

**MONTEREY COUNTY BOARD OF SUPERVISORS'  
SPECIAL BUDGET COMMITTEE**

<b>MEETING: May 13, 2013</b>	<b>AGENDA NO.:</b>
<b>SUBJECT: Receive the Natividad Medical Center Financial Report for March 31, 2013</b>	
<b>DEPARTMENT: Natividad Medical Center</b>	

**RECOMMENDATION:**

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for March 31, 2013.

**SUMMARY:**

The Monterey County Board of Supervisors Budget Committee has charged NMC Administration to report monthly on the financial status of the institution.

For the month of March 31, 2013 the average daily inpatient census (ADC) was 93.3 which equal the budget of 93.3. Medical/Surgical, Acute Rehabilitation and Psychiatric exceeded the budget for the month while NICU, ICU, Pediatrics, and OB/GYN experienced ADC below the budgeted target for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,063 compared to budget of 3,907, a favorable variance of 4.0%. Emergency Department visits were higher than budget by 9.5%.

Actual net income for the month was \$0.9 million compared to a budgeted net income of \$0.3 million. Net patient revenues totaled \$12.3 million compared to a budget of \$11.4 million, a favorable variance of \$0.8 million or 7.3%. Revenues from Government funding totaled \$3.3 million compared to a budget of \$3.4 million. Other operating revenue totaled \$0.4 million compared to a budget of \$0.5 million. Operating expenses for the month were \$15.1 million compared to a budget of \$15.0 million. Unfavorable operating expense variances were noted in the areas of salaries, wages & benefits of \$133,000, registry expenses of \$232,000, supplies of \$150,000 and insurance expense of \$38,000. Cost per adjusted patient day was lower than budget by \$120.00 or 3.1%.

The cash balance was \$52.4 million as of March 31, 2013. Collections from patients and various payers were \$12.3 million.

The average daily inpatient census (ADC) for the year-to-date ended March 31, 2013 was 94.4 compared to a budget of 93.3. NICU, Medical/Surgical, ICU, acute rehabilitation inpatient and Mental Health exceeded budget, while pediatrics and OB/GYN were below budget. Adjusted patient days (including both inpatient and outpatient volumes) total 35,761 compared to a budget of 35,158 a favorable variance of 1.7%. Emergency Department visits year to date through March 31, 2013 were over budget by 9.6%.

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Actual net income for the year-to-date ended March 31, 2013 was \$1,739,000 compared to budgeted net income of \$2,682,000. Net patient revenues totaled \$99.5 million compared to budgeted net patient revenues of \$103.0 million, an unfavorable variance of \$3.4 million or 3.3%. Revenues from Government funding totaled \$29.8 million compared to a budget of \$30.8 million. Other operating revenues totaled \$3.9 million compared to a budget of \$4.1 million. Operating expenses for the year-to-date ended March 31, 2013 totaled \$131.5 million compared to a budget of \$135.3 million. Unfavorable operating expense variances were noted in the areas of registry \$923,000, phys/Residents SWB & contract fees of \$ 72,000, and Insurance expense of \$224,000. Volume adjusted cost per APD year-to-date through March 31, 2013 was lower than budget by \$170.00 or 4.4%.

Year-to-date through March 31, 2013, the balance in cash was \$ 52.4 million. This balance excludes the cash of \$14.2 million in the County of Monterey's NMC Reserve Fund.

**DISCUSSION:**

NMC's Financial Statements as of March 31, 2013 are attached and will be presented by NMC staff at a Special Budget Committee meeting on May 13, 2013.

**OTHER AGENCY INVOLVEMENT:**

No other County agency participates in this reporting.

**FINANCING:**

There is no unbudgeted negative variance impact on the General Fund of Monterey County.

  
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Harry Weis, Chief Executive Officer  
Natividad Medical Center

Date: May 8, 2013  
Prepared by Daniel Leon, CFO  
Attachment: March 31, 2013 NMC Financial Statements