

**BEAUFORT MEMORIAL HOSPITAL BOARD OF TRUSTEES
MEETING
BMAC BOARD ROOM 317**

FINANCE COMMITTEE – OPEN SESSION

Minutes – March 27, 2023

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

By Zoom: Dan Barton; Richardson LaBruce; Alice Howard; Ken Miller; Allison Coppage; Courtney Smith; Christopher Ketchie; Brian Hoffman

Present: Vernita Dore (Chair); Dave House; Bill Himmelsbach; Tommy Harmon; Stephen Larson, M.D.; Russell Baxley; Karen Carroll; Kurt Gambla, D.O.; Kim Yawn; Dee Robinson; Anna Sobiech and Victoria Viventi

Absent: G. Heath Simmons, M.D.

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

APPROVAL of MINUTES – February 20, 2023: Mr. Harmon made a motion, which was seconded by Mr. Himmelsbach to approve the minutes of the February 20, 2023 meeting. Unanimous approval.

Mr. Miller provided a brief audit update. He indicated that BMH is still waiting for the pension audit to be finalized.

CARES Update – Mr. Miller indicated that the reporting for CARES had been completed a couple of weeks ago. BMH does not believe funds will need to be returned. At present, BMH is maintaining \$1M in reserve and is awaiting the single audit to be finalized in order to release the funds.

FINANCIAL STATEMENTS:

Mr. Miller indicated that February volumes were good. Adult discharges were 685. Acute discharges were 624 (above budget and prior year). Mental health discharges were at 38. Rehab discharges were 23 on a budget of 24. Adult patient days were 3,030. The case mix index [CMI] length of stay was 2.70 on a budget of 2.70. Case mix at 1.64 was below budget and prior year. Deliveries at 76 were slightly below budget. Emergency room visits were 3,263. Outpatient registrations were 17,650 and observation days were 488. Surgical volumes continue to be strong at 954 (above budget and prior year). Beaufort Physician Practices visits were 22,579 (above budget and prior year). Express care volumes were strong: Beaufort at 1,500 on a budget of 1,486 and prior year just below 1,300; Okatie and Bluffton combined were at 1,909 and prior year at 1,270.

Revenue was also strong. Patient gross revenue was \$84M (above budget and prior year). Uncompensated care was running higher this year than prior year. February uncompensated care was \$4.8M or 5.8% of gross revenue. Year-to-date [YTD], BMH is running on an average of \$3.8M and prior year at \$3.3M or 4.5% of gross revenue compared to prior year at 4.1%. Total net patient revenue was \$22.8M. Net to gross was at 27.1% (slightly above budget, which was 26.8% and prior year at 26.8%). Total operating revenue was strong at \$24.4M. BMH recognized \$302K from the Amedisys Joint Venture (over a period of six months). A brief discussion ensued regarding staffing challenges (home health aides). A brief discussion then ensued regarding the OR renovation sources of funds.

Cash collections for the month were behind goal at 99.1% of the 60-day goal. YTD at 99.2% or about \$900K below the 30-day target. Cash collections for the 12-month rolling remained at 100% of the goal. Gross AR days decreased from 62.5 to 61.1 and net AR days from 40.6 to 39.6.

Expenses were \$23.8M. Salaries were at \$9.1M. Contract labor declined for the third straight month from \$815K in January to \$747K in February. Benefits declined from \$2.9M to \$2.4M. The main driver was group health totaling \$692K for the month of February. The prior 11-month average was \$1M. (Group health is expense incurred but not reported.) Supplies were high. Many line items were above the 11-month average (the chemo drugs increase was related to volumes).

February experienced a good operating profit at \$629K and YTD net loss of (\$1.3M) but the YTD actual budget variance at \$1.9M was ahead of prior year at \$1.3M. February EBITDA was very strong at \$2.1M. The YTD EBITDA was \$6.2M, ahead of budget by \$594K and \$1.2M ahead of prior year. Mr. Miller reported on the "free cash" and explained the definition. Days cash experienced a decline in February from 83.1 to 79.7 days due to several payments such as Day Care Center, Nurse Call System and an increase in the one-day cash from \$778K to \$784K. Mr. Miller referenced the report on future cash. Mr. Baxley provided a brief financial overview of March and provided a brief clarification on group health.

ADJOURN: A motion was made by Mr. Harmon and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 7:47 a.m.

Respectfully submitted,


Vernita Dore, Chair