

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

**FINANCE COMMITTEE – OPEN SESSION**

**Minutes – July 24, 2023**

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

**By Zoom:** Dan Barton; Richardson LaBruce; Tommy Harmon; Alice Howard; Brian Hoffman; Chris Ketchie; Courtney Smith

**Present:** Vernita Dore (Chair); Dave House; William Himmelsbach; Russell Baxley; Ken Miller; Kurt Gambla, D.O; Dee Robinson; Kim Yawn; Victoria Viventi

Absent: Stephen Larson, M.D.; Heath Simmons, M.D.

**CALL to ORDER:** Mrs. Dore called the meeting to order at 7:30 a.m.

**APPROVAL of MINUTES – June 26, 2023:** Mr. Himmelsbach made a motion, which was seconded by Mr. LaBruce to approve the minutes of the June 26, 2023 meeting. Unanimous approval.

**FINANCIAL STATEMENTS:**

Mr. Miller indicated June volumes decreased compared to a very strong month of May. Adult discharges for the month were 721, slightly below budget and above prior year. Acute discharges were 633, below budget and prior year. Mental health discharges were 55, above budget and prior year. Rehab discharges were 33, above budget and prior year. Adult patient days were 3,085, below budget and prior year. The case mix index [CMI] adjusted average length of stay (ALOS) was 2.83, YTD CMI ALOS is on budget. Case mix index improved from 1.46 to 1.51, below budget and prior year. Deliveries were ahead of prior year and budget at 86. Emergency room visits were just under budget at 3,654. Outpatient registrations were 18,860, below budget and above prior year. Mr. Miller indicated YTD outpatient registrations are 2.3% above prior year. Observation days were 537 below budget and prior year. Surgical volumes were 999, above budget and prior year. YTD surgical volumes are 14% above prior year. Beaufort Physician Practices visits were strong at 24,020, above budget and prior year. Express care volumes were strong: Beaufort at 1,758, YTD 15.1% ahead of last year; Okatie and Bluffton combined were at 2,035, YTD combined 21.2% ahead of last year.

Patient gross revenue was \$89.1M on budget and below prior year. Uncompensated care came back up to \$2.0M or 2.3% of Gross Revenue well below budget and prior year. Uncompensated care YTD is 3.2% of Gross Revenue, below budget and prior year. Total net patient revenue was \$24.3M, above budget and prior year, YTD is 8.3% better than last year. Net to gross was 27.2.0% which is above budget and below prior year. Total operating revenue was \$25.6M, above the budget of \$24.7M and prior year of \$23.3M. YTD total operating revenue is 9.7% better than last year.

Cash collections for the month decreased to 92.1% of the goal. YTD cash collections are at 102.7% of the 60-day average and 101.7% above the 30-day average. Cash collections for the 12-month rolling remained above 100% at 103.2% for the 60-day goal and 102.4% for the 30-day goal. Gross and Net AR days both increased with Goss AR Days going from 56.8 to 57.4 and Net AR days going from 32.1 to 32.4.

Expenses were \$26.5M above budget and prior year. YTD expenses are 5.4% more than prior year. Salaries were \$10.3M above budget and prior year. Increases in salaries were primarily due to pay increases for FY23 which began in June. Contract labor increased slightly from \$1.0M to \$1.1M, on budget and below prior year. Benefits dropped slightly again from \$3.4M to \$3.3M. Supplies remained close month at \$4.9M, which is on budget. Purchased services were \$2.9M, above budget. Drivers for purchased services in June were payments for Sg2, taxes for the DaVinci and invoices for PET scanning. There were also late invoices from a collection agency that were not fully accrued.

June operating loss for the month was (\$912K), budget was (\$672K) loss and prior year was a (\$1.4M) loss. YTD net profit is \$2.4M, still with a budgeted loss of (\$5.9M) and prior year having a (\$6.0M) loss. YTD Actual to Budget variance is \$8.4M and Actual to Prior Year variance is \$8.5M. June EBITDA was \$572K, below budget of \$915K and above prior year's loss of (\$41K). The YTD EBITDA is \$16.0M, with a budget of \$8.0M and prior year of \$4.3M. YTD actual to budget variance is \$7.9M and actual to prior year EBITDA variance is \$11.7M. 'Free Cash' defined as operating income/loss plus noncash depreciation was a (\$50K) decline, last year it was (\$645K) loss. YTD 'free cash' is \$10.2M, double last year. Prior year free cash the loss on sale was accounted for in the calculation. Days cash decreased going from 91.3 to 90.1 days.

Mr. Miller provided an update on insurance negotiations.

**ADJOURN:** A motion was made by Mr. House and seconded by Mr. Himmelsbach to adjourn the meeting. Unanimous approval. The meeting adjourned at 7:49 a.m.

Respectfully submitted,

Vernita Dore, Chair