

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – April 24, 2023**

Victoria Viventi took roll call at 7:32 a.m.

**By Zoom:** Richardson LaBruce, Tommy Harmon, Kim Yawn, Courtney Smith, Brian Hoffman, Cindy Gibson, Chris Ketchie, Allison Coppage, Shawna Doran

**Present:** Vernita Dore (Chair); Dave House; Bill Himmelsbach; Ken Miller; Russell Baxley; Karen Carroll; Kurt Gambla, D.O.; Dee Robinson; and Victoria Viventi

**Absent:** G. Dan Barton, Alice Howard, Stephen Larson, M.D., Heath Simmons, M.D.

**CALL to ORDER:** Mrs. Dore called the meeting to order at 7:33 a.m.

**APPROVAL of MINUTES – March 27, 2023:** Mr. Himmelsbach made a motion, which was seconded by Mr. House to approve the minutes of the March 27, 2023 meeting. Unanimous approval.

Mr. Miller provided a brief audit update. He indicated the state audit is complete and anticipates having the final audit and the single audit available by the May board meeting.

CARES Update – Mr. Miller indicated BMH attested to CARES in March. 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 to release the funds.

Bank Discussion – Mr. Miller provided status updates from Regions and TD Bank in reference to the Silicon Valley Bank concern. Mr. Miller indicated there are no concerns from BMH regarding the status of either bank.

Medicaid Redetermination Discussion – Redetermination started April 1<sup>st</sup>. The BMH website has links and resources available to patients and visitors regarding Medicaid assistance. BMH is also working with the vendor, RCA, who does Medicaid qualifications to provide education about the redetermination. The patient will contact RCA directly to inquire about a status and receive assistance with enrolling in an ACA plan if needed. It is anticipated approximately 1,600 BMH patients would be considered “at-risk” for Medicaid redetermination. BMH will be mailing out information about the redetermination to the “at-risk” patients which outlines next steps. Discussion ensued around how other agencies are getting the information out such as DHHS and SCHA.

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**FINANCIAL STATEMENTS:**

Mr. Miller indicated that March was a particularly strong month. Year to date the strong areas for the hospital are express care, surgery, and adult discharges. Adult discharges for the month were 731 which have increased 9.5% over prior year. Acute discharges were 653 (above budget and prior year). Mental health discharges were at 52 (above budget and prior year). Rehab discharges were 26 which is on budget. Adult patient days were 3,046. The case mix index [CMI] length of stay was 2.76 on a budget of 2.70. Case mix decreased to 1.51 below budget and prior year. Deliveries at 69 were slightly below budget. Emergency room visits were 3,892. Outpatient registrations were 19,816 and observation days were 537 below budget and prior year. Surgical volumes continue to be strong at 1,071 a 16.8% improvement YoY. Beaufort Physician Practices visits were 25,464 (above budget and prior year). Express care volumes were strong: Beaufort at 1,790 on a budget of 1,587 and above prior year; Okatie and Bluffton combined were at 2,114 on a budget of 1,870 and prior year at 1,362.

Revenue was also strong. Patient gross revenue was \$92.5M (above budget and prior year) with an increase in outpatient volume with the outpatient factor up 10%. Uncompensated care went down from \$4.8M to \$1.8M, 2.0% of gross revenue. Total net patient revenue was \$26.0M above budget and prior year. No changes to report on payer mix. Net to gross was at 28.1% (above budget, which was 26.8% and slightly below prior year at 28.4%). Total operating revenue was strong at \$26.6M, below prior year of \$28.1M due to the \$3.1M of CARES dollars that were booked this month prior year.

Cash collections were strong at 102.7% of the 60-day goal and 102.4% of the 30-day goal. The YTD goal increased to 103.9% or \$5.5M above the goal for the year. The 30-day target YTD was 104.3% or \$5.9M above goal. \$1.5M of the cash was due to grants which is not included in the patient cash. Cash collections for the 12-month rolling remained above 100% at 102.7% for the 60-day goal and 102.4% for the 30-day goal. Gross and Net AR days decreased due to the strong cash month with Gross AR going from 61.1 to 56.6 and Net AR days going from 39.6 to 33.3.

Expenses were \$24.8M slightly below budget and prior year. Less than 1% variance in total operating expenses. Salaries were at \$9.2M. Contract labor increased from \$747K to \$1.3M above budget but below prior year. Benefits were \$2.7M below budget and above prior year. Group Health remained below 1M at \$750K with the cost of drugs being a cost contributor.

March experienced a good operating profit at \$1.8M and YTD net profit of \$469K still with a budgeted loss of (\$3.9M). YTD Actual to Budget variance is \$4.4M and Actual to Prior Year variance is \$114K. March EBITDA was \$3.3M. The YTD EBITDA was \$9.5M, ahead of budget and prior year. Mr. Miller reported on the “free cash” defined as Operating Income/Loss plus Non-Cash Deprecation at \$2.7M and prior year was \$3.9M which was bolstered by the CARES money. YTD “free cash” is \$5.6M and prior year \$5.1M. Days cash increased from 79.7 to 87.7 above 90% of the goal. Cash surplus in March was 74.6 days. Mr. Miller reported a strong financial month and a good position for mid-year. Mr. Baxley gave an update on April predictions.

Discussion ensued around pending CON legislation.

**ADJOURN:** A motion was made by Mr. House and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:01 a.m.

Respectfully submitted,

Vernita Dore, Chair