



Legislation Details (With Board Report)

**File #:** BC 17-017      **Name:** Receive the Natividad Medical Center Financial Report for December 31, 2016

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**Title:** Receive the Natividad Medical Center Financial Report for December 31, 2016

**Sponsors:**

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**Attachments:** 1. FS\_Dec\_2016.pdf

Date	Ver.	Action By	Action	Result
2/22/2017	1	Budget Committee		

Receive the Natividad Medical Center Financial Report for December 31, 2016

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for December 31, 2016.

SUMMARY:

The Monterey County 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, 2016 was 107.1 compared to a budget of 104.5. ICU, OB/GYN and Mental Health patient days were below the budget for the month, while NICU, Medical/Surgical, and Pediatrics were higher than budget for the month and Acute Rehab was at budget. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,678 compared to budget of 4,768, an unfavorable variance of 1.9%. Emergency Department were lower than budget by 5.6%.

Actual net income for the month was \$1.7 million compared to a budget net income of \$0.2 million. Net patient revenues totaled \$19.2 million compared to a budget of \$16.7 million. Net revenues improved by 14.5% from improved payer mix. Revenues from Government funding totaled \$3.5 million compared to a budget of \$3.2 million. Other operating revenue totaled \$0.5 million compared to a budget of \$0.5 million. Operating expenses for month were \$21.5 million compared to a budget of \$20.2 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$100,576, Registry expense of \$281,425, Purchase Service of \$733,613 and Supplies of \$157,976. Cost per adjusted patient day was higher than budget by \$346.00 or 8.2%. Net revenue per adjusted patient day was higher than budget by \$585.00 or 16.7%.

The average daily inpatient census (ADC) for the year-to-date ended December 31, 2016 was 104.8 compared to a budget of 104.5. NICU, ICU, OB/GYN, and Mental Health, patient days were below the budget for the period, while Medical/Surgical, Pediatrics and Acute Rehabilitation were higher than budget for the period. Adjusted patient days (including both inpatient and outpatient volumes) totaled 27,178 compared to budget of

28,605, an unfavorable variance of 5.0%. Emergency Department visits year to date through December 31, 2016 were lower than budget by 1.8%.

Actual net income for the year-to-date ended December 31, 2016 was \$16.3 million compared to a budget net income of \$1.2 million. Net patient revenues totaled \$109.8 million compared to a budget of \$100.4 million. Net revenues improved by 9.4% from improved payer mix. Revenues from Government funding totaled \$30.8 million compared to a budget of \$19.2 million. Other operating revenue totaled \$3.2 million compared to a budget of \$3.0 million. Operating expenses for the year-to-date ended December 31, 2016 were \$127.5 million compared to a budget of \$121.3 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$2,217,230, Registry expense of \$1,483,546, Purchased Services of \$1,587,350, and Supplies of \$1,564,670. Cost per adjusted patient day was higher than budget by \$450.00 or 10.6%. Net revenue per adjusted patient day was higher than budget by \$531.00 or 15.1%.

Year-to-date through December 31, 2016, the balance in cash -Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$55.5 million. Collections from patients and various payers were \$15.4 million for the month. Expenditures for capital as of December 31, 2016 were \$.4 million. Remaining balance for capital expenditures for the year is \$14.4 million.

Patient receivables were \$31.0 million. Distribution by payer: 10.1% MediCal, 11.4% MediCal Managed Care, 13.1% Medicare, 64.7% Commercial, 0.1% Self Pay, and .6% Short Doyle. Distribution by aging: 19.4% In-House and under process, 50.4% between 0-60 days, 30.0% between 60-181 days and 0.2% over 181 days.

State/County Receivables increased by \$6.3 million from November's ending balance of \$15.0 million to \$21.3 million as of December 31, 2016. Intergovernmental Transfer (IGT) of \$4.9 million was submitted to the State of California to draw funding for GPP, monthly accruals for Government Funding of \$3.4 million, payment received for Provider Fee of \$1.1 million and other non-government funding accruals of \$0.9 million were the result of the increase in the account balance.

DISCUSSION:

NMC's Financial Statements as of December 31, 2016 are attached and will be presented by NMC staff at the scheduled meeting of the Budget Committee on February 22, 2017.

OTHER AGENCY INVOLVEMENT:

No other County agency participates in this reporting.

FINANCING:

There is no impact on the General Fund.

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Daniel Leon, CFO  
Natividad Medical Center

Date: February 7, 2017

Attachment: December, 2016 NMC Financial Statements