



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 December 31, 2017

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for December 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 December 31, 2017 was 114.3 as compared to a budget of 104.9. PEDS and OB/GYN patient days were below the budget for the month, while NICU, Medical/Surgical, ICU, Acute Rehab and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,964 compared to budget of 4,617, a favorable variance of 7.5%. Emergency Department was higher than budget by 18.7%.

Actual net income for the month was \$2.0 million compared to a budget net income of \$0.8 million. Net patient revenues totaled \$20.4 million compared to a budget of \$18.9 million. Net revenues exceeded budget by 8.0% from improved payer mix. Revenues from Government Funding totaled \$3.2 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 \$22.0 million compared to a budget of \$22.3 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$148,167, Registry of \$51,744, Physician Expense of \$214,653, Insurance of \$17,792 and Other Operating Expenses of \$16,299. Cost per adjusted patient day was lower than budget by \$396 or 8.2%. Net revenue per adjusted patient day was lower than budget by \$157 or 3.1%.

The average daily inpatient census (ADC) for the year-to-date ended December 31, 2017 was 109.9 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 28,967 compared to budget of 27,404, a favorable variance of 5.7%. Emergency Department visits year to date through December 31, 2017 were higher than budget by 17.5%.

Actual net income for the year-to-date ended December 31, 2017 was \$19.5 million compared to a budget net income of \$4.6 million. Net patient revenues totaled \$122.3 million compared to a budget of \$113.2 million. Net revenues exceeded budget by 8.0% from improved payer mix. Revenues from Government Funding totaled \$27.0 million compared to a budget of \$21.7 million. Other operating revenue totaled \$3.2 million compared to a budget of \$3.6 million. Operating expenses for the year-to-date ended December 31, 2017 were \$133.1 million compared to a budget of \$133.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$1,167,245, Registry of \$306,369, Physician Expense of \$1,053,904, Insurance of \$103,605 and Utilities/Telephone of \$213,509 and other operating expense of

\$89,170. Cost per adjusted patient day was lower than budget by \$291 or 6.0%. Net revenue per adjusted patient day was higher than budget by \$212 or 4.2%

Year-to-date through December 31, 2017, the balance in cash Fund 404 was \$21.0 million and the Strategic Reserve Funds was \$17.8 million

Patient receivables were \$33.8 million. Distribution by payer: 8.4% MediCal, 9.0% MediCal Managed Care, 14.5% Medicare, 66.2% Commercial, 0.1% Self-Pay, and 1.8% Short Doyle. Distribution by aging: 20.1% In-House and under process, 54.8% between 0-60 days, 24.8% between 60-181 days and 0.3% over 181 days.

DISCUSSION:

None.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Accepting this report has no financial impact.

Daniel Leon, CFO
Natividad Medical Center

Date: February 26, 2018

Attachment: December, 2017 NMC Financial Statements