

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – February 26, 2024**

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, Karen Carroll, Allison Coppage, Shawna Doran, Chris Ketchie, Courtney Smith, Kim Yawn, Cindy Gibson

**Present:** Vernita Dore (chair), Bill Himmelsbach, Russell Baxley, Ken Miller, Dee Robinson, Victoria Viventi

**Guest Presenters:** Anne Rivers Borgelt and Kelly Smith with FORVIS

Absent: Alice Howard

**CALL to ORDER:** Mrs. Dore called the meeting to order at 7:32 a.m.

**APPROVAL of MINUTES – January 29, 2024:** Mr. Harmon made a motion, which was seconded by Mr. Himmelsbach to approve the minutes of the December 13, 2023, meeting. Unanimous approval.

Ms. Borgelt and Ms. Smith provided an overview of the draft audit for Beaufort Memorial Hospital. In summary, there were no significant deficiencies, no material weaknesses, no noncompliance, and an unmodified opinion will be issued. In addition, for the Federal Awards, there were no significant deficiencies, no material weaknesses, no noncompliance, and an unmodified opinion will be issued. There were no other findings required to be disclosed. Ms. Smith reviewed the Report to the Board as required by auditing standards and reviewed the audit process along with previous findings reviewed.

Ms. Borgelt and Ms. Smith exited the meeting.

**FINANCIAL STATEMENTS:**

Mr. Miller noted January volumes were, in general strong, with most metrics above budget and prior year. Adult discharges were 766 above budget and prior year. Acute discharges were 698, mental health discharges were 40 and rehab discharges were 28. Adult patient days were 3,397, above budget of 3,098. The case mix index [CMI] adjusted average length of stay (ALOS) decreased from 2.89 to 2.72 compared to last year 2.66. Case mix index increased slightly to 1.61 from 1.56, budget was 1.55 and last year was 1.57. Deliveries declined slightly from 104 to 97, although budget was 75 and prior year was 78. Emergency room visits were 3,861 and budget was 3,730. Outpatient registrations were 21,658, budget was 20,161 and last year was 18,456. Observation days were 533, and budget was 535. Surgical volumes increased from 978 to 1,014, and budget was 946. Beaufort Physician Practices visits increased from 22,617 to 26,995, budget of 25,281. Express care volumes continue to remain strong: Beaufort had 1,930 visits, above budget of 1,800; Okatie had 1,448 visits, above budget of 1,295, and Bluffton had 1,021 visits, above budget of 951.

---

Revenues followed volumes with Gross Revenue being the highest in 12 months. Patient gross revenue was \$98.8M, budget was \$89.8M and last year was \$90.2M. Uncompensated care increased slightly from \$2.6M to \$3.2M or 3.2% of Gross Revenue, budget was \$3.1M or 3.5% of Gross. Total net patient revenue was \$28.2M, budget was \$25.7M. Net to gross dropped from 29.2% to 28.6%, on budget of 28.6%. Mr. Miller noted we will continue to recognize \$1.6M of the Health Access, Workforce, and Quality (HAWQ) money every month for Q2. Total operating revenue was \$30.0M, budget was \$26.9M. In January, we received \$700k in OR Reimbursement and \$300k from the Foundation in capital funding reimbursement.

Cash collections were slightly below the goal at 95.7% of goal. January YTD we are at 106.9% or \$7.1M above the goal. YTD for the 30-day average we finished at 106.9% or \$7.0M above the goal. The 12-month rolling cash report is 103.3% or \$9.9M ahead of the 60-day goal and 102.9% or \$8.6M ahead of the 30-day goal. Gross AR days increased in January with Gross going from 64.4 to 65.1. Net AR days increased slightly from 36.6 to 37.7.

Like volumes for January, expenses were also high. Total expenses were \$29.8M, budget was \$26.5M and prior year was \$25.9M. Salaries were \$11.0M and budget was \$10.0M. Salaries were driven primarily by non-productive salaries for MD bonuses and holidays. Contract labor increased from \$805k to \$864k, budget was \$894K. Benefits did decrease from \$4.2M to \$3.8M, budget was \$3.0M and last year was \$2.9M. Group health did decrease from \$2.2M but remained above \$1.0M at \$1.4M. Supplies decreased from \$5.6M to \$5.5M, on a budget of \$5.4M. Purchased services were \$2.7M, on budget of \$2.3M and last year of \$2.4M. Other expenses increased to \$3.8M, on budget of \$2.3M, and prior year of \$2.2M. The increase in other expenses is primarily related to the increase in the Hospital License Tax (HLT). This expense went from \$313k per month to \$1.7M in January, it will remain at \$1.7M for February and March.

December net profit for the month is \$175k, on a budgeted profit of \$423k and previous year had a loss of (\$899k). YTD net profit is \$27k, budgeted net profit was \$1.7M, and last year was a (\$2.0M) operating loss. YTD Actual to Budget Variance is a loss of (\$1.7M) and Actual to Prior Year Variance is \$2.0M. EBITDA was \$1.5M, budget was \$2.0M. YTD EBITDA is \$5.6M, budget is \$8.1M. YTD actual to budget variance is a loss (\$2.5M) and actual to prior year EBITDA variance is \$1.5M. 'Free Cash' defined as operating income/loss plus noncash depreciation was \$1.1M, last year it was a (\$55k) loss. YTD 'Free Cash' is \$3.6M, last year it was \$1.4M. Days cash decreased from 85.8 days to 73.2 days.

**ADJOURN:** A motion was made by Mr. Harmon and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 7:58 a.m.

Respectfully submitted,

Vernita Dore, Chair