



County of Monterey

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

Board Report

File #: BC 16-037, **Version:** 1

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

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for July 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 year-to-date ended July 31, 2016 was 107.4 compared to a budget of 104.5. Mental Health and OB/GYN patient days were below the budget for the period, while Pediatrics, ICU, NICU, Medical/Surgical, and Acute Rehabilitation were higher than budget for the period. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,892 compared to budget of 4,768, a favorable variance of 2.6%. Emergency Department visits year to date through July 31, 2016 were lower than budget by 3.5%.

Actual net income for the year-to-date ended July 31, 2016 was \$1.4 million compared to a budget net income of \$0.2 million. Net patient revenues totaled \$18.8 million compared to a budget of \$16.7 million. Net revenues improved by 12.6% from improved payer mix. Revenues from Government funding totaled \$3.6 million compared to a budget of \$3.2 million. Other operating revenue totaled \$0.4 million compared to a budget of \$0.4 million. Operating expenses for the year-to-date ended July 31, 2016 were \$21.4 million compared to a budget of \$20.2 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$215,000, Registry expense of \$298,000, Purchased Services of \$161,000, Supplies of \$324,000, and Depreciation Expense of \$235,000. Cost per adjusted patient day was higher than budget by \$146.00 or 3.5%. Net revenue per adjusted patient day was higher than budget by \$343.00 or 9.8%.

Year-to-date through July 31, 2016, the balance in cash including \$3.2 million for the Seaside Clinics reserve was \$70.8 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 \$16.5 million for the month. Expenditures for capital as of July 31, 2016 were \$0.2 million. Remaining balance for capital expenditures for the year is \$18.4 million.

Patient receivables were \$23.1 million. Distribution by payer: 11.7% Medical, 9.4% MediCal Managed Care, 14.8% Medicare, 62.9% Commercial, 0.5% Self Pay, and 0.4% Short Doyle. Distribution by aging: 28.3% In-House and under process, 42.8% between 0-60 days, 28.6% between 60-181 days and 0.3% over 181 days.

DISCUSSION:

NMC's Financial Statements as of July 31, 2016 are attached and will be presented by NMC staff at the scheduled meeting of the Budget Committee on September 28, 2016.

OTHER AGENCY INVOLVEMENT:

No other County agency participates in this reporting.

FINANCING:

There is no impact on the General Fund.

Daniel Leon, CFO
Natividad Medical Center

Date: September 9, 2016

Attachment: July 31, 2016 NMC Financial Statements