



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: BC 20-156

December 16, 2020

Introduced: 12/8/2020

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

Receive the Natividad Medical Center Financial Report for October 31, 2020.

RECOMMENDATION:

It is recommended that the Budget Committee receive the Natividad Medical Center Financial Report for October 31, 2020.

SUMMARY/DISCUSSION:

The average daily inpatient census (ADC) for the month of October 31, 2020 was 118.3 as compared to a budget of 112.0. NICU, PEDs and Acute Rehab patient days were below budget while Med/Surg, ICU, OB/GYN and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 5,073 compared to budget of 5,015 a favorable variance of 1.2%.

Actual net income for the month was \$3.1 million compared to a budget net income of \$0.9 million. Net patient revenues totaled \$23.3 million compared to a budget of \$22.5 million. Net patient revenues were higher than budget by 3.5% due to payer mix volumes. Revenues from Government Funding were higher than budget by \$2.5 million with additional funding from CARES Act/Families First of \$1.1 million and final settlement after audit for state DSH FY 2010 of \$1.4 million.

Operating expenses for the month were \$28.5 million compared to a budget of \$27.2 million. Unfavorable operating expense variances were noted in the areas of registry for nurses of \$1.3 million, Purchased Services of \$396,000, Supplies of \$757,000. Cost per adjusted patient day was higher than budget by \$182.00 or 3.4%. Net revenue per adjusted patient day was higher than budget by \$106 or 2.4%.

The average daily inpatient census (ADC) year-to-date as of October 31, 2020 was 124.2 as compared to budget of 112.0. PEDs and Acute Rehab patient days were below the budget, while Med/Surg, NICU, ICU, OB/GYN and Mental Health were higher than budget year-to-date. Adjusted patient days (including both inpatient and outpatient volumes) totaled 20,687 compared to budget of 19,898, a favorable variance of 4.0%.

Actual net income year-to-date was \$6.3 million compared to budget net income of \$3.4 million. Net patient revenues totaled \$94.3 million compared to budget of \$89.3 million. Net patient revenues were higher than budget by 5.6% due to increase in volume. Revenues from Government Funding totaled \$25.1 million or 31.2% higher than budget. Other operating revenue totaled \$3.2 million or 8.7% higher than budget. Operating expenses were \$116.3 million compared to budget of \$107.9 million.

Unfavorable variances were noted in the areas of salaries and benefits of \$1.1 million, registry for nurses of \$4.8 million, Purchased Services of \$625,000, Supplies of \$2.2 million, Utilities of \$377,000 and Other Operating Expense of \$412,000. Cost per adjusted patient day was higher than budget by \$196.00 or 3.6%. Net patient revenue per adjusted patient day was higher than budget by \$69.00 or 1.5%.

Cash balance as of October 31, 2020 from Fund 451 was \$83.0 million. Collections from patients and various payers were \$22.4 million for the month. The balance in cash Fund 404 Capital Reserve was \$68.5 million, State and Federal Intergovernmental Fund was \$97.0 million and the Strategic Reserve was \$25.0 million.

Patient receivables were \$39.9 million. Distribution by payer: 7.2% MediCal, 10.8% MediCal Managed Care, 15.0% Medicare, 64.8% Commercial, 0.5% Self-Pay, and 1.7% Short Doyle. Distribution by aging: 24.1% In-House and under process, 48.5% between 0-60 days, 19.6% between 60-181 days and 7.9% over 181 days.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Accepting this report has no financial impact.

Daniel Leon

Daniel Leon, CFO
Natividad Medical Center

Date: December 8, 2020

Attachment: October, 2020 NMC Financial Statements