to justify expenditures in advance and prove that we were capable of properly managing and tracking the spending.

In rectifying the course of the center we engaged all of our suppliers and vendors, many of whom we owed, and still owe, massive amounts of dollars to. In our discussions vendors, for the most part, have been sympathetic to our plight and have allowed us to negotiate simple payment plans. Some even lowered the amount of our debt. [As an aside, the community often talks negatively about businesses in the islands. Thus I must note that among the concerns many vendors had was that we stay open and continue treating the community. This is a silent giving that has helped tremendously with our ability to continue providing services].

In correcting our financial situation we also called up all contracts for review and scheduling for re-bid. There are a few contracts that we feel do not inure to the best interests of STEEMCC and renegotiation discussions have already begun.

Dr. Richards and Mr. Mayers will go over the specifics of the internal changes we have made leading to other improvements. For instance, our daily collections are now averaging 10-20 times higher than before. We have consolidated space and reduced our rental liability by over 1/3. We have five new providers on staff with more to come. We now boast two full time dentists and the District's only dermatologist. Our engagement in the 340B discount pharmaceutical program has started to bear fruit with increasing returns monthly.

On the Board side, we have taken the steps necessary to ensure that we remain in compliance with our By-laws and process. This month we will be rotating off term expired Board Members and swearing in new members from the Community. While institutional knowledge is important, so is gaining fresh perspectives by continually renewing and refreshing our board. A new Board member will hopefully be joining us from St. John where our services have been woefully absent.

In retaining the institutional knowledge of the Board, we compiled and updated a training manual for new Board Members. Reviewed this past October during an unscheduled Site Visit by the Federal Government, our new manual was called the most comprehensive they had seen in the nation.

This is not the only area in which STEEMCC has exceeded federal standards since moving into this austerity period and reorganization under Dr. Richard's leadership.

We have the federal site visit report from this past October which we will be happy to share with this Committee. The federal reviewers from the Health Resources

and Services Administration (HRSA), which is the federal oversight body for STEEMCC, expected to find a center in chaos. Instead, to their surprise and through the herculean efforts of Dr. Richards and Mr. Mayers, they found us fully operational, all corrections under way and judged our re-organization and corrective measures as on-the-right-track. In fact, from among the four reviewers, they stated they had seen such an efficient organizational style as designed by Dr. Richards only four or five times in their careers. During the Team's exit interview with Board Members they strongly advised us to keep our current administrative team together as one of the best they've seen. They also suggested that, based upon their review, we apply for an early lifting of any financial grant or draw-down restrictions our financial crisis triggered.

At the end of the week's on-site review, STEEMCC passed among the highest in the nation at 96%. We have submitted corrections for the remaining 4% with hopes to raise our score to 100%.

Within that 4%, however, is where we have to have a real serious talk with this body and the governor regarding the extent of commitment this government is willing to put into primary health care. We received a failing mark in the area of pricing. Many of our rates are too low and the Feds have said to raise them. If we do not increase our pricing it will negatively affect our federal subsidies.


The Board was aware that our prices were low and did vote twice - since Hurricanes Irma and Maria and COVID - to have rates to Virgin Islanders remain the same because of hardship. That holiday period is over for non-primary care. Mr. Mayers can explain how those increases will be applied and how they will not

affect the discount pricing for low-income patients. Dr. Richards can explain exactly what primary care is and why the Feds want rates raised for other services.

In closing, I will state that we feel that we are doing our part and keeping the Center up to par. We do need more people to come in for care. Our facility is not a 'low-income clinic' as one stereotype goes. We serve everyone, regardless of income, age, race, ethnicity, sexual orientation or citizenship. Our focus is everyone's health, but also towards making certain that the least fortunate of us have the medical attention they need. So, if a fully insured billionaire walks through our doors tomorrow, we see that patient. If a homeless and penniless person comes in, we see that patient. The billionaire pays full price, the other party's bill might be zero. We use what is called a Sliding Scale and discount your medical costs based upon your income.

What we need is a more diversified range of customers as well. We provide services that can be obtained no where else in the District. We accept medical insurance and are the only Federally Qualified Medical Center in St. Thomas-St. John. This means that we meet or exceed the federal government's minimum standards for quality care. We invite all residents of these islands to contact STEEMCC and learn what primary care service we can help you with. I believe you will be pleasantly surprised at the level of quality care we provide.

Sincerely,



Karl Callwood

Chair, Board of Directors

St. Thomas East End Medical Center Corporation (STEEMCC)