

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – August 26, 2024

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

By Zoom: Richardson LaBruce, Alice Howard, Dan Barton, Brian Hoffman, Allison Coppage, Chris Ketchie, Courtney Smith, Kim Yawn, Kelly Smith (Forvis Mazars), Anne Rivers Borgelt (Forvis Mazars)

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

Absent: Vernita Dore, Stephen Larson, MD

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

APPROVAL of MINUTES – July 29, 2024: Mr. LaBruce made a motion, which was seconded by Mrs. Dore to approve the minutes of the June 24, 2024, meeting. Unanimous approval.

Audit: Ms. Smith and Ms. Borgelt provided the required pre-audit communications to the board regarding the FY24 financial audit. They explained the restructuring of Forvis to Forvis Mazars and explained the same team is still in place for BMH. They then reviewed the audit areas of focus and ended with the required communications around significant risks.

With no questions from the board, Ms. Smith and Ms. Borgelt exited the meeting.

FINANCIAL STATEMENTS:

July volumes improved from June. Adult discharges were 809 above budget and prior year. Acute discharges were 736, mental health discharges were 42 and rehab discharges were 29. Adult patient days were 3,271, above budget and prior year. The case mix index [CMI] adjusted average length of stay (ALOS) increased from 2.59 to 2.85, compared to last year 2.81. Case mix index decreased to 1.42 from 1.53 budget was 1.55 and last year was 1.65. Deliveries were 104, budget was 78 and prior year was 97. Emergency room visits were 3,795, and budget was 3,904. Outpatient registrations were 21,122, budget was 21,104 and last year was 17,950. = Observation days were 578 and budget was 560. Surgical volumes were 952 and budget was 990. Beaufort Physician Practices visits were 25,563, budget was 26,383. Express care volumes: Beaufort had 1,806 visits, budget of 1,884; Okatie had 1,248 visits, budget of 1,355, and Bluffton had 860 visits, budget of 934.

Patient gross revenue was \$93.7M, budget was \$94.0M and last year was \$83.5M. Uncompensated care was \$2.4M or 2.6% of Gross Revenue, Budget was \$3.3M or 3.5% of Gross, last year was \$2.7M or 3.2% of Gross. Total net patient revenue was \$28.9M, budget was \$26.9M and last year was \$22.9. Net to gross was 30.9%, budget is 28.6% and last year was 27.4%. Total operating revenue was \$31.1M, budget was \$28.2M and prior year was \$23.7M.

Cash collections exceeded the goal coming in at 102.8% or \$766k above goal. No HAWQ funds were received in July. For the month of July YTD we are at 103.1% of \$8.4M above the goal. YTD for the 30-day average was 102.9% or \$7.7M above the goal. 12-month rolling cash report is 102.2% or \$6.9M ahead of the 60-day goal and 101.8% or \$5.7M ahead of the 30 day goal. Gross AR days decreased going from 62.3 to 58.9 and net days decreased from 35.7 to 34.8.

Total expenses were \$29.8M, budget was \$27.7M and prior year was \$25.0M. Salaries were similar to last month at \$11.6M, budget was \$10.6M and the prior year of \$9.7M. Contract labor decreased to \$555k, budget was \$936k and last year was \$1.0M. Benefits increased from \$3.1M to \$3.8M, budget was \$3.2M and last year was \$3.0M. Supplies were down from \$5.2M to \$4.9M, primarily due to annual inventory adjustment, \$5.7M and last year was \$4.4M. Purchased services were \$3.4M, budget was \$2.4M and last year was \$2.5M. Other expenses were \$3.3M, budget of \$2.4M, prior year of \$2.0M.

July net profit for the month was \$1.4M, on a budgeted profit of \$443k and previous year had a loss of (\$1.3M). YTD net profit is \$7.9M, budgeted net profit was \$4.2M, and last year was a \$1.5M operating profit. YTD Actual to Budget Variance is \$3.7M and Actual to Prior Year Variance is \$6.4M. EBITDA was \$2.8M, budget was \$2.1M, and Last Year was \$162k. YTD EBITDA is \$21.3M, budget is \$19.9M, last year was \$16.5M. YTD actual to budget variance is \$1.5M and actual to prior year EBITDA variance is \$4.8M. 'Free Cash' defined as operating income/loss plus noncash depreciation was \$2.3M, last year it was a loss of (\$438k). YTD 'Free Cash' is \$17.0M, last year it was \$10.1M. Days cash decreased from 76.6 to 73.7 primarily due to the \$3.5M payment of Hospital License Tax on July 1st.

Mr. Miller continued with the finance education series and presented on managed care. The education continues to be well received by the committee and will be shared with the full hospital board for their information as well.

ADJOURN: A motion was made by Ms. Howard and seconded by Mr. LaBruce to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:08 a.m.

Respectfully submitted,

Tommy Harmon, Jr., Chair