

**BEAUFORT MEMORIAL HOSPITAL BOARD OF TRUSTEES
MEETING**

FINANCE COMMITTEE – OPEN SESSION

Minutes – December 14, 2022

Anna Sobiech took roll call at 7:30 a.m.

By Zoom: Dan Barton; Stephen Larson, M.D.; Allison Coppage; Brian Hoffman; Christopher Ketchie; Shawna Doran

Present: Vernita Dore (Chair); Dave House; Bill Himmelsbach; William Jessee, M.D.; Richardson LaBruce; Eric Billig, M.D.; Russell Baxley; Ken Miller; Karen Carroll; Kurt Gambla, D.O.; Kim Yawn; Courtney Smith; Dee Robinson; Cindy Gibson; and Anna Sobiech

Absent: G. Heath Simmons, M.D.; Angela Simmons, Ed.D.

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

APPROVAL of MINUTES – November 21, 2022: Mr. LaBruce made a motion, which was seconded by Mr. Himmelsbach to approve the minutes of the November 21, 2022 meeting. Unanimous approval.

Audit Update - Mr. Miller indicated that the auditors were on site at BMH and, in addition continue to review remotely. He indicated that no issues were reported. The single audit will change yearly. Auditors are reviewing GASBE 86 and GASBE 97. BMH is anticipating a draft audit in January and the audit will remain in draft until the pension plan is finalized.

Financial Analysis Update – Mr. Miller indicated that BMH has selected Ponder. BMH has submitted the appropriate reports to Ponder and is anticipating that a presentation will be ready for either the January or February board meeting.

FINANCIAL STATEMENTS:

Mr. Miller indicated that November was a good month (historically being a lower month). Budget was at a lower amount; however, results were strong. In general above budget and prior year. Case mix [CMI] improved in November to 1.63. Deliveries declined to 77. Surgical volumes were above 1K (which were high) and were driven by GI and Ortho procedures. Physician practices visits totaled 22,804 (strong volume).

Given November's good volume, the patient gross revenue was \$86.5M on a budget of \$79.2M and prior year at \$75.9M. Uncompensated care experienced a slight increase to \$4.3M and year-to-date [YTD] at \$7.6M or 4.4% of gross revenue. Prior year at this time was \$7.8M or 5% of gross revenue. Total net patient revenue was \$23M. Net to gross was 26.5% on a budget of 26.8% and prior year at 27%. Total operating revenue was \$24.4M on a budget of \$22M and prior year at \$21.3M. BMH recognized non-operating revenue from: OR grant money in the amount of \$166K; Foundation slightly over \$100K; a Vizient rebate on fees; and the positing of positive returns on treasuries. Cash collections for November were good at 101.8% of the 60-day average or \$429K above the goal. The 30-day goal was 102.6%. The YTD was at 98.9% of

the 60-day goal or about (\$500K) below the goal and the 30-day goal at 99.3% or (\$330K) below goal. Gross AR days decreased slightly from 59.4 to 59.0 and net from 38.6 to 37.8.

Mr. Miller indicated that volumes, revenue, and expenses were above budget. Expenses totaled \$23.9M for November. Salaries were about average at \$9.5M. Contract labor was at \$1.2M and prior month at \$1.3M. Budget was \$1.2M.

November experienced an operating profit of \$483K and prior year experienced a net loss of (\$611K). The YTD net loss was (\$660K) and budget loss was (\$1.3M). The YTD actual to budget variance was \$625K (ahead to prior year by \$1.5M). November's EBITDA was strong at \$2M. The YTD EBITDA was \$2.4M and budget EBITDA was \$633K ahead and ahead of prior year by \$2.7M. Free cash is considered operating income plus non-cash depreciation, which was at \$1M (prior year was a loss of \$604K). Days cash went from 84.0 to 84.2 days.

A brief discussion ensued regarding Okatie Urgent Care. Mr. Miller reviewed the estimated cash surplus.

Mrs. Dore announced that Dr. Angela Simmons submitted her resignation from the Finance Committee.

ADJOURN: A motion was made by Dr. Jessee and seconded by Mr. LaBruce to adjourn the meeting. Unanimous approval. The meeting adjourned at 7:50 a.m.

Respectfully submitted,

Vernita Dore, Chair