

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – March 25, 2024**

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

**By Zoom:** Dan Barton, Richardson LaBruce, Alice Howard, Allison Coppage, Chris Ketchie, Courtney Smith, Kim Yawn

**Present:** Tommy Harmon (Chair), Bill Himmelsbach, Russell Baxley, Ken Miller, Karen Carroll, Kurt Gambla, D.O., Dee Robinson, Cindy Gibson, Victoria Viventi

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

Absent: Vernita Dore, Stephen Larson, M.D.

**CALL to ORDER:** Mr. Harmon called the meeting to order at 7:30 a.m.

**APPROVAL of MINUTES – February 26, 2024:** Mr. Himmelsbach made a motion, which was seconded by Mr. LaBruce to approve the minutes of the February 26, 2024, meeting. Unanimous approval.

Ms. Borgelt and Ms. Smith presented the final version of the audited financial statement draft for consideration of the Finance Committee to recommend to the Board of Trustees. Changes from the previous month presentation include the state pension report. Ms. Borgelt noted the major changes regarding the pension related line items. Changes to the Foundation net assets included breaking it down to donor restrictions and no donor restrictions. With no other questions, the Finance Committee will move to recommend the final audit to the board.

**MOTION TO ADOPT THE AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023 AS PRESENTED AND RECOMMEND TO THE BOARD OF TRUSTEES TO RECEIVE AND ACCEPT THE FINAL AUDIT.** Mr. Himmelsbach made the motion, which was seconded by Mr. LaBruce. Unanimous approval.

Ms. Borgelt and Ms. Smith exited the meeting.

**FINANCIAL STATEMENTS:**

Mr. Miller noted February volumes were, in general strong, with most metrics above budget and prior year. Adult discharges were 738 above budget and prior year. Acute discharges were 667, mental health discharges were 43 and rehab discharges were 29. Adult patient days were 2,954, above budget of 2,896. The case mix index [CMI] adjusted average length of stay (ALOS) decreased slightly from 2.89 to 2.60 compared to last year 2.70. Case mix index decreased slightly to 1.54 from 1.56, budget was 1.55 and last year was 1.64. Deliveries declined slightly 93, although budget was 70 and prior year was 76. Emergency room visits were 3,641 and budget was 3,486. Outpatient registrations were 21,438, budget was 18,844 and last year was 17,650. Observation days were 534, and budget was 500. Surgical volumes increased from 1,014 to 1,060, and budget was 884. Beaufort Physician Practices visits were 24,630, budget was

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23,882. Express care volumes continue to remain strong: Beaufort had 1,793 visits, above budget of 1,682; Okatie had 1,271 visits, above budget of 1,210, and Bluffton had 861 visits, above budget of 834.

Patient gross revenue was \$92.2M, budget was \$84.0M and last year was \$84.0M. Uncompensated care increased slightly from \$3.2M to \$5.7M or 6.2% of Gross Revenue, budget was \$2.9M or 3.5% of Gross. Total net patient revenue was \$27.4M, budget was \$24.0M. Net to gross increased from 28.6% to 29.8%, on budget of 28.6%. Mr. Miller noted we recognized \$2.9M of the Health Access, Workforce, and Quality (HAWQ) funds in February. Total operating revenue was \$28.4M, budget was \$25.2M.

Cash collections were strong at 107.0% of goal. \$2.3M of HAWQ funds were recognized in February, although cash collections were still at 98.2% of the goal without the HAWQ funds, about \$500,000 short. February YTD we are at 107.0% or \$8.9M above the goal. YTD for the 30-day average we finished at 105.7% or \$7.4M above the goal. The 12-month rolling cash report is 104.0% or \$12.0M ahead of the 60-day goal and 103.3% or \$9.9M ahead of the 30-day goal. Gross AR days decreased in February with Gross going from 65.1 to 60.5. Net AR days decreased from 37.7 to 33.8.

Total expenses were \$28.1M, budget was \$24.8M and prior year was \$23.8M. Salaries were \$10.4M and budget was \$9.4M. Contract labor decreased from \$864k to \$734k, budget was \$836K. Benefits did decrease from \$3.8M to \$2.8, budget was \$2.9M and last year was \$2.4M. Group health did decrease from \$1.4M to \$943k. Supplies were consistent at \$5.7M, on a budget of \$5.1M. Purchased services were \$2.5M, on budget of \$2.2M and last year of \$2.1M. Other expenses remained at \$3.8M, on budget of \$2.2M, and prior year of \$1.9M. The increase in other expenses is primarily related to the increase in the Hospital License Tax (HLT).

February net profit for the month is \$336k, on a budgeted profit of \$396k and previous year had a profit of \$620k.. YTD net profit is \$363k, budgeted net profit was \$2.1M, and last year was a (\$1.3M) operating loss. YTD Actual to Budget Variance is a loss of (\$1.7M) and Actual to Prior Year Variance is \$1.7M. EBITDA was \$1.6M, budget was \$1.9M. YTD EBITDA is \$7.2M, budget is \$9.9M. YTD actual to budget variance is a loss (\$2.7M) and actual to prior year EBITDA variance is \$1.0M. 'Free Cash' defined as operating income/loss plus noncash depreciation was \$1.2M, last year it was \$1.5M. YTD 'Free Cash' is \$4.7M, last year it was \$2.9M. Days cash decreased from 73.2 days to 76.2.

**ADJOURN:** A motion was made by Mr. LaBruce and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 7:52 a.m.

Respectfully submitted,

Tommy Harmon, Jr., Chair