

# BEAUFORT MEMORIAL HOSPITAL BOARD OF TRUSTEES

## FINANCE COMMITTEE – OPEN SESSION

Minutes – December 18, 2019

**PRESENT:** Bill Himmelsbach (Chair); Kathy Cooper; Dave House; Kathryn McDonagh, Ph.D.; David Tedder; Andrea Allen; Kurt Ellenberger, M.D.; Hampton Long (Foundation); Stephen Larson, M.D.; Eric Billig, M.D.; Faith Polkey, M.D.; Russell Baxley; Alice Howard; Ken Miller; Karen Carroll; Brian Hoffman; Shawna Doran; Allison Coppage; Debbie Schuchmann; Chris Ketchie; Courtney McDermott; Alice Howard; Kurt Gambla, D.O.; Cindy Gibson; Courtney Smith; and Anna Sobiech

Absent: Bill Spearman, M.D; Paul Sommerville

**CALL to ORDER:** Mr. Himmelsbach called the meeting to order at 8:00 a.m.

### FINANCIAL STATEMENTS

Mr. Himmelsbach, provided a brief summary on Finance, indicating that inpatient discharges were down while patient days were up. Case mix index was 1.62. Expenses were controlled. He reminded the Committee that Thanksgiving occurred the last week of the month. He indicated that BPP practice volumes were down. Mr. Miller provided highlights of the Financial Statements. He indicated that November volumes were down. Acute discharges decreased to 718. Emergency room visits decreased to 4,002. Surgical volumes were strong at 926 (above budget and prior year).

November gross revenue and volumes reflected a slow month while October experienced a record month. Patient revenue for November was \$69.6M. Total operating revenue for the month was \$21.3M. Net to gross was relatively high at 29.4%. Uncompensated care experienced a decrease of \$572 compared to prior month. There was some movement in AR. CMI remained strong. Year-to-date [YTD] net revenue at the end of November was \$2.5M ahead of the expected goal. Mr. Miller reminded the Committee that December will experience fewer work days with the holiday schedules. He also indicated that \$1.6M in principal was due December 1<sup>st</sup> to TD and Regions Banks. AR days remained relatively flat.

Expenses for November were \$20.2M (under budget). Salary expenses were \$8.5M. November contract labor remained relatively consistent (above \$300K). Brief discussions ensued regarding nurses and contract labor. The variance in other expenses was primarily due to the Alliance Joint Venture relating to the Linear Accelerator.

Net income for November was \$1.1M on a budget of \$83K. YTD net income was \$2.7M. Total EBITDA for November was \$1.9M on a budget of \$1.0M. Total YTD actual EBITDA to budget variance was \$2.4M and the actual to prior year EBITA was a variance of (\$281K).

Covenants were slightly improved. Days cash on hand was 171. The debt service on a rolling 12 month basis (TD Bank) was 7.00 on a target of 1.2. Debt to cap was 21.5% and cash to debt was 2.07.

Mr. Miller reported that Dixon Hughes Goodman, LLP [DHG] was on site for the audit the first week in December. It is anticipated that a draft audit will be presented to the Finance Committee in January 2020.

A brief discussion ensued regarding the volume variance for the BPP practices. Mr. Miller indicated that the kiosks fall under BMH Care Anywhere and are reported on a separate income statement and then rolled into the consolidated statement. Urgent care and ER discussions ensued. *At the request of the Committee, the ER, urgent care and telemedicine visits will be added to the growth scorecard and will include the prior year along with the current.* A discussion ensued after Mr. Miller indicated that a managed care agreement with BlueCross BlueShield was signed with new rates.

**APPROVAL of MINUTES – November 18, 2019:** Dr. McDonagh made a motion, which was seconded by Mr. Tedder, to approve the minutes of the November 18, 2019 meeting. Unanimous approval.

**ADJOURN:** The meeting adjourned at 8:30 a.m.

Respectfully submitted,

Bill Himmelsbach, Chair