



GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Department of Human Services
"Working Together to Make A Difference"

OFFICE OF THE COMMISSIONER

May 30, 2019

The Honorable Gregorio Kilili Camacho Sablan
Vice Chairman for Insular Affairs
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

Dear Vice Chairman Sablan:

I want to thank you for holding the hearing on May 23rd on the Medicaid "fiscal cliff" and allowing me to testify before your committee to present the catastrophic impacts that will result to our healthcare system and the people of the U.S. Virgin Islands, if the Congress and the Administration do not act to address this issue before September 30, 2019. I also appreciate the opportunity you provided for me to outline the legislative request of the U.S. Virgin Islands for two additional years of Medicaid funding, at the 100 percent Federal matching rate and three additional years at the 83 percent Federal matching rate.

During the hearing you requested that we respond to six additional questions for the record within ten days of the hearing. Attached for your consideration are the responses of the U.S. Virgin Islands to those questions.

Please let me know if you need any additional information or have any further questions. I can be reached at (340) 774-0930 ext. 4110 or via email at Michal.Rhymer-Browne@dhs.vi.gov.

Respectfully,

Michal Rhymer-Browne, MA Counseling
Assistant Commissioner

XC: Kimberley Causey-Gomez, Commissioner Designee
Carla Benjamin, Assistant Commissioner
Gary Smith – V.I. Medicaid Director

Questions for The Record from House Natural Resources Hearing May 23, 2019

1. What improvements in your health care infrastructure would be needed? Would dedicated upfront funding be needed to make those changes?

The immediate priority is to restore on-island services at least to the level available before the storms.

- *We need to rebuild the two hospitals in the Virgin Islands to be able to provide the full range of on-island inpatient services and other critical care hospital services which are currently very limited and result in our having to evacuate upwards of 20 persons per month to Puerto Rico or the mainland for these critical services at a considerable extra cost to our very limited budget.*
- *We need to rebuild our Department of Health public clinic system which was severely impacted by the storms and has resulted in a reduced level of critical primary care for our residents.*
- *We are in critical need of at least two certified nursing facilities on the island. We need to repair and upgrade our current Herbert Grigg Home for the Aged on St. Croix so that it meets Federal reimbursement standards. Similarly, we need to acquire, repair, and upgrade the other Home for the Aged at Seaview so it meets Federal reimbursement standards and is operated by the Virgin Islands.*
- *We need to address the critical need for behavioral health treatment on the island through the development of inpatient and outpatient treatment facilities that are Federally reimbursable.*
- *Finally, even as we work to rebuild and improve our institutional infrastructures on the islands we need to take this opportunity to emulate the approach taken by Medicaid Programs on the mainland to provide community based care for persons with disabilities and mental illnesses.*
- *We believe this dual approach of structural improvements and community based service improvements is necessary to ensure that our citizens have access to comprehensive care and services comparable to the mainland.*

We believe that dedicated funding for these improvements is perhaps the only way to make these improvements possible as the Virgin Islands is not in a financial position to pay for and complete this on our own. Further, dedicated funding must be outside the capped Medicaid funding we need to have for providing the basic ongoing healthcare services under our Medicaid program.

2. Would provider payments have to be increased and to what extent?

- *Currently, under our Medicaid program we pay our hospitals and other public providers at the full Medicaid cost of providing services to Medicaid patients. This is the maximum that can be paid to public providers.*
- *What we need for Congress to provide through legislation is for our hospitals to be able to receive Medicare and Medicaid disproportionate share hospital (DSH) payments for uncompensated care in our hospitals as is provided to hospitals on the mainland. Our hospitals are precisely the types of facilities that the DSH program was intended to support.*

- *Additionally, we need for Congress to provide through legislation that CMS be directed to work with the Virgin Islands hospitals to update the Medicare base period for our TEFRA hospital reimbursement system. The base periods for Medicare have not been updated since the early 1990s and results in artificially low Medicare reimbursements rates that do not support the cost for the services being provided to Medicare eligibles.*
- *With respect to community non-public providers the Virgin Islands pays those providers (including nurses) for Medicaid services at the established Medicare rates for those services. The problem with respect to those providers is that given the costs of relocating and living in the Virgin Islands it is difficult to attract providers and other specialists to work here. We would ask that the Congress provide through legislation that we be allowed to pay providers who work in the Virgin Islands a supplemental add-on to the Medicare rates that we pay to offset the additional costs here and make it attractive for providers to relocate and stay here in the Virgin Islands.*

3. **Are there particular Medicaid eligibility or benefit, or other requirements you wouldn't be able to meet within a reasonable time due to territory-specific limitations, and if so, what changes could the U.S. Virgin Islands make to ensure residents get high quality health care in other ways that meets their needs.**

- *We ask that the Congress modify Section 1902(j) of the Social Security Act to add the Virgin Islands to this provision of the law. This would allow the Secretary to waive certain aspects of Title XIX to provide the Virgin Islands with greater flexibilities in the eligibility, reimbursement, and coverage under the Medicaid program.*
- *As a result of the significant matching requirement (45% for most of our program) we have been unable to come up with the local share necessary to fully enroll all of the potentially eligible Virgin Islanders into the Medicaid Program. We estimate that there may be 15,000 to 20,000 eligibles who are not yet enrolled. Since our last expansion in early 2017 we have proceeded slowly because of the local match requirement and our financial limitations of our budget. So, treating the VI as a State for matching purposes would enable to expand our program eligibility.*
- *Similarly, as we move to expand our community based services and reintroduce nursing facility services and cancer treatment services on the island to meet the needs of our population we would be able to do this within our budget limitations if the matching rate were computed like the States and if the cap on our program funding was removed.*

4. **Overall, what do you see as the necessary steps to better ensure access to quality, comprehensive care for the U.S Virgin Islands residents and what would be a reasonable time frame to reach such a goal.**

- *Access to quality of care will be a significant struggle in the short term (3-5 years) because of the infrastructure issues discussed already above. Without fully functioning hospitals, dialysis, and cancer treatment facilities we are faced with providing limited services on island and having to rely on higher cost evacuation to the Puerto Rico and the Mainland for critical health services.*

- *Additionally, we currently do not have certified nursing facilities and those facilities (old age homes) which are currently providing care to our disabled and frail elderly were severely damaged by the hurricanes. These facilities first have to be repaired from the storm damage and they then have to be brought up to federal code. This will require a significant investment if up-front funding before these facilities can provide quality care and receive Federal reimbursement.*
- *We face a shortage of specialty and other physicians and nurses to provide quality of care. We need to be able to pay these types of providers at higher rates or with some type of supplemental payment in order to be able to attract providers to relocate to the Virgin Islands and to remain here once they are here. Without being able to offer such financial advantages and incentives we will continue to face a shortage of service providers and this will continue to negatively impact our access to quality care.*
- *We have very limited behavioral treatment on the island as a result of the lack of providers and facilities. Building new treatment centers or converting current facilities will take time and money. Additionally, attracting service providers in this area will face all of the problem previously discussed for attracting and retaining providers.*

5. What will you have to cut if you go over the cliff?

Unless the Congress and the Administration act before September 30, 2019, the U.S. Virgin Islands will be faced with potentially catastrophic damage to our Medicaid program and our healthcare system as detailed below:

- *The U.S. Virgin Islands will have to remove upwards of 15,000 individuals from our Medicaid program who still need health care services.*
- *We will not be able to continue the outreach to the community to bring into the Medicaid program those 15,000 to 20,000 additional Virgin Islanders who we believe are eligible for the program currently but not yet enrolled.*
- *The U.S. Virgin Islands will have to pay for any needed healthcare services with all local funds that are not available in our budget at this time.*
- *We will face further delays in rebuilding our hospitals and clinics and other healthcare infrastructure as funds will have to be diverted to pay for needed ongoing day to day healthcare services.*
- *The U.S. Virgin Islands will have to continue to evacuate even more patients to the mainland, at even further costs to us, which we are unable to support with local funding as delays in the rebuilding of our healthcare infrastructure continue. However, when we enter the new fiscal year and return to the capped Federal funding amount of \$18.7 million the U.S. Virgin Islands will have to severely limit the number of transfers to the U.S. mainland hospitals of very ill and injured Medicaid members who cannot get the necessary medical care (e.g., trauma cases, selected orthopedic surgeries, cancer treatments, and services for severe cardiological issues). The U.S. Virgin Islands would simply be unable to afford the expenses associated with airlifting the patients to the mainland and paying for their medical care and rehabilitation services.*
- *We will be faced with losing more and more of our medical providers if we are unable to pay and retain them. This will be compounded by our inability to attract new medical professionals willing to come and work in the islands when we are facing such a critical financial crisis in our healthcare system and they are concerned with whether they will be able to be paid.*

- *We will not be able to expand much needed long term care support services to our elderly and disabled population—our most fragile population—as we have no certified nursing homes in the U.S. Virgin Islands and such care has to be provided mainly in the community.*

6. *What will be the impact on individuals and the healthcare delivery system in the Territory when Obamacare funding ends this year?*

- *The impact will be that a decade of progress in expanding enrollment and access to services will come to an end and things will revert to the situation prior to 2011 when the funds became available.*
- *All of the impacts outlined above related to the fiscal cliff will be the necessary result of reverting to Medicaid current law for the Virgin Islands—a capped program with a 55 percent matching rate.*
- *The stark reality for the Virgin Islands is that if we revert to the annual cap of \$18.7 million in FY 2020 we will be at least \$53.3 million short in the Federal funding we need for those services covered by that cap in FY 2020. We cannot make that up with local funding. That shortfall only increases in the out years as the program grows and the need for Federal matching funds increases.*

Answer to Additional Question for The Record from House Natural Resources Hearing on May 23, 2019

1. If Congress finally treats the territories equitably and provides uncapped funding with Federal match determined in the same way as states, what would the U.S. Virgin Islands do to ensure that Medicaid beneficiaries have access to comprehensive services comparable to the what states must provide?

a. With the additional federal funding, what specific investments could you make to improve eligibility and benefits over time.

- With respect to eligibility, since April 01, 2017 the VI Medicaid income standard for the MAGI eligibility groups for a family of one is \$15,654. This is 133% of the VI poverty level of \$11,770 and that is 94% of the Federal poverty level in FY 2019 of \$12,490. For the aged, blind, and disabled population the Medicaid income standard is \$20,833 which is 177% of the VI poverty level of \$11,770 and this is 167% of the Federal poverty level in FY 2019 of \$12,490. Since that time we have increased our enrollees from approximately 24,500 to approximately 28,000. However, we estimate that under our current Medicaid income levels there are approximately another 15,000 to 20,000 persons who are eligible but not yet enrolled in Medicaid. If we were to get uncapped Federal funding an 83% matching rate, we would be able to increase our outreach to this eligible but not enrolled population and perform an eligibility determination to see if they are qualified for Medicaid.
- With respect to benefits, we would be looking to; increase behavioral health treatment on the island on both an inpatient and outpatient basis, expand the amount of community based care we provide for persons with disabilities and mental illness, expand the cancer and dialysis treatment we can provide on the island, begin again to provide nursing facility services on the island, and determine if we could provide financial and other incentives to specialty and other physicians and nurses to improve access to care.
Additionally, if we are able to address our infrastructure problems and rebuild our facilities we would be able to once again provide a full range of inpatient and outpatient hospital services and also provide the full range of primary care services through our clinics.