

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – July 26, 2021

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

By Zoom: Kathryn McDonagh, Ph.D. (Chair); Richardson LaBruce; Hampton Long; Angela Simmons, Ed.D.; Cindy Gibson

Present: Bill Himmelsbach; Dave House; Russell Baxley; Ken Miller; Kurt Gambla, D.O.; Karen Carroll; Brian Hoffman; Courtney McDermott; Debbie Schuchmann; Courtney Smith; and Anna Sobiech

Absent: G. Heath Simmons, M.D.; Stephen Larson, M.D.

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

APPROVAL of MINUTES – June 28, 2021: Mr. LaBruce made a motion, which was seconded by Dr. Angela Simmons, to approve the minutes of the June 28, 2021 meeting. Unanimous approval.

Dr. McDonagh indicated that June was another good month thanks to the efforts of the staff during these challenging times.

FINANCIAL STATEMENTS

Mr. Miller indicated that June was a relatively strong month and also the end of the third quarter. Acute discharges were 652. Psych discharges were 33 and rehab discharges at 29. Year-to-date [YTD] acute discharges were at 5,792. YTD psych discharges were at 286 and YTD Rehab discharges were at 220. All below budget but above prior year. Adult patient days were 3,236. Case mix decreased in the month of June. YTD was at 1.69 (above budget and prior year). The case mix adjusted ALOS was 2.66 with a budget of 2.81 and prior year at 2.77. Deliveries for June were at 80. YTD deliveries at 741 were below budget and prior year. Emergency room visits at 3,696 decreased from the prior month. YTD at 31,249 was below budget and prior year. Outpatient registrations were 18,163 and YTD at 152,810 (slightly below budget but above prior year). YTD observation days were at 4,257 (above prior year and budget). Surgical volumes were one of the stronger metrics at 904 for June and YTD at 7,629 (below budget, however, 10.3% above prior year). Beaufort Physician Practices also had stronger metrics with YTD at 187,053 (below budget, however, 10.5% above prior year). Express care volumes in Beaufort were 1,321; in Okatie were 609; and Bluffton were 693. YTD for Beaufort was at 13,644 (below budget and prior year); for Okatie at 2,784 (did not have volume in prior year); and Bluffton at 8,003 (the YTD total of all three were below budget but above prior year by 1%).

Patient revenue for June was \$82M (a strong month) and YTD at \$692.1M (below budget but above prior year). Total operating revenue for June was \$24.7M and YTD at \$201.6M (above budget and prior year). Net to gross was 27.7% (right at the YTD average of 27.6%). Non-

operating revenue for June remained high (receiving \$1.5M from the BMH Foundation for the HVAC capital which is reflected in the non-operating revenue). Uncompensated care for June was relatively low at \$2.9M or 3.6% of gross revenue and YTD \$29.8M or 4.3% of gross revenue (below budget and prior year). Cash collections for June were very strong at 112% of the two-month net average (which was above the goal for the year) or \$2.2M above the 60-day goal and \$744K above the 30-day goal. A brief discussion ensued regarding Medicare payments. AR days dropped slightly with gross days at 54.1 and net days at 35.7. Payor mix – BlueCross and commercial were up 0.8 and 0.6 respectively.

Expenses for June totaled \$21.8M and YTD was at \$193.8M (below budget but above prior year). Contract labor still remains a challenge. Salary expenses for June were \$8.9M on a budget of \$8.5M and YTD at \$76.6M (below budget and above prior year). Contract labor decreased to \$451K. YTD benefits were \$23.2M (above budget and prior year). Supply costs remained consistent at \$4M and YTD at \$37.4M.

Net profit for June was \$2.8M and YTD net profit of \$7.7M (\$3.4M ahead of goal; however, (\$7.7M) below prior year. Total EBITDA was \$3.7M and YTD EBITDA at \$15.9M (ahead of budget at \$3.5M). The actual to prior year EBITDA variance was (\$7M).

Days cash increased from 103.2 to 107.3.

A discussion ensued regarding contract nurses, nursing schools and nurse careers.

A brief discussion ensued regarding Quest and the hospital lab.

HHS Update: Mr. Miller provided an update on Health and Human Services. He referenced and reviewed the 2021 Estimated Cash Surplus which was included in the packet. He indicated that the portal opened July 1st. He explained the reimbursable costs related to Covid. The accounting staff has been working on collecting all the information that BMH could fill into the portal. Mr. Miller anticipates providing a final number at the next Finance Committee meeting.

Audit Update: Mr. Miller indicated that Dixon Hughes Goodman LLP [DHG] auditors have completed their first review. He also indicated that due to the government funding, BMH will be working on a single audit process and anticipates no issues other than an additional step.

Dr. McDonagh referenced the article on price transparency that was included in the packet. Mr. Miller indicated that BMH has been compliant with price transparency since December and referenced the printed material off the website that was included in the packet. Mr. Miller referenced the patient estimator tool and provided the link (<https://www.bmhsc.org/patients-and-visitors/for-atients/billing-insurance/>) to navigate to the site.

ADJOURN: A motion was made Mr. LaBruce and seconded by Dr. Angela Simmons to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:11 am.

Respectfully submitted,

Kathryn McDonagh, Ph.D., Chair