

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – December 15, 2021

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

By Zoom: Dave House; Richardson LaBruce; Hampton Long; Angela Simmons, Ed.D.; Brian Hoffman; Shawna Doran; Debbie Schuchmann; Cindy Gibson; Courtney Smith; Chris Ketchie; Allison Coppage

Present: Vernita Dore (Chair); Bill Himmelsbach; Stephen Larson, M.D.; Alice Howard; Russell Baxley; Ken Miller; Karen Carroll; Kurt Gambla, D.O.; Dee Robinson and Anna Sobiech

Absent: G. Heath Simmons, M.D.

CALL to ORDER: Mrs. Vernita Dore called the meeting to order at 7:30 a.m.

APPROVAL of MINUTES – November 22, 2021: Mr. Himmelsbach made a motion, which was seconded by Mr. LaBruce, to approve the minutes of the November 22, 2021 meeting. Unanimous approval.

Audit Update: Mr. Miller indicated that the audit is still ongoing. He indicated that there was no follow up at this time relating to the single audit.

CARES Update: Mr. Miller indicated that BMH received \$5.8M in November (part of the stage four application) due to its status as a rural hospital. BMH is anticipating another rural funding December 16, 2021. The deadline for BMH to use the CARES Funds for Covid related expenses is the end of December 2021 and reporting on this will be in March 2022. BMH has until December 2022 to utilize the \$5.8M. Discussions ensued regarding uncompensated care and DSH (Disproportionate Share Hospital).

FINANCIAL STATEMENTS

Mr. Miller indicated that compared to last year, November was better; however, volumes did not meet budgeted numbers. Admissions and emergency room visits have been trending down while OR cases were trending slightly up over the past four months. Acute discharges were at 597. Mental health discharges were 43. Rehab discharges were 20 and prior year at 25. Case mix [CMI] although below budget and prior year (which was at 1.81 with year ending at 1.65), has been averaging 1.59. The average length of stay (ALOS) decreased to 4.73; however, above budget. Deliveries declined to 72; however, were above prior year. Emergency room visits declined to 3,259; however, above prior year. Outpatient registrations were 17,106 and observation days were at 603, above budget and prior year. Surgical volumes were at 825, although not above budget were above prior year. Beaufort physician practices were above prior year at 21,290. Express care volumes in total were 3,055 (were lower in comparison to prior year which was 3,142). Volumes did not meet budget but were above prior year.

Patient revenue for November dropped from prior month to \$75.9M; prior year was \$67.7M. The total operative revenue for November was \$21.4M and prior year at \$18.9M. Net to gross percentage was 27.0%. BMH experienced a decrease in uncompensated care from \$4.3M to \$3.6M. Uncompensated care as a percent of gross was 4.8% (almost on budget). Cash collections fared well at a goal of \$22.2M with BMH reaching \$23.3M. Year-to-date [YTD], cash collections were at 92.6% of the 60-day goal (\$3.5M below the year-to-date basis). The 30-day goal was \$2.8M short. The twelve month roll net to gross on a 60-90 day basis was 101.2%. On rolling twelve month 60-day basis, the net to gross was 101.2% or \$3.3M above the goal. The 30 day was \$2.7M above the goal. Mr. Miller will include the twelve month roll in the report going forward. Gross AR days held relatively consistent at 61.1 while the net days declined to 37.2. Relating to the payor mix, Blue Cross declined .8% while commercial went up .9%.

Expenses for November were \$22M (slightly under budget). Salary expenses were \$8.3M on a budget of \$9.3M. Contract labor was high at \$742K. YTD salaries increased primarily related to hazard pay, retention bonuses and bonuses. Mr. Miller indicated that the Okatie building will be entered as a lease entry in December at the guidance of Dixon Hughes Goodman LLP [DHG].

BMH experienced a net loss for November of (\$611K) and prior year was a loss of (\$2.9M). The YTD net loss was (\$2.2M) with a budget variance of (\$2.3M); however, above prior year by \$570K. EBITDA for November was \$180K and prior year a loss of (\$1.9M). YTD EBITDA was a loss of (\$272K), with a budget variance of just under (\$2M); however, above of prior year by \$638K.

Day cash experienced an increase from 93.6 days to 102.4 days. Primarily related to the \$5.8M that was received from CARES. Mr. Miller referenced and reviewed the estimated cash surplus spreadsheet. A discussion ensued on ratios.

ADJOURN: A motion was made by Mr. Himmelsbach and seconded by Dr. Larson to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:17 am.

Respectfully submitted,

Vernita Dore, Chair