



# 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 February 28, 2018

**RECOMMENDATION:**

It is recommended that the Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for February 28, 2018.

**SUMMARY/DISCUSSION:**

The 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 February 28, 2018 was 117.1 as compared to a budget of 104.9. OB/GYN and Mental Health patient days were below the budget for the month, while NICU, Medical/Surgical, ICU and Acute Rehab were higher than budget for the month. PEDS was aligned with budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,686 compared to budget of 4,171, a favorable variance of 12.3%. Emergency Department was higher than budget by 14.2%.

Actual net income for the month was \$2.5 million compared to a budgeted net income of \$0.8 million. Net patient revenues totaled \$19.5 million compared to a budget of \$18.9 million. Net revenues exceeded budget by 3.2% from improved payer mix. Revenues from Government Funding totaled \$5.0 million compared to a budget of \$3.6 million, primarily from the finalization of the AB915 additional hospital outpatient reimbursement for FY 2015-16. Other operating revenue totaled \$0.8 million compared to a budget of \$0.6 million. Operating expenses for month were \$22.7 million compared to a budget of \$22.3 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$93,665, Registry of \$40,916, Physician Expense of \$204,856, Purchased Services of \$30,249, Insurance of \$13,075 and Other Operating Expenses of \$196,836. Cost per adjusted patient day was lower than budget by \$505 or 9.5%. Net revenue per adjusted patient day was lower than budget by \$367 or 8.1%.

The average daily inpatient census (ADC) for the year-to-date ended February 28, 2018 was 111.7 compared to a budget of 104.9. PEDS and Mental Health patient days were below 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 38,871 compared to budget of 36,191, a favorable variance of 7.4%. Emergency Department visits year to date through February 28, 2018 were higher than budget by 18.2%.

Actual net income for the year-to-date ended February 28, 2018 was \$22.8 million compared to a budget net income of \$6.2 million. Net patient revenues totaled \$162.5 million compared to a budget of \$159.9 million. Net revenues exceeded budget by 7.6% from improved payer mix. Revenues from Government Funding totaled \$35.1 million compared to a budget of \$28.9 million. Other operating revenue totaled \$4.9 million compared to a budget of \$4.8 million. Operating expenses for the year-to-date ended February 28, 2018 were \$179.7 million compared to a budget of \$178.5 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$2,981,784 Registry of \$387,918, Physician Expense of \$1,633,689, Insurance of \$134,471 and Utilities/Telephone of \$123,729 and Other Operating expense of

\$357,698. Cost per adjusted patient day was lower than budget by \$307 or 6.2%. Net revenue per adjusted patient day was higher than budget by \$9 or 0.2%

Year-to-date through February 28, 2018, the balance in cash - Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$59.6 million. Collections from patients and various payers were \$20.6 million for the month. Year-to-date through February 28, 2018, the balance in cash Fund 404 was \$80.9 million and the Strategic Reserve Funds was \$25.0 million.

Patient receivables were \$33.2 million. Distribution by payer: 13.9% MediCal, 7.2% MediCal Managed Care, 13.3% Medicare, 63.3% Commercial, 0.3% Self-Pay, and 2.0% Short Doyle. Distribution by aging: 18.4% In-House and under process, 47.8% between 0-60 days, 33.5% between 60-181 days and 0.3% over 181 days.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Accepting this report has no financial impact.

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Daniel Leon, CFO  
Natividad Medical Center

Date: April 18, 2018

Attachment: February, 2018 NMC Financial Statements