



**VIRGIN ISLANDS GOVERNMENT
HOSPITALS AND HEALTH FACILITIES CORPORATION**



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Good afternoon, Honorable Senator Ray Fonseca, Chairman of the Committee on Health, Hospitals & Human Services, committee members, other Senators of the 36th Legislature, and the listening and viewing audience.

My name is Dr. Jerry Smith, and I am honored to serve as the newly seated Chairman of the Virgin Islands Government Health and Hospital Facilities Corporation (VIGHHFC). As of today's hearing, I have held this position for five days. Prior to becoming Chairman, I served as the Vice Chairman of the Territorial Board, the Chairman of the Human Resources Committee, Vice Chairman of the Finance Committee, and a member of the Performance Improvement Committee. I am also the Chairman of the St. Thomas/St. John District Board. It is a privilege to testify before this esteemed body regarding the pressing healthcare challenges facing our territory.

I would like to first acknowledge the testimony provided by my predecessor, Mr. Christopher Finch, who has presented a historical perspective on our system's challenges, particularly the impact of an aging population, the lack of long-term care beds, and the resulting boarder crisis. I also appreciate the insights shared by CEO Tina Comissiong of Schneider Regional Medical Center and CEO Darlene Baptiste of Governor Juan Luis Hospital and Medical Center, who have outlined their respective operational strategies to address these challenges. My testimony today will build upon these presentations, focusing on the broader systemic implications and strategic recommendations to enhance patient care and financial sustainability.

One of the most urgent issues we face is the extended wait times in our emergency rooms. This problem is directly linked to the boarder crisis, the situation where patients, having completed their acute hospital stay, remain in our facilities due to a lack of appropriate discharge destinations. This crisis not only affects patient well-being but also places immense strain on our hospitals' operational capacity and financial stability. Patients have been known to be hospitalized for periods of up to five years beyond their recommended acute care stay. This is a historical and present-day problem that exacerbates the issues faced by our healthcare system.

Reduced capacity within our hospitals has a cascading effect. When acute care beds are occupied by patients who should have transitioned to long-term care or rehabilitative settings, the emergency department experiences significant overcrowding. This results in prolonged wait times, negatively impacting patient outcomes, increasing the risk of complications, and diminishing the overall efficiency of hospital operations. Furthermore, this congestion reduces the throughput of the emergency department, leading to a decline in revenue generation for the hospital.

Similarly, the operating room—a major revenue center for any hospital—suffers from this crisis. Elective surgeries, which constitute a substantial portion of hospital income, are frequently postponed or canceled due to bed shortages for post-operative recovery. This not only affects hospital revenue but also compromises the quality of care for our residents who require timely surgical interventions.

Beyond these immediate concerns, the financial ramifications of the boarder crisis extend to the procurement of essential medical supplies. As revenue shortfalls persist due to reduced operational efficiency, hospitals face increased difficulty in maintaining adequate stock levels of critical supplies. This exacerbates an already challenging situation, leading to further cancellations of procedures and an overall decline in the quality of care delivered.

While my colleagues have provided a detailed breakdown of the measures being taken at the facility level, I wish to highlight the necessity of a comprehensive, territory-wide strategy. Addressing the boarder crisis and emergency room wait times requires a multipronged approach that includes:

1. **Expanding Long-Term Care and Rehabilitation Facilities** – There is an urgent need to develop and fund additional long-term care and skilled nursing facilities to accommodate patients who no longer require acute hospital care but still need medical oversight.
2. **Strengthening Community-Based Care** – Enhancing home health services and community-based care programs can facilitate earlier discharges and reduce the burden on hospital facilities.
3. **Policy and Legislative Support for Alternative Care Models** – Collaborating with policymakers to develop sustainable funding models for long-term care solutions will be critical to alleviating systemic bottlenecks.
4. **Investment in Workforce Development** – Addressing staffing shortages across all levels of care, including nurses, therapists, and support staff, is fundamental to improving patient flow and reducing wait times.
5. **Leveraging Technology and Telehealth** – Expanding telehealth capabilities and remote monitoring programs can facilitate post-discharge care, reducing readmissions and enhancing patient outcomes.

Additionally, it is imperative that we transition toward a **Value-Based Healthcare (VBHC)** model to improve health outcomes and cost efficiency. The 2020 USVI Community Health Assessment (CHA) identified significant healthcare gaps, particularly in chronic disease management, mental health services, and emergency care (United States Virgin Islands Department of Health, 2020). A value-based system aligns reimbursement with improved patient outcomes rather than volume-based care, ensuring that resources are utilized effectively to improve the overall health of our population. By prioritizing preventive care, chronic disease management, and community-based interventions, we can reduce the burden on emergency departments and acute care facilities while enhancing long-term patient well-being.

In the early days of my leadership, I will convene the Board with the assistance of EY healthcare consultants to produce a far-reaching strategic plan. Among this plan must include the idea of a cohesive territorial healthcare system. Long gone are the days where the two District Hospital Boards individually ran each of the hospitals and the Territorial Board met quarterly in a bitter clash. Today, I am happy to report that the period of time with each District Board not having a quorum forced the Territorial Board to function as a single organizational Policy and Oversight board. I call for the abolishment of the District Board and the idea of a Territorial Board in name and function, and the birth of a cohesive healthcare system with a centrally guided ecosystem for its leadership. This shift presents opportunities for efficiency, cost savings, and improved care for the people of the Virgin Islands.

I urge the members of this esteemed body to consider legislative solutions that would remove or reduce existing hurdles for hospitals to garnish or acquire assets belonging to boarder patients who remain hospitalized long beyond their acute care period. Establishing a clear legal framework for cost recovery would enable hospitals to better allocate resources and maintain financial sustainability, ultimately ensuring that the quality of patient care is not compromised.

The Virgin Islands Government Health and Hospital Corporation is committed to working in partnership with the Legislature, and our healthcare stakeholders to implement these solutions. By addressing the structural deficiencies within our healthcare system, we can create a more sustainable and efficient model of care that meets the needs of our community while ensuring fiscal responsibility.

I appreciate the opportunity to present this testimony and welcome any questions from the committee. Thank you for your time and dedication to improving healthcare in the U.S. Virgin Islands.

Dr. Jerry R. Smith, PT, DPT, MHA, ATC

Chairman