

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – February 21, 2022**

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

**By Zoom:** Richardson LaBruce; G. Heath Simmons, M.D.; Angela Simmons, Ed.D.; Stephen Larson, M.D.; Hampton Long; Brian Hoffman; Ken Miller; Cindy Gibson; Courtney Smith; Chris Ketchie; Kim Yawn

**Present:** Vernita Dore (Chair); Dave House; Bill Himmelsbach; Paul Sommerville; Russell Baxley; Karen Carroll; Kurt Gambla, D.O.; Dee Robinson and Anna Sobiech

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

**APPROVAL of MINUTES – January 24, 2022:** Mr. Himmelsbach made a motion, which was seconded by Mr. House, to approve the minutes of the January 24, 2022 meeting. Unanimous approval.

**Price Transparency:** Mr. Miller referenced the “Charge Master” and the “Patient Based Estimator” which have been available on the BMH website for slightly over a year. The “Patient Based Estimator” provides an estimated cost (within the guidelines provided by CMS) on any procedure requested by an individual. The most recent development in price transparency is the No Surprises Act. Hospitals are required to provide patients who are uninsured with best estimates or a patient to simply ask by putting the request in writing. BMH has processes in place in order to comply. Physician Practices must also comply with the No Surprises Act. As of January 2023, BMH will be seen as a convening provider and will need to work with all Hospital based providers, Emergency Room providers such as Anesthesiology and Hospitalists to provide patients with a best estimate for the total cost of any procedure of any type in order to remain compliant with Federal regulations. A discussion ensued. Mr. LaBruce suggested that future contracts incorporate the language relating to the regulation to ensure compliance and avoid violation.

**Audit Update:** Mr. Miller indicated that BMH is waiting for the State Pension Plan Report in order to finalize the main audit (anticipated in March). He also indicated that the auditors have started reviewing the single audit process (a federal compliance audit over federal grant programs which will include the Cares Act Funds).

**Cares Update:** BMH is currently working on the reporting that is due the end of March for the \$7M that was received. Mr. Miller indicated that about \$8.9M is still available for BMH’s use through December 2022.

**FINANCIAL STATEMENTS-**

Mr. Miller indicated that the trend for January was short of budget but above prior year. However, both Inpatient and Rehab discharges were below budget and prior year. Total adult

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discharges for January were 687. Acute discharges were 627 on a budget of 680 and prior year at 680. Mental health discharges were 40. Rehab discharges were at 20 on a budget of 25 and prior year at 24. Adult patient days were 3,452. Case mix [CMI] was 1.66 on a budget of 1.60 and prior year at 1.69. Prior month's CMI was low. Year-to-date [YTD] case mix was 1.62 (same as prior year). The average length of stay [ALOS] continues to be challenging (with patients still hospitalized from the current Covid surge, in addition to changes to the Guardian Rules). Deliveries were at 83 on a budget of 88. Emergency room visits were 3,890 (above budget and prior year). Outpatient registrations were 18,985. Observation days were at 534. Surgical volumes were below budget at 813; however, above prior year. The total for Beaufort Physician Practices was 21,948 (below budget but above prior year). Express Care volume totals: Beaufort at 1,762; Okatie at 813; and Bluffton at 1,174. Okatie and Bluffton combined totaled 1,987 which was a 51% improvement over last year.

Patient revenue for January was \$81.2M. Total operating revenue was \$21.7M. Net to gross for January was 26.8% compared to 27.2% for the first quarter. Uncompensated care was \$3.5M or 4.4% of gross revenue. YTD was at 4.5% uncompensated care compared to gross or \$2.3M. Prior year was 4.8% of gross or \$14M. January experienced increases in Medicare outpatient, self-pay and Tricare outpatient, together with the decrease in managed care accounts receivables, contributed to the net to gross being lower. Cash collections did not reach the goal for January (at 96.1%). YTD was at 95.8% of the 60-day goal and the 30-day goal was \$3.3M short. Mr. Miller referenced the rolling 12-month report, which indicated that BMH was 100% above both goals. Gross AR days increased from 65 days to 68 days. Net days also increased.

Expenses were at \$23.4M. Salary expenses increased to \$9.5M (primarily due to clinical provider salaries). Contract labor experienced a decrease to \$885K. Benefits were \$2.6M. Supplies were \$4.3M.

BMH experienced a net loss of (\$1.7M) for January on a budget of \$42K and prior year was a loss of (\$1.2M). YTD net loss was (\$1.4M). EBITDA for January was (\$602K) loss on a budget of \$951K. YTD EBITDA is \$3M on a budget of \$3.7M, short by \$720K. Cash decreased slightly from 104.9 days to 103.4 days. Discussion ensued.

Mr. Miller reviewed the estimated cash surplus report.

Mr. Baxley provided an overview on physician recruitment.

**ADJOURN:** A motion was made by Mr. Himmelsbach and seconded by Mr. House to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:04 am.

Respectfully submitted,

Vernita Dore, Chair