



County of Monterey

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

Board Report

File #: BC 18-089, **Version:** 1

Receive the Natividad Medical Center Financial Report for July 31, 2018.

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for July 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 July 31, 2018 was 104.0 as compared to a budget of 110.4. NICU, Medical/Surgical, ICU, Acute Rehab and OB/GYN patient days were below the budget for the month, while PEDS and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,683 compared to budget of 4,858, an unfavorable variance of 3.6%. Emergency Department was lower than budget by 5.3%.

Actual net income for the month was \$1.2 million compared to a budgeted net income of \$1.2 million. Net patient revenues totaled \$20.1 million compared to a budget of \$20.0 million. Net revenues exceeded budget by 0.3% from improved payer mix. Revenues from Government Funding totaled \$4.5 million compared to a budget of \$4.5 million. Other operating revenue totaled \$0.5 million compared to a budget of \$0.5 million. Operating expenses for month were \$23.9 million compared to a budget of \$23.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$1,202,280, Registry of \$224,282, Insurance of \$5,872 and Depreciation of \$47,473. Cost per adjusted patient day was higher than budget by \$195 or 4.0%. Net patient revenue per adjusted patient day was higher than budget by \$211 or 4.0%.

The average daily inpatient census (ADC) for the year-to-date ending July 31, 2018 was 104.0 as compared to a budget of 110.4. NICU, Medical/Surgical, ICU, Acute Rehab and OB/GYN patient days were below the budget for the month, while PEDS and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,683 compared to budget of 4,858, an unfavorable variance of 3.6%. Emergency Department was lower than budget by 5.3%.

Actual net income for the year-to-date was \$1.2 million compared to a budgeted net income of \$1.2 million. Net patient revenues totaled \$20.1 million compared to a budget of \$20.0 million. Net revenues exceeded budget by 0.3% from improved payer mix. Revenues from Government Funding totaled \$4.5 million compared to a budget of \$4.5 million. Other operating revenue totaled \$0.5 million compared to a budget of \$0.5 million. Operating expenses for month were \$23.9 million compared to a budget of \$23.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$1,202,280, Registry of \$224,282, Insurance of \$5,872 and Depreciation of \$47,473. Cost per adjusted patient day was higher than budget by \$195 or 4.0%. Net revenue per adjusted patient day was higher than budget by \$211 or 4.1%.

Year-to-date through July 31, 2018, the balance in cash - Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$91.4 million. Collections from patients and various payers were \$23.3 million for the

month. Year-to-date through July 31, 2018, the balance in cash Fund 404 was \$75.7 million and the Strategic Reserve Funds was \$25.0 million.

Patient receivables were \$36.2 million. Distribution by payer: 9.7% MediCal, 8.4% MediCal Managed Care, 12.1% Medicare, 66.9% Commercial, 0.9% Self-Pay, and 2.0% Short Doyle. Distribution by aging: 21.6% In-House and under process, 50.0% between 0-60 days, 28.0% between 60-181 days and 0.4% over 181 days.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Accepting this report has no financial impact.

Daniel Leon, CFO
Natividad Medical Center

Date: September 10, 2018

Attachment: July, 2018 NMC Financial Statements