

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – April 25, 2022

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

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

Present: Vernita Dore (Chair); Dave House; Bill Himmelsbach; Ken Miller; Russell Baxley; Karen Carroll; Kurt Gambla, D.O.; Dee Robinson; Kim Yawn and Anna Sobiech

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

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

APPROVAL of MINUTES – March 28, 2022: Mr. Himmelsbach made a motion, which was seconded by Mr. House, to approve the minutes of the March 28, 2022 meeting. Unanimous approval.

Cares Update: Mr. Miller indicated that the balance sheet reflected \$8M reserved primarily for stage 4 of the Cares Funds received. BMH has recognized \$6.9M of Cares Funds year-to-date. The next reporting period will occur in March 2023 (for funds used between January 2022 and December 2022). A discussion ensued regarding expenses related to Cares Funds. Mr. Miller clarified that expenses have to be very specific to COVID and cannot have any reimbursement from any other sources.

FINANCIAL STATEMENTS:

Mr. Miller indicated that volumes were above prior year, however, short of budget. Mr. Miller focused on year-to-date [YTD] results. Adult discharges were 4,067. Acute discharges at 3,669 were down by 6%. Mental health discharges at 248 increased by 32.6% from prior year. Rehab discharges remained consistent at 150. CMI [case mix] ALOS [average length of stay] was at 2.90 on a budget of 2.81 and prior year at 2.63. Deliveries were at 473 and prior year at 496. Emergency room visits at 21,083 experienced an increase compared to prior year. Outpatient registrations increased by 2% to 108,122. Observation days increased as well. Surgical volumes leveled to prior year at 5,083 with prior year at 4,958. Decreases were experienced in general surgery and orthopedics primarily due to the surgeons leaving the market. Ophthalmology experienced an increase. Beaufort Physician Practices visits were at 129,654, a 3% increase to prior year. Harrison Peoples experienced the largest volume increase along with Bluffton Primary Care and May River Primary Care. Express Care volume totals were: Beaufort at 8,920; Okatie at 4,670; and Bluffton at 5,995. Overall Express Care combined volumes increased by 4,357, a 29.6% increase to prior year.

Patient gross revenue was \$484.1M (up 7% from prior year). Uncompensated care YTD – although a low month for March at \$1.5M, BMH is still providing uncompensated care at \$70.9M YTD. Total net patient revenue was \$132.1M (a 6.1% increase year over year). Net to gross for the year was at 27.3% (on budget). Payor mix experienced an increase in Medicare and decreases in Blue Cross, self-pay and State (payor mix is right on budget). Total Operating Revenue was \$141.8M (a year over year increase of 9.6%, partially due to CARES funds – YTD under non-operating revenue \$6.9M was recognized and \$3.1M was recognized and reported in March). Cash collections improved in March at 128% of the 60-day goal. The YTD improved to 101.2% or \$1.6M ahead of goal. The 30-day goal was 102.1% or \$2.8M ahead of goal. The rolling 12-month cash collections was 100% of both goals (at 101.7% on the 60-day goal; \$4.6M ahead on the rolling 12 month and the rolling 30-day at \$5.3M ahead). Gross AR days declined to 61.9; however, ahead of the goal by 50. Net AR days declined as well to 36.6.

Expenses were at \$141.5M (a year over year increase of \$12.2M or 9.5%). Salary expenses were \$54.7M (primarily due to the retention bonuses that were paid). Contract labor was \$6.6M. Contract labor in March exceeded \$2M. The contract labor total variance to prior year was \$8.1M. BMH is making efforts to reduce contract labor. A brief discussion ensued. Benefits were below budget at \$15.3M. Group Health in March was \$714K. Supplies were relatively constant and below budget at \$26.3M. Purchased services were \$14.5M (slightly above budget).

March posted a net profit of \$3.1M and YTD profit was \$354K. The actual to budget variance was \$108K. EBITDA for March was \$4.2M. YTD EBITDA was \$7.1M (ahead of budget and prior year by \$1.5M). Mr. Miller referenced the additional metrics that were provided. Days cash was relatively consistent at 98.2 days.

Mr. Miller reviewed the cash to net analysis and the estimated cash surplus report.

Mr. Miller referenced the article that was provided in the finance packet relating to ESG. A discussion ensued regarding ESG [Environmental, Social and Governance]. BMH will put together a summation of its involvement in the different categories/initiatives and would continue to monitor, capture and categorize. A brief discussion ensued regarding affordable housing.

ADJOURN: A motion was made by Mr. House and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:16 am.

Respectfully submitted,

Vernita Dore, Chair