



Board Report

File #: BC 17-168, **Version:** 1

Receive the Natividad Medical Center Financial Report for September 30, 2017

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for September 30, 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 September 30, 2017 was 114.6 as compared to a budget of 104.9. PEDs and Mental Health patient days were below the budget for the month, while NICU, Medical/Surgical, ICU, Acute Rehab and OB/GYN were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,846 compared to budget of 4,469, a favorable variance of 8.4%. Emergency Department was higher than budget by 26.2%.

Actual net income for the month was \$1.9 million compared to a budget net income of \$0.8 million. Net patient revenues totaled \$19.9 million compared to a budget of \$18.9 million. Net revenues improved by 5.8% from improved payer mix. Revenues from Government Funding totaled \$3.8 million compared to a budget of \$3.6 million. Other operating revenue totaled \$0.5 million compared to a budget of \$0.6 million. Operating expenses for month were \$22.3 million compared to a budget of \$22.3 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$678,068, Registry of \$74,203, Physician Expense of \$273,210, Insurance of \$32,171, Utilities and Telephone of \$58,364 and Other Operating Expenses of \$81,759. Cost per adjusted patient day was lower than budget by \$379 or 7.6%. Net revenue per adjusted patient day was lower than budget by \$150 or 2.9%.

The average daily inpatient census (ADC) for the year-to-date ended September 30, 2017 was 109.1 compared to a budget of 104.9. PEDS and Mental Health patient days were below the budget for the period, while NICU, Medical/Surgical, ICU, OB/GYN and Acute Rehabilitation were higher than budget for the period. Adjusted patient days (including both inpatient and outpatient volumes) totaled 14,139 compared to budget of 13,702, a favorable variance of 3.2%. Emergency Department visits year to date through September 30, 2017 were higher than budget by 17.1%.

Actual net income for the year-to-date ended September 31, 2017 was \$6.8 million compared to a budget net income of \$2.3 million. Net patient revenues totaled \$61.1 million compared to a budget of \$56.6 million. Net revenues improved by 7.8% from improved payer mix. Revenues from Government Funding totaled \$11.3 million compared to a budget of \$10.8 million. Other operating revenue totaled \$1.5 million compared to a budget of \$1.8 million. Operating expenses for the year-to-date ended September 30, 2017 were \$67.1 million compared to a budget of \$66.9 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$1,178,559, Registry of \$100,210, Physician Expense of \$376,404, Insurance of \$51,802 and Utilities/Telephone of \$149,496 and other operating expense of \$16,061. Cost per adjusted patient day was lower than budget by \$139 or 2.8%. Net revenue per adjusted patient day was higher than budget by

\$175 or 3.5%

Year-to-date through September 30, 2017, the balance in cash - Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$71.9 million. Collections from patients and various payers were \$18.0 million for the month.

Year-to-date through September 30, 2017, the balance in cash Fund 404 was 21.0. Expenditures for Fund 404 as of September 30, 2017 was \$0.0.

Total expenditures for capital as of September 30, 2017 were \$1.8 million. Remaining balance for capital expenditures for the year is \$26.8 million.

Patient receivables were \$36.1 million. Distribution by payer: 8.5% MediCal, 10.3% MediCal Managed Care, 11.7% Medicare, 67.2% Commercial, 0.2% Self-Pay, and 2.1% Short Doyle. Distribution by aging: 26.4% In-House and under process, 45.4% between 0-60 days, 28.0% between 60-181 days and 0.2% over 181 days.

DISCUSSION:

NMC's Financial Statements as of September 30, 2017 are attached and will be presented by NMC staff at the scheduled meeting of the Budget Committee on November 27, 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: November 8, 2017

Attachment: September, 2017 NMC Financial Statements