

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

FINANCE COMMITTEE – OPEN SESSION

Minutes – November 25, 2024

Victoria Viventi took roll call at 9:15 a.m.

By Zoom: Ken Miller, Brian Hoffman, Allison Coppage, Karen Carroll, Chris Ketchie, Courtney Smith, Kim Yawn

Present: Tommy Harmon (chair), Bill Himmelsbach, Evan Kane, MD, Doug Folzenlogen MD, Stephen Larson MD, Vernita Dore, Richardson LaBruce, Ken Miller, Russell Baxley Kurt Gambla, D.O., Dee Robinson, Cindy Gibson, Victoria Tinsley

Absent:

CALL to ORDER: Mr. Harmon called the meeting to order at 9:17 a.m.

APPROVAL of MINUTES – October 28, 2024: Mrs. Dore made a motion, which was seconded by Mr. LaBruce to approve the minutes of the October 28, 2024, meeting. Unanimous approval.

FINANCIAL STATEMENTS:

October volumes were, in general, better than budget and prior year. Adult discharges were 9,059; budget was 8,973, and prior year was 8,787. Acute discharges were 763, budget was 680 and last year was 635. Mental health discharges were 67, budget was 48 and last year was 47. Rehab discharges were 28, budget was 28 and last year was 31. Adult patient days were 3,502, budget was 3,183, and last year was 3,009. The case mix index [CMI] adjusted average length of stay (ALOS) was 2.83, budget was 2.72 and last year was 2.74. Case mix index was 1.44, budget was 1.55, and last year was 1.54. Deliveries were 83, budget was 90 and prior year was 98. Emergency room visits were 3,806, budget was 3,855, last year was 3,844. Outpatient registrations were 22,737, budget was 21,938 and prior year was 21,372. Hilton Head Imaging was 2,113 budget was 1,933, last year was 1,402. Observation days were 506, budget was 535 and prior year was 587. Surgical volumes were 1,104 and budget was 995, and last year was 962. Beaufort Physician Practices visits were 27,450, budget was 29,313 and prior year was 24,670. Express care volumes: Beaufort had 1,784 visits, budget of 2,101, last year was 2,076; Okatie had 1,332 visits, budget of 1,572, last year was 1,376. Bluffton had 835 visits, budget of 1,141, last year was 925.

Patient gross revenue was \$96.1M, budget was \$98.0M and last year was \$91.2M. Uncompensated care was \$2.2M or 2.3% of Gross Revenue, budget was \$3.5M or 3.6% of Gross Revenue, last year was \$2.5M or 2.8% of Gross. Total net patient revenue was \$29.1M, budget was \$29.5M and last year was \$25.8M. Net to gross for FY24 was 29.8%, budget was 28.6% and last year was 27.6%. For FY25 we are recognizing \$547k in additional net revenue each month due to quarterly payments going from \$5.9M to \$7.5M. Total operating revenue was \$31.3M, budget was \$32.0M and prior year was \$27.0M. For October 2024 we recognized \$1.4M in CARES reserves as well as \$1.4M in OR grant dollars.

For FY25 we will be reviewing Financial statements for both Beaufort Memorial which includes Companies 1-3 as well as the Bond Obligated Group which will include South of Broad/Companies 1-10. We have historically only reviewed BMH. There are no variances in Revenue for these two income statements. In review of Balance Sheets, the primary difference is the addition of \$121.0M in Bonds Payable on the Obligated Group Balance Sheet

For the cash goal for FY25 we are starting at 100.2% or \$65k above the goal. YTD for the 30-day average we finished at 104.8% or \$1.3M above the goal. Gross AR days decreased going from 57.4 to 55.7 and net days also decreased from 35.2 to 34.2.

Total expenses for October were \$29.6M, budget was \$31.1M and prior year was \$26.3M. Salaries were \$11.8M, budget was \$11.6M and the prior year of \$10.3M. Contract labor increased slightly to \$771k, budget was \$617k and last year was \$897k. Benefits were \$3.2M, budget was \$4.0M and last year was \$3.2M. Healthcare costs were \$1.1M, FY24 average was \$1.4. Supplies were \$5.4M, budget was \$6.0M and last year was \$5.5M. Purchased services were \$2.8M, budget was \$2.9M and last year was \$2.4M. Other expenses were \$3.4M, budget of \$3.4M, prior year of \$1.6M. Hospital License Tax (HLT) remained at \$3.5M for the first quarter of FY25. In looking at the Obligated Group Income Statement the main variance is recognition of \$1.6M in Cost of Bond issuance.

October net profit for the month was \$1.7M, on a budgeted profit of \$895k and previous year was \$703k. Actual to Budget Variance is \$810k and Actual to Prior Year Variance is \$1.0M. Obligated group net profit was \$151k. EBITDA was \$3.1M, budget was \$2.3M, and Last Year was \$2.2k. The actual to budget variance is \$774k and actual to prior year EBITDA variance is \$922k. Obligated group EBITDA was \$1.5M. Days cash decreased from 83.0 days to 73.0 due to purchase of the land for the Hilton Head Free Standing Emergency Department and Hospital License Tax.

Mr. Miller reviewed the changes that were made to the financial dashboard due to the new bond issuance. The committee agreed and had no follow up questions.

ADJOURN: A motion was made by Mr. LaBruce and seconded by Mrs. Dore to adjourn the meeting. Unanimous approval. The meeting adjourned at 9:38 a.m.

Respectfully submitted,

Tommy Harmon, Jr., Chair