

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – August 29, 2022

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

By Zoom: Dave House; Richardson LaBruce; G. Heath Simmons, M.D.; Hampton Long; Russell Baxley; Allison Coppage; Brian Hoffman; Cindy Gibson

Present: Vernita Dore (Chair); Stephen Larson, M.D.; Bill Himmelsbach; Ken Miller; Chris Ketchie; Karen Carroll; Kurt Gambla, D.O.; Kim Yawn; Dee Robinson; and Anna Sobiech

Absent: Angela Simmons, Ed.D.

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

APPROVAL of MINUTES – July 25, 2022: Mr. Himmelsbach made a motion, which was seconded by Mr. House to approve the minutes of the July 25, 2022 meeting. Unanimous approval.

FINANCIAL STATEMENTS:

Mr. Miller indicated that July volumes were below budget and prior year. Adult discharges at 727. Acute discharges were 643. Mental health discharges were 53. Rehab discharges were 31 (above budget and prior year). Adult patient days were 3,043. Case mix [CMI] was at 1.55 and year-to-date was above budget at 1.64. The CMI average length of stay [ALOS] was 2.70 and year-to-date [YTD] at 2.81 and budget at 2.81. Deliveries increased to 93. Emergency room visits and outpatient registrations were both below budget and prior year. Emergency room visits were 3,781 and outpatient registrations were 17,063. However, both were above prior year. Surgical volumes were 843. Beaufort Physician Practices visits totaled 20,419 and prior year were 20,464. The Express Care volumes were: Beaufort 1,509; Okatie 996; and Bluffton 961. The total of all three was 3,466 (below budget at 3,560 but above prior year).

Patient gross revenue was \$80.7M. Uncompensated care for July was extremely low at \$737K or 0.9% of gross. Budget was \$4.2M and prior year at \$4.1M. Mr. Miller stated that BMH has not changed in how charity care is provided. Net patient revenue totaled \$22.1M. Net to gross was 27.4% (budget was 27.2%). Total operating revenue was \$23.3M on a budget of \$23.8M (slightly above prior year which was at \$22.6M). Cash collections for July hit the goal of 99.9% of the 60-day average. YTD was at 100.4% of the 60-day goal or just under \$1M ahead of the goal. The 30-day goal was 100.5% or \$1M ahead of the goal. The rolling 12-month cash collections continues above 100% with the 60-day goal at 101% and the 30-day goal was at 100.9% or \$2.5M ahead. Gross AR days increased (gross almost a full day and net almost a full day).

Expenses were \$24.8M. Salary expenses were extremely high at \$10M. Non-productive salaries increased due to employee education, orientation and holiday pay for the month of July.

Contract labor decreased slightly from \$1.7M to \$1.3M. Benefits remained consistent at \$2.6M (group health remained above \$1M). Supplies decrease to \$4M (YTD average is \$4.3M).

July experienced a net profit loss of (\$1.5M). The YTD net loss was (\$7.5M). The budget variance was (\$7.9M) on operating profit. The prior year variance was (\$15M). The EBITDA for July experienced a slight loss of (\$379K) and YTD EBITDA was just under \$4M at \$3.9M (behind budget by \$5.1M and behind prior year by \$21.2M).

Days cash increased slightly from 94.4 days to 95.2 days. Mr. Miller referenced the Balance Sheet relating to cash and investments and explained the transactions. Mr. Miller referenced and reviewed the Estimated Cash Surplus report.

Mrs. Dore referenced the articles that were included in the finance packet. Mr. Miller referenced the payment methodologies used by BMH. Mr. Himmelsbach complemented the medical staff and leadership on their ability to maintain services in the post-pandemic environment.

ADJOURN: A motion was made by Mr. Himmelsbach and seconded by Dr. Larson to adjourn the meeting. Unanimous approval. The meeting adjourned at 7:52 am.

Respectfully submitted,

Vernita Dore, Chair