

FINANCE COMMITTEE MEETING MINUTES
August 26, 2025, Myrtle Conference Room / Microsoft Teams

CALL TO ORDER

Finance Chair Kyle Stevens called the meeting to order at 5:15 p.m. There was a quorum in attendance.

FINANCE COMMITTEE MEMBER ATTENDANCE

Chairperson Kyle Stevens, Tom McAndrew, Judy Moody, John Briggs, Brandon Saada

ABSENT (*excused*)

Barbara Taylor

BAHD BOARD OF DIRECTORS ATTENDANCE

Patrice Parrot, Simon Alonzo, Brandon Saada

STAFF ATTENDANCE

Doug Dickson, interim CFO; Mark Hadley, Senior Finance Analyst; Karen Miller, CFO; Mel Stibal, Interim CNO; Gretchen Nichols, COO; Tom Fredette, Dir. HR, Kelli Dion, CQO, Kelly Morgan, Interim CEO, Jeanie Ortiz, Accountant IV, Claudia Wells, Clinical Analyst and Support Specialist; Denise Bowers, Executive Assistant

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE

The public was in Attendance

APPROVAL OF FINANCE COMMITTEE MINUTES – Mr. Kyle Stevens, Chairperson

ACTION TAKEN BY THE FINANCE COMMITTEE:

The Finance Committee reviewed and approved the hearing minutes from the previous meeting, including changes suggested by Barb Taylor. **Tom McAndrew moved** to approve minutes as presented, including the changes requested by Barb Taylor, and **Brandon Saada seconded**. There was no additional discussion, and the motion carried on call of vote.

CHIEF EXECUTIVE OFFICER UPDATES - Kelly Morgan, Interim CEO

Financial Turnaround and Sustainability Plan Update

- The organization is addressing a \$30 million financial gap.
- Expense reduction strategies are being prioritized, focusing on salaries and wages, purchased services, professional fees, and other operational expenses.
- The revenue cycle is under review, with ongoing renegotiation of contracts and collaboration with Advanced Health for potential opportunities.
- Recruitment of additional physicians is part of the long-term strategy for growth.
- Town hall meetings with staff are scheduled for tomorrow and Thursday to provide updates like those shared at the last board meeting.
- The full financial plan is expected to be finalized in the coming weeks and will be presented to the board for implementation.

CHIEF FINANCIAL OFFICER UPDATES – Doug Dickson, Interim CFO**Financials**

- Discharges were 9% below target; average length of stay was 3.75 days, 14% below target, indicating some operational efficiencies.
- Emergency room visits and operating room cases were reported, with surgery volumes showing improvement.
- Outpatient visits were slightly above budget, contributing to a 2.9% increase in income.
- Net revenue for the month was \$946,000 below budget; staffing costs were up by \$1.4 million, supplies were under budget by \$321,000, and other expenses were over by \$231,000.
- Total operating expenses exceeded budget by \$1.3 million, resulting in net operating income below budget.
- Commercial payer mix improved, with each 1% increase in commercial payers estimated to add \$4 million in cash collections.
- Provider tax was discussed; the hospital pays 6% of revenue to the state, which is matched by CMS and reimbursed through enhanced Medicaid rates.
- Accounts receivable days remain stable; cash collections for the month were \$19.2 million.
- Cost to collect has increased from 5.5% to 7%, with efforts underway to reduce this expense.
- The revenue cycle process was reviewed, highlighting areas for improvement in charge master maintenance, coding, and denial management.

Revenue Cycle and Contracting

- The committee discussed the importance of accurate charge master maintenance and regular audits to ensure proper documentation and billing.
- Denial management was identified as a key area for collaboration with Advanced Health, with ongoing negotiations to improve contract terms and reduce denials.
- Credentialing and privileging delays for new physicians were noted, with legislative changes requiring payers to allow retroactive privileging from the application date. The local CCO's compliance with this requirement remains an issue.

Epic System Contract Update

- The hospital's contract with St. Charles for the Epic system (Community Connect) expires in February 2027.
- St. Charles has requested migration off Community Connect by the end of 2027, which would require significant financial investment and operational disruption.
- Discussions are ongoing with St. Charles and Epic corporate regarding possible extensions and support for connectivity issues.
- The committee is exploring alternative partners and solutions for the hospital's electronic health record system.

Capital Acquisitions

- Updates were provided on network switches, pneumatic tube system maintenance, and temperature management system purchases.
- Actual capital expenditures were reported at \$347,000 versus a budgeted \$504,000.

Grant Writer Update

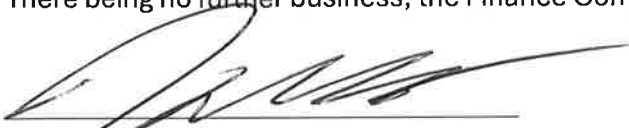
- The hospital has recently hired a part-time grant writer for the Kids Hope Center, with potential to support additional grant opportunities for the hospital.

GOOD OF THE ORDER

The next meeting will be on September 23, 2025, at 5:15 p.m.

ADJOURNMENT

There being no further business, the Finance Committee was adjourned at 6:08 p.m.



Kyle Stevens, Chairperson

Date: September 23, 2025