



County of Monterey

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

Board Report

File #: BC 18-063, **Version:** 1

Receive the Natividad Medical Center Financial Report for March 31, 2018

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for March 31, 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 March 31, 2018 was 115.9 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 4,926 compared to budget of 4,617, a favorable variance of 6.7%. Emergency Department was higher than budget by 12.9%.

Actual net income for the month was \$2.6 million compared to a budgeted net income of \$0.8 million. Net patient revenues totaled \$22.0 million compared to a budget of \$18.9 million. Net revenues exceeded budget by 16.5% from improved payer mix. Revenues from Government Funding totaled \$3.1 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 \$23.0 million compared to a budget of \$22.3 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$1,071,178, Registry of \$177,823, Physician Expense of \$151,600, Insurance of \$17,792 and Other Operating Expenses of \$79,455. Cost per adjusted patient day was lower than budget by \$162 or 3.4%. Net revenue per adjusted patient day was higher than budget by \$378 or 9.2%.

The average daily inpatient census (ADC) for the year-to-date ended March 31, 2018 was 112.2 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 43,785 compared to budget of 40,807, a favorable variance of 7.3%. Emergency Department visits year to date through March 31, 2018 were higher than budget by 17.6%.

Actual net income for the year-to-date ended March 31, 2018 was \$25.4 million compared to a budget net income of \$6.9 million. Net patient revenues totaled \$184.5 million compared to a budget of \$169.8 million. Net revenues exceeded budget by 8.6% from improved payer mix. Revenues from Government Funding totaled \$38.2 million compared to a budget of \$32.5 million. Other operating revenue totaled \$5.4 million compared to a budget of \$5.4 million. Operating expenses for the year-to-date ended March 31, 2018 were \$202.7 million compared to a budget of \$200.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages, & Benefits of \$4,052,962 Registry of \$565,741, Physician Expense of \$1,785,289, Insurance of \$152,263 and Utilities/Telephone of \$93,574 and Other Operating expense of \$437,137. Cost per adjusted patient day was lower than budget by \$290 or 5.9%. Net revenue per adjusted

patient day was higher than budget by \$52 or 1.2%

Year-to-date through March 31, 2018, the balance in cash - Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$46.4 million. Collections from patients and various payers were \$19.5 million for the month. Year-to-date through March 31, 2018, the balance in cash Fund 404 was \$80.9 million and the Strategic Reserve Funds was \$25.0 million.

Patient receivables were \$35.4 million. Distribution by payer: 11.1% MediCal, 10.1% MediCal Managed Care, 10.0% Medicare, 66.3% Commercial, 0.3% Self-Pay, and 2.2% Short Doyle. Distribution by aging: 21.1% In-House and under process, 45.9% between 0-60 days, 32.7% between 60-181 days and 0.3% over 181 days.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Accepting this report has no financial impact.

Daniel Leon, CFO
Natividad Medical Center

Date: May 16, 2018

Attachment: March, 2018 NMC Financial Statements