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## **TESTIMONY**

Greetings Mr. Chairman, Honorable Senator Oakland Benta, Chairman of the Committee on Health, Hospitals and Human Services, other members of the 33rd Legislature's Committee on Health, Hospitals and Human Services, other members of the 33rd Legislature, and the listening and viewing public.

I am Moleto A. Smith Jr., Executive Director of the St. Thomas East End Medical Center Corporation (STEEMCC). On behalf of our management, staff, patients and other key stakeholders, I thank you for this opportunity to provide an overview of our health center and to identify items of on-going critical importance.

I am accompanied today by members of the STEEMCC Leadership and Management Team: Dr. Debra Wright-Francis, Medical Director; Ms. Carmencita Dorsett, Chief Financial Officer; Ms. René D. Crawford, Esq., Executive Assistant for Policy and Administration; and, Ms. C. Patricia Penn, Director of Research and Resource Development.

### **Structure**

The St. Thomas East End Medical Center Corporation (STEEMCC) is a private non-profit corporation, organized under Title 13, Chapter 3 of the Virgin Islands Code, and is the only federally qualified health center as determined by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Bureau of Primary Health Care (BPHC) serving the St. Thomas/John geographic area.

In addition to being a federally qualified health center, STEEMCC is a federally designated Rural Health Center which serves a low-income, uninsured or medically underserved population. The Center serves a population identified with high rates of poverty, behavioral health risks and chronic disease. STEEMCC has served the community for over 38 years and provides primary preventive care and chronic disease management services in the St. Thomas-St. John District of the US Virgin Islands, which is designated as a rural, medically underserved, health professions shortage area.

The organization is governed by a board of directors of between nine (9) and thirteen (13) members comprised of persons from a cross section of community. The majority of board members utilize the health center for their health care needs, as required by federal statute. At present there are ten (10) members on the board.

### **On-going Legislature Support and Financial Challenge – Uncompensated Care**

We are acutely aware and appreciative of the Legislature's ongoing support of our appropriation requests over the years. These requests have been aimed at addressing the Territory's Medicaid Local Match, as well as, in small ways, addressing the overwhelming costs associated with uncompensated care to individuals who are not covered by any type of public health or commercial insurance. Thirty (30%) percent of adults in the Virgin Islands have no health insurance. Persons in the Virgin Islands are two and a half times more likely to be uninsured than adults living in the 50 states and the District of Columbia.

We greatly appreciate the Legislature's ongoing awareness of how debilitating and serious the longstanding impact that uncompensated care has on the financial health of the Territory's public health care system, specifically on STEEMCC, who is mandated to provide services to all persons regardless of their ability to pay. Twenty-two (22%) percent of the population in the Virgin Islands is below the poverty level.

We are also cognizant that the United States Congress, through the Bipartisan Budget Act of 2018 (BBA 2018, Public Law 115-123), provided \$106.9 million in federal Medicaid funds, available from January 1, 2018 to September 30, 2019 at a 100% matching rate to the Virgin Islands, in response to Hurricane Maria's impact on our health system. While this Congressional authorization, provides the Government of the Virgin Islands with 21-months of offset support from contributing its nonfederal, or local, Medicaid cost share, it does not in any way address the on-going serious impact of uncompensated care cost that STEEMCC must carry for high number of individuals who lack health insurance of any type, and do not qualify for Medicaid. At present, this is a most significant local question.

The STEEMCC Leadership Team along with members of the STEEMCC Board of Directors, annually presents its outline of financial obligation that the Government of the Virgin Islands has to the health center pursuant to the VI Medicaid State Plan, as well as funds required to cover the costs of uncompensated care. For the GVI 2019 Fiscal Year Budget which began on October 1, 2018, STEEMCC delivered its budget testimony for the required funding to cover these cost in July 2018. STEEMCC requested \$2.9 million to cover anticipated uncompensated care costs which were forecast to significantly

increase due to the substantial loss of commercial insurance for patients who lost jobs due to the loss of hotels and services industry employers due to the 2017 storms. The GVI Office of Management and Budget (OMB) reduced the request to \$1.8 million. The 32nd Legislature authorized an appropriation of \$2 million which was signed into law by the Governor. However, OMB reduced the total allotment by 13%. It must be noted that the self-pay payer class accounts for almost 45% of the health center's charges.

***Addressing this specific matter is an immediate area of heightened priority for 2019 calendar year.***

The self-pay or private pay group, comprises approximately 40% of STEEMCC's payer mix. Each year, fifty (50%) percent of self-pay charges have historically resulted as uncollectable bad debt, i.e., uncompensated care costs.

At the current rate of self pay patient visits and total charges, Calendar Year 2018 has seen record level increases. This trend is projected to continue throughout the 2019 calendar year. Some social and economic variables that appear to influence this relates to the loss of fulltime, permanent employment in the tourism sector of St. Thomas/John as a direct result from Hurricanes Irma and Maria in 2017. While many persons have re-entered the workforce doing various hurricane recovery work, most are employed in jobs that do not provide health insurance. For this reason, we anticipate that the number of self-pay patients and patient visits will continue to increase over the next two (2) to (3) years. Subsequently, this category of uncompensated care will also significantly increase proportionately.

Beginning in Calendar Year 2017, and in response to the significant unmet community health needs in the areas of dentistry, behavioral and mental health, immunizations and prescription drugs, that were highlighted in the 2016 STEEMCC Comprehensive Community Healthcare Needs Assessment, we placed priority emphasis on expanding services in those areas. As a result of the devastating impact of Hurricanes Irma and Maria on the public health system in the St. Thomas/John district, high number of community members heavily relies on STEEMCC to meet their healthcare needs, particularly in the areas mentioned previously.

### **Recovery Priorities**

Calendar Year 2018 was Year 1 of multi-year recovery from the catastrophic effect of Category 5 Hurricanes Irma and Maria. The immediate community impacts of Hurricanes Irma and Maria resulted in the loss of:

- approximately 90% of the Territory's electrical power distribution and telecommunication infrastructure
- operations of all major hotels in St. Thomas and St. John
- commercial use of airports and seaports for several months
- approximately 75% of the public housing stock on St. Thomas
- approximately 65%-75% of roofs and critical infrastructure to private residential homes
- Territory's only cancer treatment center and numerous dialysis centers, requiring the evacuation of hundreds of dialysis patients to other jurisdiction for their care
- substantial damages to the Territory's hospitals
- significant sectors of the public health system, including health care workers

Despite these immediate challenges, STEEMCC was able to protect its assets and facility, while retaining 100% of its providers and staff. Through the efforts of the health center and its staff, STEEMCC emerged as a key component of the emergency health care response in St. Thomas, and is currently a significant key component in the health systems recovery for the Territory.

STEEMCC will continue to focus on identifying and obtaining federal and philanthropist funding to support infrastructure recovery, while ensuring compliance and quality assurance. Most importantly, high priority will continued to be placed on addressing the immediate need for the Territory identify revenue sources to cover the record levels of uncompensated care, especially since the 2017 hurricanes.

### **Closing Remarks**

In conclusion, on behalf of the STEEMCC Board of Directors, I thank each member of the health center staff, as well as our community stakeholders, partners and particularly the patients in our community who have chosen STEEMCC as their health care provider. I also would like to thank the members of the 33rd Legislature for providing this opportunity for dialogue and we look forward to your continued support of our invaluable work in the community.

Please note that an overview summary is provided in this packet, as reference material.

**(###End of Testimony###)**

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# **OVERVIEW AND REFERENCE**

## **Background and History**

The St. Thomas East End Medical Center Corporation (STEEMCC) is a private non-profit corporation, organized under Title 13, Chapter 3 of the Virgin Islands Code, and one of two (2) federally qualified health centers in the US Virgin Islands. It was previously known as the East End Health Center which was established as a government operated health center in 1978 under the auspices of the USVI Department of Health. On August 30, 2000, an Affiliate Agreement was entered between the Government of the Virgin Islands Department of Health and the STEEMCC for the operations of the East End Family Health Center, primarily for those operations funded through federal U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Bureau of Primary Health Care (BPHC), pursuant to Section 330 of the Public Health Services Act as amended by the Health Centers Consolidation Act of 1996.

Subsequently, the STEEMCC and the Virgin Islands Department of Health entered several Memoranda of Understanding for medical and clinical services that furthered the strategic aim of operational transition of the total operations of the East End Family Health Center to the STEEMCC. On April 7, 2004, pursuant to Act No. 6645, Bill No.25-0069, the operational aspect of the East End Family Health Center was transferred to the STEEMCC.

While the STEEMCC provides comprehensive preventative primary healthcare services to all persons of all zip codes seeking access to preventative primary healthcare, dental services and related, a target population of the center is the low income, medically unserved and underserved; of which a major percentage (estimated 41%) are living below the poverty line. Demographic statistics also show that the center is marked by a substantial representation of young women and children; the characteristic patient mix includes immigrants from other Caribbean islands and elsewhere who are often estranged by linguistic and cultural barriers. The target population area is the East End, Tutu, Southside and St. John Sub-districts. STEEMCC's services are designed to support individuals and their families from birth through the senior years.

Patient visits have increased significantly over the past 10 years from 4,247 in 2009 to 17,866 in 2013; and over 23,000 in 2018, the calendar year following Category 5

Hurricanes Irma and Maria. Currently, the organization provides support and comprehensive primary health care services annually to more than 6500 children and adults. STEEMCC is one of the Territory's largest providers of comprehensive primary health care services. The STEEMCC also collaborates with other health care and social service resources, offering information and referrals to specialty services and procedures, when appropriate/necessary. STEEMCC is widely recognized for its advocacy work in the Territory to bring public awareness to the focus on prevention and healthy life style changes, in order to improve public policy and keep primary care issues and health care disparities in the hearts and minds of decision-makers.

### **Location**

STEEMCC is a freestanding health center located in the East End Sub-district of the island of St. Thomas. It is physically located within the Tutu Park indoor Mall at 4607 Tutu Park Mall, Suite 207, St. Thomas, Virgin Islands 00802.

### **Primary Care Team**

The STEEMCC Primary Care Team consists of a group of family care physicians, and dentists, together with a range of interdisciplinary health providers, who provide comprehensive primary healthcare services. The group is committed to:

- patient-centered care
- creating a teaching and learning environment for patients and for health care providers
- practicing medicine in an economic and ecologically sustainable environment

The focus is on wellness, prevention, and effective management of chronic disease/conditions through efficient and effective use of registered, licensed, certified and allied health professionals in order to create a seamless system for patient access and referral.

### **Focus on Education and Awareness**

STEEMCC focuses on education. A significant focus has been on providing patient education in a variety of formats, including one-on-one consultations and educational/teaching sessions aimed at illness prevention, wellness, and management of chronic conditions. Targeted programs focus on Diabetes, Asthma, Obesity & Nutrition, Cancer, Cardio-Vascular illness, Teen-age Pregnancy, Oral Health, Sexually Transmitted diseases and Mental Health.

The goals STEEMCC are to be results-oriented, practicing a model of ongoing learning and evidence-based medicine. Physicians, interdisciplinary providers, as well as nurses and support practitioners providers work together to maximize the effectiveness of the interdisciplinary team. Nurses and support practitioners are the cornerstone of the team.

STEEMCC makes every effort to respond to community needs by decreasing disparities and providing increased access to quality primary and preventive health care, chronic disease management and continuity of care. To accomplish this STEEMCC encourages consumer participation, and develops partnerships with other agencies to maximize health resources addressing the needs and challenges of this underserved, multi-cultural population.

The overarching goal is to use the primary health care model to improve overall quality and health care for all populations STT/J District, while holding the line on costs; thus becoming the “health care center of choice,” while decreasing the numbers of persons who seek medical care “off island.” STEEMCC’S patient care delivery model is pushing health care system reform by placing a greater reliance on “family medicine, primary and preventive health care.” More than 20 years of evidence has shown that:

- Experts in the health care field have hypothesized that primary care physicians decrease health care utilization through enhanced coordination of care and a preventive care focus.
- A health care system with a strong primary care sector is associated with reduced health care costs and improved quality
- Health systems with a strong primary care (versus specialist care) base are better at preventing illness and death, and are associated with a more equitable distribution of health.
- Countries/communities with strong primary care systems have better overall health.
- Primary care plays an essential role within health systems that is necessary for the efficient, equitable and sustainable delivery of health care and the adaptability and resilience of the system as a whole.
- Higher specialist-to-population ratios are likely to lead to greater disparities in health status and outcomes.
- Geographic areas with a greater primary care presence are likely to enjoy better health.

- Patients who have a family physician as their usual source of care have lower total medical care costs.
- Patients who have a regular, on-going relationship with a health service facility or an individual provider are more likely to receive the preventive care they need.
- Patients who have good primary care experiences report better mental and physical health. These experiences are also able to reduce the disparities in health between more- and less-disadvantaged communities.
- The primary care-based chronic care model is a comprehensive and promising way to achieve better care for the people with chronic conditions.

### **STEEMCC 20 Years Vision**

**STEEMCC’S 20 Years Vision is to be a center of excellence by providing quality, effective health care wellness and management programs to the community.**

#### **Context**

Recognizing the need to increase public understanding of primary health care (PHC) and its potential to enhance the effectiveness of health care, it is expected that by the year 2025, STEEMCC’s Primary Health Care Awareness Strategy’s main objective will be to raise public awareness about the role of PHC in the health care delivery system, about STEEMCC’s leadership role in the process, about PHC itself, and about the overall benefits of enhancing PHC. Implementation and the success of these strategic efforts will be measured through the achievement of increasing public awareness and understanding of PHC, the proficiency of the initiative’s organizational and decision-making structure, STEEMCC’s emerging community leadership role in the PHC market, and greater funding sources for the community’s vulnerable population.

It is also anticipated that greater awareness of the benefits of PHC will lead to improved services and support, and more prevalent and helpful technology will add to the quality of life for children and adults with comprehensive preventive PHC needs and more efficient and effective management of chronic illnesses. At the same time, the overwhelming factors that will continue to challenge an already taxed health care environment such as: population growth due to the increased number of undocumented, uninsured people entering the Territory, the aging of the population, and higher incidences of multiple chronic diagnoses (such as diabetes, hypertension, cardiac and HIV), the needs of people, and their families seeking access to health care will remain extensive and varied.

STEEMCC is optimistic that significant strides will have been made in the treatment and healthcare maintenance and curtailing of the huge utilization of scarce health care resources by the growing numbers of people with chronic illnesses, there will be an on-going push for managing care on the outpatient side. Overall, the collaborative strategy developed by STEEMCC will make it possible for all health care providers in the territory to have a greater impact than they can have on their own (sharing financial risks) due to the scale and quality of the outreach, marketing and advertising, and public policy initiatives. Further, this collaborative community strategy could have potential health policy and planning implications that could aid and support policy makers in their difficult task of properly allocating scarce health care resources.

### **STEEMCC'S Mission Statement**

*To provide comprehensive, high quality, accessible, affordable and cost efficient primary healthcare services, including:*

- *Patient education*
- *Community outreach, and*
- *Research*

**Comprehensive** means that everyone has the right to access the health care they need. It must be accessible, available, acceptable, and of good quality for everyone, on an equitable basis, where and when needed.

### **STEEMCC'S Core Operating Values**

The following core operating values influence the culture and public image of STEEMCC as an effective community-based organization serving a wide variety of individuals and families:

**QUALITY:** To deliver the best measurable patient care outcomes and highest quality service through the collaborative effort of every team member.

**ETHICS AND INTEGRITY:** Adherence to respect, honesty, confidentiality and transparency; maintaining the highest ethics and integrity worthy of our patients' trust.

**TEAMWORK:** Encourage individual input, collaboration and empowerment of staff to benefit patient and fellow caregivers for the advancement of our mission.

**SERVICE:** We strive to exceed our patients and our fellow caregivers' expectations for comfort and convenience, while holding our Center accountable, for providing the best care for patients and their families.

**COMPASSION:**

- Provide world class care by treating our patients holistically
- Provide patient and family centered care
- Provide family members and fellow caregivers with respect and dignity in a supportive and caring environment

**INNOVATION:** Welcome change and seek efficient and effective ways to achieve our goals

**Underlying Assumptions**

STEEMCC Believes:

- All people have equal rights.
- All people have strengths and assets. It is possible to make a positive difference in the lives of children and adults with comprehensive preventive primary health care and effective management of chronic illnesses.
- People thrive when they make their own choices and people seeking comprehensive preventive primary health care needs and chronic illness management are capable of and have the right to make their own decisions; this is especially true for adults, who are better prepared to make decisions in their own best interest.
- We listen when people with chronic health care illnesses and disabilities caused by those illnesses speak for themselves, and offer assistance to help consumers make realistic choices.
- People with chronic illnesses, the disabilities and financial hardships caused by these illnesses deserve the same opportunity to health care access as other people in the community.
- Engaging and participating in community life and preventative health care activities has a positive impact on people with chronic health care illnesses and overall community health-wellness. In addition, by encouraging and providing education on health-wellness activities, STEEMCC is able to play a vital role and make a positive contribution in enriching the lives of the community at large.

- People's health and safety are essential to effectively participate in their communities.
- Well-trained and motivated staff makes a difference in the lives of people with chronic illnesses.
- Supporting consumers and their families in their own advocacy efforts will yield long term improvements in their quality of life.
- Supports and services are designed first and foremost for people seeking comprehensive preventative primary health care services and chronic illness management for children, youth and adults
- The STEEMCC recognizes the importance of the family's role in the development of healthy life style changes, prevention and support of people with chronic illnesses throughout their lives.

### **Primary Care Services**

STEEMCC is committed to working collaboratively with other healthcare providers, community groups and key government/community stakeholders. Working collaboratively maximizes resources, eliminates duplication and allows for a maximum return on the investments committed to improving the health and well-being of the USVI and the target communities served.

STEEMCC has a multidisciplinary team of medical providers. This includes full time internal medicine, family medicine, pediatrics, OB/GYN, Physician's Assistant, nutrition and dietary education, high risk OB/GYN, Mental and Behavioral Health and adult and pediatric oral health services. The providers are available to each other for consultation, whether urgent or non urgent care is necessary. Preventative primary healthcare services provided by STEEMCC are the following:

- Pediatrics
- Geriatrics
- Nutrition
- Immunization
- Internal Medicine
- Allergy/Asthma
- Laboratory Services
- Women's & Men's Health
- Adult and Children Dentistry
- Mental & Behavioral Health

HIV tests, Hemoglobin A1Cs, INRs, rapid strep testing, and pregnancy testing is done on site. Other laboratory studies are collected by a skilled phlebotomist and sent off site for testing. Those patients with abnormal pap smears receive colposcopies and cone biopsies in the center if indicated. There is little need to seek services off-site unless specialty care, hospitalization, or radiology procedures are needed.

Immunization services are offered daily and also during some Saturday sessions. The Saturday sessions have been very successful, allowing us to meet the need of the community during the back to school period. Cancer screening and prevention remains a top priority. Physical exams, pap smears, digital prostate exams, and breast exams are all offered at STEEMCC.