

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – December 13, 2023**

Victoria Viventi took roll call at 8:00 a.m.

**By Zoom:** Richardson LaBruce; Tommy Harmon; Allison Coppage; Courtney Smith; Lynsey Rini; Shawna Doran; Cindy Gibson

**Present:** Vernita Dore; Dave House; Dan Barton; Bill Himmelsbach; Stephen Larson, M.D.; Alice Howard; Bill Jessee, M.D.; Carolyn Banner, Ph.D.; Jane Kokinakakis, M.D.; Eric Billig, M.D.; Douglas Folzenlogen, M.D.; Russell Baxley; Karen Carroll; Kurt Gambla, D.O.; Ken Miller; Dee Robinson; Kim Yawn; Chris Ketchie Victoria Viventi

Absent:

**CALL to ORDER:** Mrs. Dore called the meeting to order at 8:00 a.m.

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

Mr. Miller shared with the committee FORVIS spent 2 weeks in a deep dive on the financial audit and should expect to have a first draft around February. The final audit is projected to be completed around April or May conditional on the State completing their audit.

**FINANCIAL STATEMENTS:**

Mr. Miller noted November volumes were mixed. Adult discharges were 749 above budget and below prior year. Acute discharges were 671, mental health discharges were 50 and rehab discharges were 28. Adult patient days were 3,173, above budget of 3,054. The case mix index [CMI] adjusted average length of stay (ALOS) increased from 2.74 to 2.86 compared to budget of 2.73 and last year 2.60. Case mix index decreased from 1.54 to 1.48, budget was 1.55 and last year was 1.63. Deliveries were 95, well above budget of 74. Emergency room visits were 3,837 and budget was 3,675. Outpatient registrations were 20,499, above budget of 19,866. Observation days were 535, and budget was 527. Surgical volumes were 1,006, and budget was 932. Beaufort Physician Practices visits were 23,279, just below the budget of 24,912. Express care volumes continue to remain strong: Beaufort had 1,846 visits, above budget of 1,773; Okatie had 1,350 visits, above budget of 1,276, and Bluffton had 940 visits, above budget of 879.

Patient gross revenue was \$89.9M, budget was \$88.5M and last year was \$86.5M. Uncompensated care increased from \$2.5M to \$3.5M or 3.8% of Gross Revenue, budget was \$3.0M or 3.5% of Gross. Total net patient revenue was \$26.5M, budget was \$25.3M. Net to gross was 29.5%, and budget is 28.6%. Mr. Miller noted \$1.6M of the Health Access, Workforce, and Quality (HAWQ) money was recognized in November which does help with the net to gross patient revenue. Total operating revenue was \$27.3M, budget was \$26.5M.

Cash collections were strong but did not hit the goal. November cash collections were 98.2% of the 60-day average and YTD are at 109.6% or \$4.7M above the goal. YTD for the 30-day average finished at 108.9% or \$4.5M above the goal. On the 12-month rolling cash report it is at 102.6% or \$7.4M ahead of the 60-day goal and 102.1% or \$6.1M ahead of the 30-day goal. Gross AR days did increase in November with Gross going from 62.7 to 63.3. Net AR days went down slightly going from 37.9 to 37.4. Cash and AR days during November continued to be affected by address issues with Medicare. Mr. Miller noted the address issues with the Okatie location has been addressed which was holding up about \$13M and still waiting for a final site visit to receive payment for Hilton Head Island Imaging.

Total expenses for November were \$27.2M, and budget was \$26.1M. Salaries were \$10.7M and budget was \$9.9M. Salaries were driven by both holiday pay and MD bonuses. Contract labor increased from \$897k to \$1.0M, and budget was \$881k. Benefits were \$3.6M, budget was \$3.0M. Group health was very high at \$1.9M, which is \$773k above the prior 11 month average. Supplies increased from \$5.5M to \$5.8M, on the budget of \$5.3M. Purchased services were \$2.7M, also on budget of \$2.3M and last year of \$1.6M. Other expenses remained low at \$1.0M, budget of \$2.3M. and prior year of \$2.0M. Mr. Miller does expect this to increase in Q2. Discussion ensued around the new hospital licensing tax payments in relation to HAWQ payments.

November net profit is \$90k, on a budgeted profit of \$418k and previous year had a profit of \$484k. YTD net profit was \$794k, budgeted net profit was \$848k, and last year was a (\$660k) operating loss. YTD Actual to Budget variance is (\$284k) and Actual to Prior Year EBITDA variance is \$1.3M. 'Free Cash' defined as operating income/loss plus noncash depreciation was \$971k, last year it was \$1.3M. YTD 'Free Cash' is \$2.6M, last year it was \$1.0M. Days cash increased slightly from 81.1 to 81.5 days.

**ADJOURN:** A motion was made by Mr. House and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:17 a.m.

Respectfully submitted,

Vernita Dore, Chair