

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – June 26, 2023**

Victoria Viventi took roll call at 7:30 a.m.

**By Zoom:** Dave House, Dan Barton, Stephen Larson, M.D., Richardson LaBruce, Tommy Harmon, Brian Hoffman, Allison Coppage, Chris Ketchie, Courtney Smith, Kim Yawn, Cindy Gibson

**Present:** Vernita Dore (Chair); William Himmelsbach, Alice Howard, Russell Baxley, Karen Carroll, Ken Miller, Dee Robinson, Victoria Viventi

Absent: Heath Simmons, M.D.

**Guests (by Zoom):** Marc Colvard (FORVIS)

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

**APPROVAL of MINUTES – May 22, 2023:** Mr. Harmon made a motion, which was seconded by Mr. Richardson to approve the minutes of the May 22, 2023 meeting. Unanimous approval.

**501r/Charity Policy Comparison Presentation** – Mr. Colvard provided the Board with an update on the 501r/charity policy comparison to other like hospitals. FORVIS reviewed different types of eligibility requirements and found BMH to have a generous charity care policy and fell on and above average in comparisons. BMH met all IRS guidelines for 501r.

At the conclusion of the presentation, Mr. Colvard exited the zoom meeting at 7:52am.

**FINANCIAL STATEMENTS:**

Mr. Miller indicated May volumes were strong compared to previous years and budget. Adult discharges for the month were 751, above budget and prior year. Acute discharges were 668, above budget and prior year. Mental health discharges were 55, above budget and prior year. Rehab discharges were 28, above budget and prior year. Adult patient days were 3,210, above budget and prior year. The case mix index [CMI] adjusted average length of stay (ALOS) was 2.93. Case mix index was 1.46, below budget and prior year. Deliveries were slightly below budget and prior year at 79 compared to 80. Emergency room visits were above budget at 3,943. Outpatient registrations were 19,323, and observation days were 537 below budget and prior year. Surgical volumes increased this month at 1,024, above budget and prior year. Beaufort Physician Practices visits were strong at 24,393. Express care volumes were strong: Beaufort at 1,801 above budget and prior year; Okatie and Bluffton combined were at 2,128 on a budget of 1,805 and well above prior year.

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Patient gross revenue was \$91.5M above budget and above prior year. Uncompensated care was considerable low at \$287K or 0.3% of Gross Revenue. Mr. Miller noted he does not expect to continue to trend this low for uncompensated care. Total net patient revenue was \$27.1M above budget and prior year. Net to gross was 29.6.0% which is above budget and prior year. Total operating revenue was strong again this month at \$27.9M, well above the budget of \$23.5M and prior year of \$19.5M.

Cash collections were above the 60-day goal at 110.1% or \$2.5M above the monthly goal and above the YTD goal at 104.2% or \$7.9M above the goal for the year. The 30-day target YTD was 104.3% or \$8.1M above goal. Cash collections for the 12-month rolling remained above 100% at 104.3% for the 60-day goal and 104.0% for the 30-day goal. Gross and Net AR days both decreased with Goss AR Days going from 58.6 to 56.8 and Net AR days going from 33.1 to 32.1.

Expenses were \$25.4M slightly above budget and prior year. Salaries were at \$9.4M also slightly above budget and below prior year. Contract labor remained \$1.0M below budget and prior year. Benefits dropped slightly from \$3.7M to \$3.4M. Group health remained at \$1.6M of this line-item Supplies declined from \$5.2M to \$4.8M, above budget and prior year. Mr. Miller noted a decrease in supply costs.

May operating profit was \$2.5M and YTD net profit of \$3.4M, still with a budgeted loss of (\$4.6M). YTD Actual to Budget variance is \$8.6M and Actual to Prior Year variance is \$8.0M. May EBITDA was \$4.0M. The YTD EBITDA is \$15.4M, ahead of budget and prior year. YTD actual to budget variance is \$8.3M and actual to prior year EBITDA variance is \$11.1M. 'Free Cash' defined as operating income/loss plus noncash depreciation is \$3.4M, last year it was (\$909K) loss. YTD 'free cash' is \$10.2M, double last year. To note, for prior year free cash the loss on sale was accounted for. Days cash increased going from 90.2 to 91.3 days.

Mr. Miller gave a Medicaid redetermination update.

**ADJOURN:** A motion was made by Mr. Himmelsbach and seconded by Mr. LaBruce to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:13 a.m.

Respectfully submitted,

Vernita Dore, Chair