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Board Report

Legistar File Number: BC 19-004

February 27, 2019

Introduced: 2/8/2019

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

Receive the Natividad Medical Center Financial Report for December 31, 2018

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for December 31, 2018.

SUMMARY/DISCUSSION:

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

The average daily inpatient census (ADC) for the month of December 31, 2018 was 106.0 as compared to a budget of 110.4. Medical/Surgical, ICU, OB/GYN and Mental Health patient days were below the budget for the month, while NICU, PEDS and Acute Rehab were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,656 compared to budget of 4,860, an unfavorable variance of 4.2%. Emergency Department was below budget by 2.1%.

Actual net income for the month was \$0.5 million compared to a budgeted net income of \$1.2 million. Net patient revenues totaled \$19.4 million compared to a budget of \$20.0 million. Net patient revenues were lower than budget by 3.0% due to below budget volumes and an unfavorable payer mix. Revenues from Government Funding totaled \$4.7 million compared to a budget of \$4.5 million. Other operating revenue totaled \$0.5 million compared to a budget of \$0.5 million. Operating expenses for the month were \$24.5 million compared to a budget of \$23.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$880,762, Registry of \$201,070, Physicians of \$40,097, Insurance of \$5,872, and Depreciation of \$60,132. Cost per adjusted patient day was higher than budget by \$370 or 7.5%. Net revenue per adjusted patient day was higher than budget by \$134 or 2.6%.

The average daily inpatient census (ADC) for the year-to-date ending December 31, 2018 was 109.3 as compared to a budget of 110.4. Medical/Surgical, Acute Rehab and OB/GYN patient days were below the budget year-to-date, while NICU, ICU, PEDS and Mental Health were higher than budget year-to-date. Adjusted patient days (including both inpatient and outpatient volumes) totaled 28,808 compared to budget of 28,844, an unfavorable variance of 0.1%. Emergency Department was higher than budget by 5.2%.

Actual year-to-date net income was \$17.3 million compared to a budgeted net income of \$7.2 million.

Net patient revenues totaled \$131.5 million compared to a budget of \$120.1 million. Net patient revenues exceeded budget by 9.5% due to an improved payer mix. Revenues from Government Funding totaled \$28.8 million compared to a budget of \$26.9 million. Other operating revenue totaled \$4.9 million compared to a budget of \$3.0 million. Operating expenses to date were \$147.9 million compared to a budget of \$142.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$5,152,627, Registry of \$1,795,189, Physicians of \$591,642, Supplies of \$796,490, Insurance of \$35,231 and Depreciation of \$304,501. Cost per adjusted patient day was higher than budget by \$182 or 3.7%. Net revenue per adjusted patient day was higher than budget by \$532 or 10.2%.

Year-to-date through December 31, 2018, the balance in cash - Fund 451 - was \$46.5 million. Collections from patients and various payers were \$17.0 million for the month. Year-to-date through December 31, 2018, the balance in cash Fund 404 was \$74.5 million, State and Federal Intergovernmental Fund was \$39.8 million and the Strategic Reserve was \$25.0 million.

Patient receivables were \$32.9 million. Distribution by payer: 7.3% MediCal, 10.0% MediCal Managed Care, 15.6% Medicare, 63.1% Commercial, 0.4% Self-Pay, and 3.6% Short Doyle. Distribution by aging: 26.1% In-House and under process, 44.6% between 0-60 days, 29.00% between 60-181 days and 0.3% over 181 days.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Accepting this report has no financial impact.

Daniel Leon, CFO
Natividad Medical Center

Date: February 8, 2019

Attachment: December, 2018 NMC Financial Statements