

**BEAUFORT MEMORIAL HOSPITAL BOARD OF TRUSTEES
MEETING BY ZOOM (DUE TO COVID-19)**

FINANCE COMMITTEE – OPEN SESSION

Minutes – April 26, 2021

Mr. Miller took roll call at 7:30 a.m.

By Zoom: Kathryn McDonagh, Ph.D. (Chair); Dave House; Bill Himmelsbach; Richardson LaBruce; Stephen Larson, M.D.; Angela Simmons, Ed.D.; Allison Coppage; Courtney McDermott; Cindy Gibson; Dan Barton (Foundation); Brian Hoffman; Daniel Mock; Courtney Smith; Shawna Doran

Present: Russell Baxley; Ken Miller; Karen Carroll; Kurt Gambla, D.O.; Chris Ketchie and Anna Sobiech

Absent: G. Heath Simmons, M.D.

CALL to ORDER: Dr. McDonagh called the meeting to order at 7:30 a.m.

APPROVAL of MINUTES – March 29, 2021: Mr. Himmelsbach made a motion, which was seconded by Mr. House, to approve the minutes of the March 29, 2021 meeting. Unanimous approval.

Dr. McDonagh indicated that March was more encouraging than the previous month.

FINANCIAL STATEMENTS

Mr. Miller indicated that March volumes were up significantly; particularly, in OR, outpatient registrations and physician visits. Acute discharges were 684 (below budget but higher than prior year). Acute discharges for the year were 3,916. There were 187 psychiatric discharges and 142 rehab discharges. BMH is behind budget and prior year on the metrics. Adult patient days were 3,181 and year-to-date [YTD] were at 19,020 (below budget and prior year). The YTD average length of stay [ALOS] was 4.48 (below budget and prior year for the month of March). The adjusted ALOS was 2.63 on a budget of 2.81 and prior year at 2.78. Deliveries for March were low at 65 and YTD at 496. Emergency room visits increased to 3,565 and YTD at 20,033 was 19.6% below prior year. Outpatient registrations experienced a large increase to 18,300 (slightly below budget but above prior year). YTD outpatient registrations were at 100,869 (below budget but above prior year). Okatie, Lowcountry Medical Group lab and imaging and cath lab experienced increases. Surgical volumes increased in March from 806 to 935 (particularly in general surgery, GI, and ophthalmology). YTD was at 4,958 (below budget and prior year). Beaufort Physician Practices increased to 22,238 and YTD at 128,909 (.9% below prior year).

Revenue for March was \$84.3M. YTD gross revenue was \$451.2M (below budget but above prior year). Total operating revenue for March was at a three year high at \$215.1M. Net to gross experienced a slight increase (primarily due to lower uncompensated care) at 27.9%. YTD net to gross was at 27.6% (slight lower than the anticipated budget at 27.8% and prior year at 27.9%).

There was a large increase in non-operating revenue at \$1.6M (primarily due to the annual contribution from the Foundation which was \$898K, in addition to a refund from LCMG renovation in the amount of \$400K and \$114,963 from Centene (as quality incentives). Uncompensated care experienced a large decrease from \$4M to \$2M (primarily due to GEAR receiving \$1.1M in tax refunds which decreased bad debt recovery). YTD at \$20M or 4.4% of gross revenue. Although BMH had less uncompensated care in total to last year, \$1.4M additional charity care was provided this year than last. This year's charity care was at \$4.2M. Mr. Miller explained the GEAR Program. Mr. Miller stressed that BMH exhausts every effort to collect moneys and tries to work out payment plans. Dr. McDonagh indicated that candidates within this process have the financial means/capability to pay. Payor mix did not experience significant movement (slight decrease in Medicaid and a slight increase in Medicare and BlueCross offsetting it). Cash collections for March were strong at 122.1% (compared to last month's decline) or YTD at 101% or \$1.2M above the 60-day goal or 100.7% or \$839K above the 30-day goal. AR days decreased – gross days from 53.8 to 53.1 and net days dropped to 36.3.

Expenses for March increased to \$22M (primarily related to volume increases). Salary expenses were \$8.4M. Contract labor increased to \$580K. Benefits did rebound at \$2.4M. Supply costs increased to \$4.6M. Cost increases were related to med/surg supplies, implants and drugs. YTD expenses were \$25.4M.

March experienced a net profit of \$3.1M (above budget and prior year). YTD net profit was \$173K; however, (\$2.8M) behind budget and (\$5.8M) behind prior year. Total EBITDA for March was \$4M (above budget and prior year). YTD EBITDA was \$5.6M which was (\$2.9M) below budget and (\$5.3M) below prior year. Days cash increased by 5 days to 101 days cash.

Mr. Miller reported that no additional information had been received relating to the Cares Act funding. He provided a brief overview on how BMH is tracking the Cares Act funding.

Mr. Baxley provided an overview on vaccination volumes. The Marketing Department is providing significant PR relating to vaccines. He indicated that due to demand being diminished, the Vaccine Clinic will remain open, however, only at three (3) days a week.

Mr. Himmelsbach requested bullet points be provided in Mr. Miller's Operating Results report regarding the Urgent Care Center visits.

ADJOURN: A motion was made by Mr. Himmelsbach and seconded by Mr. House to adjourn the meeting. Unanimous approval. The meeting adjourned at 7:56 am.

Respectfully submitted,

Kathryn McDonagh, Ph.D., Chair