

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – February 24, 2025**

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

**By Zoom:** Richardson LaBruce, Alice Howard, Karen Carroll, Allison Coppage, Shawna Doran, Chris Ketchie, Courtney Smith, Kim Yawn

**Present:** Tommy Harmon (chair), Tony Britton, Bill Himmelsbach, Evan Kane, MD, Russell Baxley, Ken Miller, Dee Robinson, Victoria Tinsley, Cindy Gibson

**Absent:** Vernita Dore

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

**APPROVAL of MINUTES – January 27, 2025:** Mrs. Dore made a motion, which was seconded by Mr. LaBruce to approve the minutes of the January 27, 2025, meeting. Unanimous approval.

**Audit Update:** Mr. Miller received the draft audit this week and is reviewing to have presented by the next finance meeting. He updated the committee on conversations he has had with the auditors that will be reported in the draft audit around HAWQ money. As a reminder, HAWQ money is used to pay for hospital license tax and used concurrently over that quarter. The auditors are recommending recognizing the money when it is received, therefore leaving a large pick up in one month and then a large hit in another month when the hospital license tax is paid out. Mr. Miller and the finance team disagree with this recommendation. They believe we should recognize the monies concurrently as what was previously done with DSH payments. Mr. Miller inquired what the impact would be if they were to disagree with the recommendation and FORVIS advised they would have to put a note on the report to the board and final audit that BMH did not take the recommendation. Mr. Miller advised he is ok with this and has brought it to the committee for approval to move forward. Mr. Harmon agrees this should be a matching plan as BMH has been doing it. The committee agrees to move forward.

**FINANCIAL STATEMENTS:**

Mr. Miller noted volumes for inpatient remained relatively stable while outpatient volumes, in general, declined partially due to the closures from the ice storm in January. Adult discharges were 802; budget was 778, and prior year was 766. Acute discharges were 732, budget was 700 and last year was 696. Mental health discharges were 42, budget was 49 and last year was 40. Rehab discharges were 28, budget was 29 and last year was 28. Adult patient days were 3,583, budget was 3,277, and last year was 3,397. The case mix index [CMI] adjusted average length of stay (ALOS) for the quarter was 2.74, budget was 2.72 and last year was 2.75. Case mix index did improve to 1.63, budget was 1.55, and last year was 1.61. Deliveries were 89, budget was 93 and prior year was 87. Emergency room visits were 3,777, budget was 3,971, last year was 3,861. Outpatient registrations were 20,424, budget was 22,608 and prior year was 21,658. Hilton Head Imaging was 1,843 budget was 1,992 , last year was 1,998. Observation days were 660, budget was 553 and prior year was 1,014. Surgical volumes were 1,047 and budget was

1,025, and last year was 1,014. Beaufort Physician Practices visits were 26,489, budget was 32,767 and prior year was 26,995. Express care volumes: Beaufort had 2,007 visits, budget of 2,165, last year was 1,930; Okatie had 1,598 visits, budget of 1,619, last year was 1,448. Bluffton had 1,022 visits, budget of 1,178, last year was 1,021.

Patient gross revenue was \$92.8M, budget was \$101.0M and last year was \$98.8M. Uncompensated care was \$1.4M or 1.5% of Gross Revenue, budget was \$3.6M or 3.6% of Gross Revenue, last year was \$3.2M or 3.2% of Gross. Total net patient revenue was \$27.8M, budget was \$30.4M and last year was \$28.2M. Net to gross was 30.0%, budget was 30.1% and last year was 28.6%. Total operating revenue was \$29.0M, budget was \$33.0M and prior year was \$30.0M. Total operating revenue was \$29.0M, budget was \$33.0M and prior \$30.0M.

Cash goal for the month came in low at 82.5%. YTD we are at 96.8% or \$3.6M below the goal, for the 30-day average we are at 96.2% or \$4.2M below the goal. On the 12 month rolling cash goal we are at 99.5% or \$1.6M below the 60-day average goal and at 98.9% or \$3.7M below the 30-day trailing goal. Gross AR days increased going from 50.7 to 55.1 and net days also increased from 33.6 to 36.9.

Total expenses were \$32.4M, budget was \$32.1M and prior year was \$29.8M. Salaries were \$12.9M, budget was \$11.9M and the prior year of \$11.0M. Some of the variance in salaries are due to the onboarding of the hospitalist group and emergency room mid-level providers. Contract labor was \$643k, budget was \$635k and last year was \$864k. Benefits were \$5.1M, budget was \$4.1M and last year was \$3.7M, the variance is primarily due to healthcare costs that were \$2.7M, prior 11 month average is \$1.3M. Supplies were \$4.9M, budget was \$6.2M and last year was \$5.5M. Purchased services were \$3.1M, budget was \$2.9M and last year was \$2.7M. Other expenses were \$2.8M, budget of \$3.5M, prior year of \$3.9M.

Net loss for January (\$3.3M), on a budgeted net profit of \$922k and previous year was \$176 profit. YTD net loss is (\$2.3M), budgeted net profit was \$3.7M, last year was \$27k operating profit. YTD Actual to Budget Variance is (\$5.9M) loss and Actual to Prior Year Variance is (\$2.3M) loss. Obligated group net loss was (\$2.8M) for January and YTD is a net loss of (\$2.7M). YTD EBITDA is \$3.1M, budgeted EBITDA is \$9.5M and last year was \$5.6M. YTD actual to budget variance is (\$6.4M) loss and actual to prior year variance is (\$2.5M) loss. Obligated group EBITDA for January was a (\$1.6M) loss and YTD EBITDA of \$2.6M. Days cash decreased slightly going from 74.3 days to 68.4. Decrease is related to payment of the January license tax as well as 3 payrolls.

Mr. Miller reminded the committee of the new reporting and highlighted days cash for companies 1-3 (BMH) with unrestricted foundation cash and companies 1-10 (Obligated Group) with unrestricted foundation cash. No other questions at this time.

**ADJOURN:** A motion was made by Mr. LaBruce and seconded by Mr. Britton to adjourn the meeting. Unanimous approval. The meeting adjourned at 8:07 a.m.

Respectfully submitted,

Tommy Harmon, Jr., Chair