

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – November 20, 2023

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

By Zoom: Dan Barton; Richardson LaBruce; Tommy Harmon; Jane Kokinakis; Eric Billig, M.D.; Carolyn Banner, Ph.D.; William Jessee, M.D.; Brian Hoffman; Allison Coppage; Chris Ketchie; Lynsey Rini; Kim Yawn

Present: Vernita Dore; Dave House; Bill Himmelsbach; Stephen Larson, M.D.; Alice Howard; Russell Baxley; Karen Carroll; Kurt Gambla, D.O.; Ken Miller; Dee Robinson; Courtney Smith; 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 – October 23, 2023: Mr. Harmon made a motion, which was seconded by Mr. LaBruce to approve the minutes of the October 23, 2023, meeting. Unanimous approval.

FINANCIAL STATEMENTS:

Mr. Miller reviewed October volumes for the first month in the new Fiscal Year. In general, volumes were relatively strong. Adult discharges were 713 below budget and prior year. Acute discharges were 635, mental health discharges were 47 and rehab discharges were 31. Adult patient days were 3,009, slightly below the budget of 3,148 but above prior year. The year end case mix index [CMI] adjusted average length of stay (ALOS) was 2.74, budget was 2.72. Case mix index was 1.54, and budget was 1.55. Deliveries were 98, well above budget of 78. Emergency room visits were 3,844 and budget was 3,789. Outpatient registrations were 21,372, above budget of 20,483. Observation days were 587, and budget was 544. Surgical volumes were 962, and budget was 961. Beaufort Physician Practices visits were 24,670, just below the budget of 25,685. Express care volumes were: Beaufort at 2,076, above budget of 1,828; Okatie had 1,376 visits, above budget of 3,316, and Bluffton had 925 visits, above budget of 906. Mr. Miller noted he will start reporting separate volumes for each location and not combined.

Patient gross revenue was \$91.2M, budget was \$91.3M and last year was \$84.8M. Uncompensated care was \$2.5M or 2.8% of Gross Revenue, budget was \$3.2M or 3.5% of Gross. Total net patient revenue was \$25.8M, budget was \$26.1M. Net to gross was 28.3%, and budget was 28.6%. Mr. Miller noted BMH received \$5.9M in Health Access, Workforce, and Quality (HAWQ) money. \$1.6M is being recognized in October and is the main reason for the increase in Net to Gross. BMH will recognize the remaining amount in November and December. Total operating revenue was \$27.0M, budget was \$27.4M.

Cash collections were very strong with the help of the HAWQ money. October cash collections were 126.2% of the 60-day average of \$6.2M above the goal. The 30-day average finished at 124.1% or \$5.8M above the goal. On the 12-month rolling cash report it is at 102.9% or \$8.3M ahead of the 60 day goal and 102/8% or \$8.1M ahead of the 30 day goal. Gross and Net AR days did not move much in October with Gross going from 62.4 to 62.7 and Net AR days going from 38.7 to 37.9. Cash and AR goals remain effected by address issues with Medicare.

Total expenses for October were \$26.3M, and budget was \$26.9M. Salaries were \$10.4M and budget was \$10.3M. Contract labor was \$897k, and budget was \$909k. Benefits were steady at \$3.2M, budget was \$3.1M. Supplies were \$5.5M, on the budget of \$5.5M. Purchased services were \$2.4M, also on budget of \$2.4M.

October net profit is \$703k, on a budgeted profit of \$430k and previous year had a operating loss of \$1.1M. Actual to Budget variance is \$273k and Actual to Prior Year variance is \$1.8M. EBITDA is \$2.2M, above budget of \$2.0M and prior year was \$379k. Actual to budget variance is \$138k and actual to prior year EBITDA variance is \$1.8M. 'Free Cash' defined as operating income/loss plus noncash depreciation was \$1.6M, last year it was (\$300k) reduction. For prior year the loss on sale was accounted for in the calculation. Days cash decreased from 82.8 to 81.1 days.

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

Respectfully submitted,

Vernita Dore, Chair