

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – October 23, 2023

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

By Zoom: Dan Barton; Richardson LaBruce; Tommy Harmon; Alice Howard; Brian Hoffman; Karen Carroll; Shawna Doran; Chris Ketchie; Courtney Smith; Kim Yawn

Present: Vernita Dore; Dave House; Bill Himmelsbach; Stephen Larson, M.D.; Russell Baxley; Kurt Gambla, D.O.; Ken Miller; Cindy Gibson; Dee Robinson; Victoria Viventi

Absent: Heath Simmons, M.D.

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

APPROVAL of MINUTES – September 25, 2023: Mr. Harmon made a motion, which was seconded by Mr. Himmelsbach to approve the minutes of the September 25, 2023, meeting. Unanimous approval.

FINANCIAL STATEMENTS:

Mr. Miller reviewed year end volumes for the end of the Fiscal Year. In general, volumes were above prior year and budget. Adult discharges were 8,787 and budget was 8,593. Acute discharges were 7,868 and budget was 7,768. Mental health discharges were 587, and budget was 516. Rehab discharges were 332, and budget was 310. Adult patient days were 37,073, slightly below the budget of 38,291. The year end case mix index [CMI] adjusted average length of stay (ALOS) was 2.71, the same as last year and compared to a budgeted 2.70. Case mix index was 1.56, and budget was 7.65. Deliveries for the year were 1,024, and budget was 995. Emergency room visits for the year were 44,653 and budget was 43,997. Outpatient registrations were 221,058, below the year end budget of 265,467. Observation days were 6,365, and budget was 6,711. Surgical volumes for the year ended with 11,592, and budget was 11,283. Beaufort Physician Practices visits were 278,040 for the year, above the budget of 274,052 and previous year volumes of 262,685. Express care volumes for the year were: Beaufort at 20,500, above budget of 18,981; Okatie had 14,750, above budget of 10,583, and Bluffton had a year end volume of 10,159 slightly below budget of 11,784. Bluffton and Okatie combined were 24,909, above budget of 22,367.

Patient gross revenue for the year was \$1.0B, budget was \$1.1B and last year was \$980.2M. Uncompensated care was \$33.8M or 3.2% of Gross Revenue, budget was \$38.6M or 3.7% of Gross, coming in below budget for the year. Total net patient revenue was \$288.5M, above budget of \$282.1M. Net to gross was 27.6%, and budget was 26.8%. Total operating revenue was \$303.7M, budget was \$291.5M.

Year to Date cash collections finished at 100.7% of the 60-day average of \$2.1M above the annual goal. The 30-day average finished the year at 100.5% or \$1.4M above the goal. Gross AR

days in September were 62.4 from 62.9 the previous month and Net AR days in September remained at 38.7. Cash and AR goals remain effected by address issues with Medicare which should be corrected within the next 30 days.

Total expenses for the year were \$303.5M, and budget was \$299.4M. Expenses for the year were driven by salaries and supply cost increases. Salaries for the year ended at \$116.7M and budget was \$113.5M. Contract labor finished the year below budget at \$12.4M, and budget was \$13.4M. Benefits were steady at \$35.4M, budget was \$35.5M. Supplies ended the year above budget at \$60.0M, and budget was \$57.5M. Purchased services were \$27.6M, which is slightly above budget for the year of \$26.0M, previous year was \$29.0M.

Year End net profit is \$252k, on a budgeted loss of (\$8.0M), and previous year operating profit of \$165K. Year End Actual to Budget variance is \$8.2M and Actual to Prior Year variance is \$86K. Year End EBITDA is \$18.1M, above budget of \$10.8M and above prior year's \$14.1M. The Year End actual to budget variance is \$7.3M and actual to prior year EBITDA variance is \$4.1M. Year End 'Free Cash' defined as operating income/loss plus noncash depreciation was \$10.5M, last year it was \$13.7M. For prior year the loss on sale was accounted for in the calculation. Days cash decreased from 84.0 to 82.8 days.

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

Respectfully submitted,

Vernita Dore, Chair