



Legislation Details (With Board Report)

File #: 15-0149 **Name:** Receive the Natividad Medical Center Financial Report for December 31, 2014

Type: General Agenda Item **Status:** Agenda Ready

File created: 2/13/2015 **In control:** Budget Committee

On agenda: 3/2/2015 **Final action:**

Title: Receive the Natividad Medical Center Financial Report for December 31, 2014

Sponsors:

Indexes:

Code sections:

Attachments: 1. FS_Dec-2014.pdf

| Date | Ver. | Action By | Action | Result |
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| 3/2/2015 | 1 | Budget Committee | | |

Receive the Natividad Medical Center Financial Report for December 31, 2014

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for December 31, 2014.

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 December 31, 2014 the average daily inpatient census (ADC) was 87.3 compared to a budget of 95. NICU, Medical/Surgical, Pediatrics, ICU, and OB/GYN patient days were below the budget for the month, while Acute Rehabilitation, Trauma, and Mental Health were higher for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,090 compared to budget of 4,144, an unfavorable variance of 1.3%. Emergency Department visits were higher than budget by 3.0%.

Actual net income for the month was \$0.7 million compared to a budget net loss of \$0.5 million. Net patient revenues totaled \$12.0 million compared to a budget of \$12.1 million. Revenues from Government funding totaled \$4.8 million compared to a budget of \$2.9 million. The increase resulted from additional funding for the newly enrollees from Medi-Cal managed care. Other operating revenue totaled \$0.4 million compared to a budget of \$0.4 million. Operating expenses for the month were \$16.5 million compared to a budget of \$16.0 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$185,000 Registry Expense of \$164,000, Phys/Residents SWB & Contract Fees of \$68,000, and Supplies of \$417,000. Cost per adjusted patient day was higher than budget by \$167.00 or 4.3%.

The average daily inpatient census (ADC) for the year-to-date ended December 31, 2014 was 91.7 compared to a budget of 95. Medical/Surgical, ICU, OB/GYN, and Pediatric patient days were below the budget for the month, while NICU, Acute Rehabilitation, Trauma, and Mental Health were higher for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 24,952 compared to budget of 24,601, a

favorable variance of 1.4%. Emergency Department visits year to date through December 31, 2014 were higher than budget by 3.1%.

Actual net loss for the year-to-date ended December 31, 2014 was \$1.1 million compared to a budget net loss of \$2.3 million. Net patient revenues totaled \$75.1 million compared to a budget of \$72.3 million. Net revenues improved by 3.8% from improved payer mix. Revenues from Government funding totaled \$19.6 million compared to a budget of \$17.3 million. Funding improved from newly enrollees from Medi-Cal managed care during the period of Healthcare Reform. Other operating revenue totaled \$2.4 million compared to a budget of \$2.5 million. Operating expenses for the year-to-date ended December 31, 2014 were \$98.5 million compared to a budget of \$95.6 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$2,114,000, Registry expense of \$883,000, Phys/Residents SWB & Contract Fees of \$157,000, Supplies of \$883,000, and Utilities & Telephone Expense of \$208,000. Periods of high census in ICU, emergency department, surgery department and medical surgical units required additional coverage from existing nursing staff. Registry usage increased due to the high vacancy with open positions for clinical staff. Salaries and registry costs were higher than budget by 5.9%. Physician costs increased by 1.2% as compared to budget due to additional on-call coverage for surgery. Supplies exceeded budget by 10.9% resulting from increased surgical procedures, high cost of pharmacy products due to shortages and additional purchases for surgical instruments. Utilities increased by 14.8% as compared to budget due to increase in utility rate per unit. Cost per adjusted patient day was higher than budget by \$64.00 or 1.7%.

Year-to-date through December 31, 2014, the balance in cash including \$3.2 million for the Seaside Clinics reserve was \$46.5 million. This balance excludes the cash of \$14.2 million in the County of Monterey's NMC Reserve Fund. Collections from patients and various payers were \$14.0 million for the month. Expenditures for capital as of December 31, 2014 were \$7.8 million. Remaining balance for capital expenditures for the year is \$10.0 million

Patient receivables were \$21.9 million. Distribution by payer: 16.0% Medical, 12.0% MediCal Managed Care, 12.3% Medicare, 58.3% Commercial, 0.4% Self Pay, and 1.0% Short Doyle. Distribution by aging: 29.2% In-House and under process, 49.7% between 0-60 days, 21.0% between 60-181 days and 0.1% over 181 days.

DISCUSSION:

NMC's Financial Statements as of December 31, 2014 are attached and will be presented by NMC staff at the original scheduled meeting of the Budget Committee on February 25, 2015 rescheduled to March 2, 2015.

OTHER AGENCY INVOLVEMENT:

No other County agency participates in this reporting.

FINANCING:

There is no impact on the General Fund.

Gary Gray DO, Interim Chief Executive Officer
Natividad Medical Center

Date: February 10, 2015

Prepared by Daniel Leon, CFO

Attachment: December 31, 2014 NMC Financial Statements