



County of Monterey

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

Board Report

File #: BC 19-108, **Version:** 1

Receive the Natividad Medical Center Financial Report for August 31, 2019.

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for August 31, 2019.

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 August 31, 2019 was 115.0 as compared to a budget of 110.0. NICU, ICU, PEDs and OB/GYN patient days were below the budget for the month, while Med/Surg, Acute Rehab and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 5,246 compared to budget of 4,841, a favorable variance of 8.4%. Emergency Department was higher than budget by 2.7%.

Actual net income for the month was \$1.8 million compared to a budgeted net income of \$0.9 million. Net patient revenues totaled \$23.1 million compared to a budget of \$22.0 million. Net patient revenues were higher than budget by 4.9% due to a decrease in volume. Revenues from Government Funding totaled \$5.1 million compared to a budget of \$5.0 million. Other operating revenue totaled \$0.7 million compared to a budget of \$0.6 million. Operating expenses for the month were \$27.1 million compared to a budget of \$26.8 million. Unfavorable operating expense variances were noted in the areas of Registry of \$63,985, Purchased Services of \$337,070, Supplies of \$226,693, Utilities of \$30,793, and Other Operating Expense of \$6,821. Cost per adjusted patient day was lower than budget by \$369 or 6.7%. Net revenue per adjusted patient day was lower than budget by \$213 or 3.7%.

The average daily inpatient census (ADC) for the year-to-date of August 31, 2019 was 112.2 as compared to a budget of 110.0. NICU, ICU, PEDs and OB/GYN patient days were below the budget for the month, while Med/Surg, Acute Rehab and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 10,135 compared to budget of 9,682, a favorable variance of 5.58%. Emergency Department was lower than budget by 0.8%.

Actual net income for the year-to-date was \$2.7 million compared to a budgeted net income of \$1.9 million. Net patient revenues totaled \$44.7 million compared to a budget of \$44.1 million. Net patient revenues were higher than budget by 1.6% due to an increase in volume. Revenues from Government Funding totaled \$10.1 million and are 0.17% higher than budget. Other operating revenue totaled \$1.3 million and are 0.9% lower than budget. Operating expenses for the month were \$53.5 million compared to a budget of \$53.6 million. Unfavorable operating expense variances were noted in the areas of Registry of \$23,478, Physicians of \$58,506, Supplies of \$197,781, Insurance of \$19,752 and Utilities of \$65,517. Cost per adjusted patient day was lower than budget by \$256 or 4.6%. Net patient revenue per adjusted patient day was lower than budget by \$134 or 3.0%.

Year-to-date through August 31, 2019, the balance in cash - Fund 451 - was \$67.7 million. Collections from patients and various payers were \$20.7 million for the month. Year-to-date through August 31, 2019, the balance in cash Fund 404 was \$71.0 million, State and Federal Intergovernmental Fund was \$49.9 million and the Strategic Reserve was \$25.0 million.

Patient receivables were \$30.7 million. Distribution by payer: 6.3% MediCal, 9.9% MediCal Managed Care, 11.9% Medicare, 69.4% Commercial, 0.5% Self-Pay, and 2.0% Short Doyle. Distribution by aging: 24.6% In-House and under process, 46.7% between 0-60 days, 17.0% between 60-181 days and 11.7% over 181 days.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Accepting this report has no financial impact.

Daniel Leon, CFO
Natividad Medical Center

Date: October 8, 2019

Attachment: August, 2019 NMC Financial Statements