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Good morning, Honorable Senator Fonseca - Chairman of the Health and Human Services Committee, Honorable Senators of the Health and Human Services Committee, other Honorable Senators of the 36th Legislature present, Schneider Regional Medical Center staff, and the listening and viewing audience. I am Tina M. Comissiong, Esq., MPA, Chief Executive Officer of Schneider Regional Medical Center (SRMC).

Thank you for the opportunity to appear before this Committee to present testimony on SRMC's strategic plan to improve and expand our services and to give you an update on our financial condition. Our presentation today will cover Uncompensated Care, Boarders, Accounts Payable (AP), Emergency Room (ER) services and staffing shortages. Thank you for the support that you have provided to the hardworking SRMC team over the past year and thank you for recognizing the critical importance of prioritizing funds for our Territory's hospitals.

I know that as community leaders you share the same goal for healthcare as we do. We all want to ensure that our community receives the best care right here at home in the Virgin Islands. All of our employees, clinical and non-clinical, work hard to serve our community. For SRMC to continue to uphold its mission to provide and expand high quality healthcare services we must stabilize and improve the finances of the organization.

Though 2024 began with great promise for SRMC, we faced significant challenges, including two major cyberattacks that disrupted our organization, impacted our financial stability and tested our resilience. As we move forward this year, we recognize the urgency behind putting systems in place that will allow us to improve revenues and collections and reduce expenses. We must acknowledge that insufficient

funding for uncompensated care and insufficient funding for the maintenance of the aged facilities have had a major negative effect on the financial sustainability of SRMC.

SRMC must aggressively pursue its strategic initiatives and improve its billing and collections and the Government of the VI (GVI) must provide adequate funding for the uncompensated care we provide. By making some strategic investments of cash for SRMC, the GVI will be able to ensure access to high-quality care and SRMC will be able to position itself as a beacon of hope and a model of healthcare excellence for the region.

Two main factors that impact SRMC's financial stability are:

1. Underfunding of Uncompensated Care

The GVI Appropriation for SRMC for FY25 should have been \$46.3 Million as, per law, the GVI Appropriation must cover two things: 1) The local Medicaid match, which is \$2.3M; and 2) Uncompensated care [As defined in Title 19 Virgin Islands Code Section 221(22)] which is \$44M. Schneider Regional Medical Center received a budget of \$32.5M in FY25. The underfunding of \$14Million significantly affects SRMC's financial stability. Plainly stated, the allotment is insufficient to cover the uncompensated care that the hospital delivers. Uncompensated care places a significant burden on SRMC. SRMC must provide care to anyone who presents to our ER, yet many of the people who present are uninsured, undocumented and cannot qualify for assistance, or are covered by and Medicare and Medicaid whose payments do not fully cover the cost to provide care.

The cost of healthcare has increased significantly year after year. Inflation in healthcare is approximately 4%, yet SRMC continues to receive an essentially flat budget. Additionally, the availability of nursing home beds in the community has not improved and has actually gotten worse. SRMC is currently caring for 13 Boarders/Unsafe Discharges for which we receive no reimbursement. The NACU requires five staff nurses and five certified nursing assistants. For one year, the cost to staff the unit is approximately \$818K. Based on the Medicare daily rate of approximately \$1,400, it costs SRMC approximately \$6.2 Million annually to care for these 13 Boarders.

As a result of being underfunded for years, daily cash on hand fluctuates between 2 days and 10 days throughout the month so we do not have available operational funding to make substantial payments on our AP. SRMC's AP has grown to \$38 Million. This makes it very difficult for us to get supplies needed by our clinical staff on a consistent basis.

2. Insufficient Investment in Capital and Facility Repairs

The budgets for SRMC year after year have included \$0 for capital investment or facility repairs or funding for depreciation. Because we have lacked capital investment for so many years and we are in an aged facility, we are continuously faced with using operational funding to do immediate facility repairs. The Roy L. Schneider Hospital (RLSH) was built in 1982, and the infrastructure is currently more than 42 years old. Although certain areas have been updated over time, we still operate with some of the original components that were installed when the hospital was first constructed. Further, the temporary modular structure that is in place at Myrah Keating Smith (MKS) was not designed to be a permanent solution and will need facility repairs until the new permanent MKS is built.

FEMA has obligated money for new facilities; however, it will be at least another five years before the new hospital is ready on St. Thomas and three years until a new clinic is ready on St. John. None of that FEMA money is approved to be used to maintain the current hospital facility on St. Thomas or clinic on St. John. SRMC needs the GVI to provide funding for the maintenance and replacement of the facilities and equipment.

STRATEGIC PLAN FOR IMPROVEMENTS AT SRMC

I genuinely believe that SRMC has the ability to improve its operations and financial sustainability and have a strong future if a few strategic investments are made. To dig SRMC out of the current crisis and course correct after years of underfunding, we need to do the following:

1. Pay down the AP.

The GVI should earmark funding for paying down the Accounts Payable owed by SRMC, especially to local vendors and supply and staffing vendors. The GVI should also allow for forgiveness of debt owed by SRMC to the GVI specifically for GERS and Division of Personnel (DOP).

2. Invest in capital repairs.

Immediate funding for the maintenance of our facilities is absolutely critical. In our FY25 budget testimony we emphasized the need for line-item funding in the amount of \$9.7 Million for capital repairs and equipment and received \$0- no increase. Without this funding there is no ability to do replacement and repairs to the interior and exterior of the buildings, the AC systems, the generators, and other medical equipment. To ensure a safe environment of care and to maintain our accreditations, SRMC currently needs to spend approximately \$500K. MKS requires an investment of approximately \$400,000 to bring the current infrastructure up to date.

3. Install IT infrastructure updates.

Investment in a new EMR and adding features such as medical scribing will allow us to optimize and increase billing and collecting. We plan to put systems in place to enhance our security systems, which will reduce the expense of downtime and security breaches. These investments are critical to our future sustainability and operability. SRMC will generate significant additional funding and have less reliance on the GVI allotment with a better IT system.

4. Improving Billing and Collections.

We continue to increase our collections by improving our revenue cycle. In 2022, we averaged \$4 Million in collections per month. Approximately 2/3 of the funds we use to operate SRMC come from our collections from insurance and approximately 1/3 of the funds we use to operate come from the GVI allotment. Aside from the impact of two downtimes, our collections are consistently between \$5 and \$6 Million per month. We are engaging with third party billing and collections agencies to increase collections and help us identify opportunities for process improvements. We are also training our department leaders on managing their own budgets.

We need to work with JFL, the Government Health Insurance Board, and this body to get new contracts with insurance companies and payors. SRMC needs to be more adequately reimbursed for the care we are providing. The GVI Health Plan should offer incentives and discounts for patients to receive their care at SRMC and JFL.

5. Generating New Revenue and Improving Service Lines.

We continue to expand our services and recruit patients to SRMC for outpatient services. At RLSH we serve more than 15,000 patients in our Emergency Department and perform more than 1,500 outpatient surgeries and procedures. At MKS our volumes continue to grow across all our service lines. In FY24 we had more than 7,000 patient care visits.

We expanded service options with the opening of our Gastroenterology (GI) Clinic in October 2023. With the addition of this service line, we are catching cancers earlier and saving lives. This is a service line that is truly beneficial to the community. We have several other clinics coming online this year. We hired a new full-time orthopedic surgeon who will be running a spine clinic. We are also reopening our cardiac catheterization laboratory to address the high prevalence of cardiac related health concerns in the community. Up to 30% of our transfers off- island are related to cardiac issues so we know it is important to improve access to timely cardiac care. We are also working to expand our outpatient service offerings for the laboratory. All these

offerings are both needed for the community and are revenue generating for SRMC.

We acknowledge that the ER needs improvement, and with the right operational funding we would be able to do so. We want to upfit the feel and flow by adding more fast-track bays and add additional staffing. Our ER is staffed with three permanent physicians, two rotating physicians, and four mid-level providers. We need to add two permanent ER physicians rather than having rotating coverage and we need to add seven permanent ER nurses.

Importantly, our ER delays are directly linked to the Boarder problem we identified earlier in the testimony. Because 13 beds on our inpatient unit are being occupied by Boarders, we are unable to move admitted ER patients up to the floor because there are no available staffed beds. This then clogs up the ER beds and creates lengthy delays for patients waiting to get into the Emergency Room for care.

CONCLUSION

Our team at SRMC is working hard to provide high quality care to the residents of the Virgin Islands. SRMC needs additional funding to make up for the years that our system has been underfunded. We are focused on ensuring we have a safe environment of care for our patients and increasing the community's trust in our hospital system. We are committed to improving and enhancing our physical infrastructure and services as best we can while we wait for the new hospital.

We are excited about the re-construction of Charlotte Kimelman Cancer Institute (CKCI), and we look forward to providing radiation oncology to our community again. Supplemental funding must be provided for CKCI this year as we need to start recruiting the critical clinical positions that are needed to care for those patients. There was \$0 allocated for CKCI operations in the FY25 SRMC budget, but we need to start working on this now so that we are ready to treat patients when the building construction is completed in November 2025.

I thank our senior leadership team, our entire clinical team, and our support team for their continued hard work and dedication to SRMC and the community at large. SRMC needs to retain its excellent staff and recruit where we have vacancies. SRMC needs to continue to move our employees to step and re-negotiate several unions' contracts this year. SRMC needs to be able to offer competitive market salaries to successfully recruit and needs an appropriately funded allotment to do so.

While we would love to be able to fully support our operations without the GVI allotment, the realities are that the population we serve is aged and underinsured. Approximately 60% percent of the patients we treat are

either covered by Medicare or Medicaid, which both pay well below the cost of care. Another 15% are self-pay which often do not pay at all.

Schneider Regional Medical Center is committed to doing our part in improving our financial position and expanding service lines. We are working to help ourselves and will continue to be aggressive with our billing and collections, but the hospital must receive appropriate financial support from the Government to continue to provide high quality care to residents and visitors of the Territory.

Thank you to this Committee for the opportunity to present our budget to you today. I would also like to thank the Honorable Governor Bryan, his Administration, and our Territorial and District Governing Boards for their continued support of our healthcare system. The leadership and staff of Schneider Regional Medical Center are committed to providing comprehensive high-quality healthcare and being the provider of choice to residents of the Virgin Islands and the Caribbean. I am available to answer any questions you may have.

This concludes my testimony.
