



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 March 31, 2017

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for March 31, 2017.

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 March 31, 2017 was 104.2 compared to a budget of 104.5. OB/GYN and Mental Health patient days were below the budget for the month, while NICU, ICU, Medical/Surgical, Pediatrics and Acute Rehab were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,552 compared to budget of 4,768, an unfavorable variance of 4.5%. Emergency Department was higher than budget by .9%.

Actual net income for the month was \$1.5 million compared to a budget net income of \$0.2 million. Net patient revenues totaled \$21.2 million compared to a budget of \$16.7 million. Net revenues improved by 26.4% from improved payer mix. Revenues from Government Funding totaled \$3.4 million compared to a budget of \$3.2 million. Other operating revenue totaled \$0.6 million compared to a budget of \$0.5 million. Operating expenses for month were \$23.6 million compared to a budget of \$20.2 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$2,159,097, Registry expense of \$281,201, Physicians of \$360,363, Purchase Service of \$473,664, Supplies of \$350,641. Cost per adjusted patient day was higher than budget by \$951 or 22.4%. Net revenue per adjusted patient day was higher than budget by \$1,138 or 32.4%.

The average daily inpatient census (ADC) for the year-to-date ended March 31, 2017 was 105.6 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 40,754 compared to budget of 42,908, an unfavorable variance of 5%. Emergency Department visits year to date through March 31, 2017 were lower than budget by 3%.

Actual net income for the year-to-date ended March 31, 2017 was \$19.8 million compared to a budget net income of \$1.9 million. Net patient revenues totaled \$167.5 million compared to a budget of \$150.6 million. Net revenues improved by 11.2% from improved payer mix. Revenues from Government Funding totaled \$42.2 million compared to a budget of \$28.8 million. Other operating revenue totaled \$4.7 million compared to a budget of \$4.5 million. Operating expenses for the year-to-date ended March 31, 2017 were \$193.6 million compared to a budget of \$181.9 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$5,832,540, Registry expense of \$2,324,906, Physicians of \$325,441, Purchased Services of \$2,217,924, and Supplies of \$2,038,874 and Other Operating Expenses of \$403,039. Cost per

adjusted patient day was higher than budget by \$509 or 12%. Net revenue per adjusted patient day was higher than budget by \$1,180 or 7.8%.

Year-to-date through March 31, 2017, the balance in cash -Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$56.4 million. Collections from patients and various payers were \$21.6 million for the month.

Year-to-date through March 31, 2017, the balance in cash Fund 404 was \$24.4M. Expenditures for Fund 404 as of March 31, 2017 was \$3.9M.

Total expenditures for capital as of March 31, 2017 were \$8.6 million. Remaining balance for capital expenditures for the year is \$19.4 million.

Patient receivables were \$29.1 million. Distribution by payer: 9% MediCal, 11.1% MediCal Managed Care, 15.3% Medicare, 61.6% Commercial, 0.1% Self Pay, and 2.9% Short Doyle. Distribution by aging: 26.6% In-House and under process, 49.9% between 0-60 days, 23.1% between 60-181 days and 0.4% over 181 days.

DISCUSSION:

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

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: May 16, 2017

Attachment: March, 2017 NMC Financial Statements