

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – September 26, 2022**

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

**By Zoom:** Richardson LaBruce; Bill Himmelsbach; Stephen Larson, M.D.; G. Heath Simmons, M.D.; Angela Simmons, Ed.D.; Hampton Long; Allison Coppage; Brian Hoffman; Kim Yawn; Cindy Gibson; Courtney Smith; Chris Ketchie; Alice Howard

**Present:** Vernita Dore (Chair); William Jessee, M.D.; Russell Baxley; Ken Miller; Karen Carroll; Kurt Gambla, D.O.; Dee Robinson; and Anna Sobiech

Absent: Dave House

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

**APPROVAL of MINUTES – August 29, 2022:** Dr. Jessee made a motion, which was seconded by Mr. LaBruce to approve the minutes of the August 29, 2022 meeting. Unanimous approval.

**FINANCIAL STATEMENTS:**

Mr. Miller indicated that August was a strong month in volumes. Adult discharges were at 867 (one of the highest in the past twelve months) and were above budget and prior year. Acute discharges were 794. Mental health discharges were 51. Rehab discharges were 22. Adult patient days were at 3,347 (slightly above budget, however, below prior year). Case mix [CMI] increased from 1.55 to 1.64. The CMI average length of stay [ALOS] experienced a decrease from 2.70 to 2.53. Deliveries were very strong at 107 (prior year were strong as well at 104). Emergency room visits were 3,755 (above budget but below prior year). Outpatient registrations were at 19,349. Observation days were at 544. Surgical volumes were at 895 (slightly below budget but above prior year). Beaufort Physician Practices visits were relatively strong totaling 23,598 and prior year was at 23,636. Express care volumes were: Beaufort 1,654 (below budget and prior year); Okatie and Bluffton combined totaled 1,948 which was below prior year at 2,326.

Volumes were strong and patient gross revenue was strong at \$86.9M (above budget and prior year). Uncompensated care (although extremely low) for August was \$2.2M and the year-to-date [YTD] average was \$2.6M. Total net patient revenue for August was \$23.6M (above budget and prior year). Net to gross came in on average at 27.2% with the budget at 27.2% and prior year at 27.2%. Total operating revenue was \$24.5M for the month of August. Cash collections for August were extremely strong at 110.8% of the 60-day average and YTD at 101.4% or \$3.4M ahead of the goal. The YTD 30-day goal is \$3.9M ahead of the goal. The rolling 12-month cash collections were ahead of goal at 101.2% or \$3.3M ahead for the 60-day goal and the 30-day goal at 101.1% or \$3.1M ahead. Gross AR days decreased from 64.6 days to 60.7. The goal remains at 50 days. Net days also decreased from 39.1 to 36.7.

Although volumes were strong, net revenue and cash were strong, expenses increased dramatically. Expenses increased from \$24.8M to \$26M for August. One of the leading increases was salaries at \$9.7M. Contract labor decreased slightly to \$1.2M. Benefits experienced a very large increase from \$2.6M to \$3.5M. The primary driver was group health. Supplies also increased primarily due to volume (although higher than usual drug costs were experienced for the month of August). Depreciation increased due to the addition of DaVinci.

August experienced a net profit loss of (1.5M). The YTD net loss was (\$9M). The budget variance was (\$9.5M) on operating profit and prior year variance was (\$17.3M). The EBITDA for August was a loss at (\$236K) and YTD EBITDA at \$3.9M. The budget variance was (\$6.3M) and the prior year EBITDA variance was (\$24M). The days cash experienced a decrease from 95.2 days to 86.6days (primarily due to investing in the joint venture with Amedisys Home Health in the amount of \$4.2M and also funding some of the third payroll in September). The decrease in days cash was expected.

**MOTION:** A motion was made by Dr. Jessee to go into Executive Session at 7:41 a.m. to discuss strategic matters related to the 2023 budget and strategic plan. The motion was seconded by Dr. Larson.

**MOTION:** A motion was made by Dr. Jessee to go into Open Session at 8:12 a.m. The motion was seconded by Mr. LaBruce.

**MOTION:** A motion was made by Dr. Jessee to recommend to the Board of Trustees Fiscal Year 2023 Operating and Capital Budgets for their consideration and approval. The motion was seconded by Mr. Himmelsbach and unanimously approved. There were no questions or concerns.

**ADJOURN:** A motion was made by Dr. Jessee and seconded by Dr. Larson to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:20 a.m.

Respectfully submitted,

Vernita Dore, Chair