

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – April 22, 2024

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

By Zoom: Dan Barton, Stephen Larson, M.D., Richardson LaBruce, Alice Howard, Russell Baxley, Allison Coppage, Kim Yawn

Present: Tommy Harmon (Chair), Bill Himmelsbach, Vernita Dore, Ken Miller, Kurt Gambla, D.O., Dee Robinson, Cindy Gibson, Victoria Viventi

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

APPROVAL of MINUTES – March 25, 2024: Mrs. Dore made a motion, which was seconded by Mr. Himmelsbach to approve the minutes of the March 25, 2024, meeting. Unanimous approval.

FINANCIAL STATEMENTS:

Mr. Miller noted March volumes remained strong. Adult discharges were 731 above budget and the same as prior year. Acute discharges were 655, mental health discharges were 51 and rehab discharges were 25. YTD adult discharges were 4,434, above budget and slightly below prior year. Adult patient days were 3,126, above budget and prior year. The case mix index [CMI] adjusted average length of stay (ALOS) increased from 2.60 to 2.85, compared to last year 2.76. YTD CMI adjusted ALOS is 2.78, budget is 2.72. Case mix index decreased slightly to 1.50 from 1.54, budget was 1.55 and last year was 1.51. YTD CMI is 1.54 on a budget of 1.55 and prior year of 1.56. Deliveries remain high at 85, budget was 72 and prior year was 69. Emergency room visits were 3,953 and budget was 3,608. Outpatient registrations were 21,510, budget was 19,502 and last year was 19,816. Observation days were 534, and budget was 500. All of the primary indicators, with the exception of observation are above budget and prior year YTD. Deliveries is 97 cases or 20.4% above last year. Surgical volumes increased from 1,060 to 1,079, and budget was 915. Beaufort Physician Practices visits were 24,610, budget was 24,455. YTD BPP visits are 146,801, budget is 150,436 and last year was 140,666. Express care volumes continue to remain strong: Beaufort had 1,762 visits, above budget of 1,741; Okatie had 1,273 visits, above budget of 1,253, and Bluffton had 917 visits, above budget of 863. YTD express care total is 25,343, budget is 23,723 and prior year was 22,664.

Patient gross revenue was \$94.0M, budget was \$86.9M and last year was \$92.5M. YTD patient gross revenue is \$552.5M, budget was \$534.6M, and last year was \$521.4M. Uncompensated care saw a large decrease from \$5.7M to \$991k or 1.1% of Gross Revenue, Budget was \$3.0M or 3.5% of Gross, last year was \$1.8M or 2.0% of Gross. YTD uncompensated care is at \$18.5M or 3.3% of Gross Revenue. Total net patient revenue was \$29.1M, budget was \$24.8M. YTD total net patient revenue is \$162.3M, budget was \$152.7M. YTD we have recognized \$11.7M of HAWQ funds in Net Patient Revenue. Net to gross increased from 29.8% to 31.0% due to lower than expected uncompensated care, on budget of 28.6%. YTD net to gross is 29.4%, budget was

28.6%. Total operating revenue was \$30.4M, budget was \$26.1M. YTD total operating revenue is \$169.2, budget was \$160.3.

Cash collections were strong at 108.8% of goal. \$3.5M of HAWQ funds were recognized in March. March YTD we are at 107.3% or \$11.4M above the goal. YTD for the 30-day average we finished at 106.5% or \$10.3M above the goal. The 12-month rolling cash report is 102.6% or \$8.0M ahead of the 60-day goal and 101.9% or \$5.7M ahead of the 30-day goal. Gross AR days decreased in March going from 60.5 to 59.4. Net AR days increased from 33.8 to 34.5.

Total expenses were \$29.5M, budget was \$25.6M and prior year was \$24.8M. YTD total expenses were \$168.0M, budget was \$157.7M, last year was \$147.7M. Salaries were \$10.4M and budget was \$9.8M. YTD salaries were \$62.2M, budget was \$60.0M. Contract labor decreased from \$734k to \$686k, budget was \$865K. Benefits increased from \$2.8 to \$3.7M, budget was \$3.0M and last year was \$2.7M. YTD benefits were \$21.3M, budget is \$18.4M. Group Health YTD is \$9.3M, last year at this time it was \$5.4M. Supplies were \$5.8M, on a budget of \$5.2M. YTD supplies were \$33.9M, budget was \$32.2M. Purchased services were \$3.4M, on budget of \$2.3M and last year of \$2.2M. Other expenses were \$3.6M, on budget of \$2.3M, and prior year of \$1.9M. YTD other expenses are \$16.7M, budget of \$14.0M, last year was \$12.5M. Hospital License Tax (HLT) for 2023 was \$1.9M, this year it is \$6.1M.

March net profit for the month is \$890k, on a budgeted profit of \$409k and previous year had a profit of \$1.8M. YTD net profit is \$1.3M, budgeted net profit was \$2.5M, and last year was a \$469k operating profit. YTD Actual to Budget Variance is a loss of (\$1.3M) and Actual to Prior Year Variance is \$784k. EBITDA was \$2.0M, budget was \$1.9M, and Last Year was \$3.3M. YTD EBITDA is \$9.2M, budget is \$11.9M, last year was \$9.5M. YTD actual to budget variance is a loss (\$2.7M) and actual to prior year EBITDA variance is a loss (\$363k). 'Free Cash' defined as operating income/loss plus noncash depreciation was \$1.8M, last year it was \$2.7M. YTD 'Free Cash' is \$6.6M, last year it was \$5.6M. Days cash increased from 76.2 days to 84.7. HLT of \$5.1M and Pension of \$2.6M are Due April 1, 2024/ Expected to have a negative impact on cash for April close as we do not expect any HAWQ payments in April.

Mr. Harmon introduced a new educational series for the finance committee that will dive into the nuances of healthcare finance over the next couple of meetings. Mr. Miller reviewed the first presentation, Healthcare Finance Introduction.

ADJOURN: A motion was made by Mr. LaBruce and seconded by Mrs. Dore to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:13 a.m.

Respectfully submitted,

Tommy Harmon, Jr., Chair