



County of Monterey

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

Board Report

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Receive the Natividad Medical Center Financial Report for April 30, 2016

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for April 30, 2016.

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 ended April 30, 2016 the average daily inpatient census (ADC) was 107.1 compared to a budget of 102. NICU, ICU, and OB/GYN, patient days were below the budget for the month, while Pediatrics, Mental Health, Medical/Surgical, and Acute Rehabilitation were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,734 compared to budget of 4,655, a favorable variance of 1.7%. Emergency Department visits were lower than budget by 1.7%.

Actual net income for the month was \$1,188,000 compared to a budget net income of \$211,000. Net patient revenues totaled \$18.3 million compared to a budget of \$14.7 million. The increase in net revenues by 24.1% resulted from improved payer mix primarily from patients with trauma service needs. Revenues from Government funding totaled \$3.3 million compared to a budget of \$3.1 million. Other operating revenue totaled \$0.4 million compared to a budget of \$0.4 million. Operating expenses for the month were \$20.8 million compared to a budget of \$18.0 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$1,655,000, Registry expenses of \$67,000 related to supplementing radiology technicians, surgery technicians, emergency room nurses, labor and delivery nurses, and intensive care nurses. Purchased Services were higher than budget by \$393,000. Expenses in Supplies were higher than budget by \$896,000 from surgical devices, medical instruments and surgical supplies. Cost per adjusted patient day was higher than budget by \$524.00 or 13.5% while net revenue per adjusted patient day was better than budget by \$699.00 or 22.1%.

The average daily inpatient census (ADC) for the year-to-date ended April 30, 2016 was 104.3 compared to a budget of 102. ICU, NICU, and OB/GYN patient days were below the budget for the period, while Mental Health, Pediatrics, Medical/Surgical and Acute Rehabilitation were higher than budget for the period. Adjusted patient days (including both inpatient and outpatient volumes) totaled 46,869 compared to budget of 46,549, a favorable variance of 0.7%. Emergency Department visits year to date through April 30, 2016 were lower than budget by 2.6%.

Actual net income for the year-to-date ended April 30, 2016 was \$9.4 million compared to a budget net income of \$2.1 million. Net patient revenues totaled \$167.6 million compared to a budget of \$147.5 million. Net revenues improved by 13.6% from improved payer mix. Revenues from Government funding totaled \$33.4 million compared to a budget of \$31.3 million. Other operating revenue totaled \$4.4 million compared to a budget of \$3.9 million. Operating expenses for the year-to-date ended April 30, 2016 were \$196.0 million

compared to a budget of \$180.6 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$7,867,000, Registry expense of \$1,857,000, Purchased Services of \$2,974,000, Supplies of \$3,993,000, and Utilities & Telephone Expense of \$207,000. Cost per adjusted patient day was higher than budget by \$301.00 or 7.8%. Net revenue per adjusted patient day was higher than budget by \$407.00 or 12.8%.

Year-to-date through April 30, 2016, the balance in cash including \$3.2 million for the Seaside Clinics reserve was \$62.5 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 \$18.1 million for the month. Expenditures for capital as of April 30, 2016 were \$5.1 million. Remaining balance for capital expenditures for the year is \$9.9 million.

Patient receivables were \$17.7 million. Distribution by payer: 11.4% Medical, 11.3% MediCal Managed Care, 11.1% Medicare, 65.4% Commercial, 0.3% Self Pay, and 0.5% Short Doyle. Distribution by aging: 25.0% In-House and under process, 52.3% between 0-60 days, 22.5% between 60-181 days and 0.2% over 181 days.

DISCUSSION:

NMC's Financial Statements as of April 30, 2016 are attached and will be presented by NMC staff at the scheduled meeting of the Budget Committee on June 29, 2016.

OTHER AGENCY INVOLVEMENT:

No other County agency participates in this reporting.

FINANCING:

There is no impact on the General Fund.

Gary Gray DO, Chief Executive Officer
Natividad Medical Center

Date: June 13, 2016

Prepared by Daniel Leon, CFO

Attachment: April 30, 2016 NMC Financial Statements