

**BEAUFORT MEMORIAL HOSPITAL BOARD OF TRUSTEES
MEETING**

FINANCE COMMITTEE – OPEN SESSION

Minutes – February 20, 2023

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

By Zoom: Allison Coppage; Courtney Smith; Kim Yawn; Christopher Ketchie;

Present: Vernita Dore (Chair); Dave House; Bill Himmelsbach; Tommy Harmon; Stephen Larson, M.D.; Russell Baxley; Ken Miller; Karen Carroll; Kurt Gambla, D.O.; Dee Robinson; and Meg Dempsey

Absent: Dan Barton; Richardson LaBruce; G. Heath Simmons, M.D.; Alice Howard

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

APPROVAL of MINUTES – January 23, 2023: Mr. Himmelsbach made a motion, which was seconded by Dr. Larson to approve the minutes of the January 23, 2023 meeting. Unanimous approval.

Mr. Miller provided a brief audit update. He indicated that BMH is still waiting for the pension audit. The expectation is that it will be finalized sometime in March and FORVIS will present the final audit in April. He also indicated that the single audit is being finalized. It is anticipated that the final CARES disbursement will take place mid-March. A brief discussion ensued.

FINANCIAL STATEMENTS:

Mr. Miller referenced the January volumes as being behind budget and prior year (excluding discharges, surgeries and clinic visits). Acute discharges were strong at 676. Mental health discharges were at 48. Rehab discharges were 29. The case mix index [CMI] length of stay increased slightly, however, still below budget. Case mix was slightly lower at 1.57. Deliveries decreased to 78. Emergency room visits were at 3,624. Outpatient registrations were at 18,456 and observation days at 539. Surgical volumes remained strong at 968. Beaufort Physician Practices were also strong at 24,242. Express care volumes were strong as well: Beaufort at 1,750 (slightly below prior year, however, above budget); Okatie and Bluffton combined also strong totaled 2,210 on a budget of 1,902 (prior year at 1,987).

Patient gross revenue was strong at \$90.2M. Mr. Miller indicated that some radiation oncology charges were omitted during the transition of their EMR to another platform (\$2.7M gross charges were currently entered and it is anticipated that charges will be caught up to date by the end of February). Uncompensated care for January was \$4M or 4.4% of gross revenue (slightly higher than budget). Year-to-date [YTD] is slightly behind budget for uncompensated care at \$14.4M on a budget of \$12.9M and prior year at \$14.3M. As a percent of gross we are at 4.2% and prior year at 4.5%. Total net patient revenue for January was \$24.1M and net to gross was at 26.7% on a budget of 26.8% and prior year at 26.8%. Total operating revenue was \$25M on a budget of \$24M. Cash collections were behind goal at 99.7% of the 60-day net revenue. YTD

was at 99.3% or \$684K below the goal and for the 30-day goal, YTD at 99.8% or \$200K below goal. Gross AR days increased slightly from 58.9 to 62.5 and net AR days from 37.9 to 40.6.

Expenses were slightly higher at \$26M (close to budget). Salaries were \$9.8M on a budget of \$9.7M. Contract labor slightly decreased to \$815K on a budget of \$1.1M. Benefits were \$2.9 on a budget of \$3M. Supplies were \$5.6M (primarily related to volumes) on a budget of \$4.9M.

January experienced an operating loss of (\$899K) on a budget of (\$676K). The YTD net loss was (\$1.9M) on a budget of (\$2.7M). The actual budget variance is \$813K, however, slightly below prior year variance at (\$403K). January EBITDA was positive at \$601K on a budget of \$920K and YTD EBITDA at \$4.2M on a budget of \$3.6M. The actual budget variance was \$594K and prior year EBITDA variance of \$1.2M. Mr. Miller reported on the “free cash” and explained the definition. Days cash decreased slightly from 84.7 to 83.1. Mr. Miller referenced the estimated cash surplus.

A discussion ensued regarding capital projects and debt covenants. A discussion ensued regarding insurance companies.

ADJOURN: A motion was made by Mr. Harmon and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:00 a.m.

Respectfully submitted,

Vernita Dore, Chair