



# 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 August 31, 2018

### RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for August 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 August 31, 2018 was 110.1 as compared to a budget of 110.4. Medical/Surgical and OB/GYN patient days were below the budget for the month, while NICU, ICU, PEDS, Acute Rehab and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,975 compared to budget of 4,860, a favorable variance of 2.4%. Emergency Department was higher than budget by 3.0%.

Actual net income for the month was \$11.2 million compared to a budgeted net income of \$1.2 million. Net patient revenues totaled \$28.5 million compared to a budget of \$20.0 million. Net revenues exceeded budget by 42.3% due to the receipt of the Anthem Arbitration award and improved payer mix. Revenues from Government Funding totaled \$6.1 million compared to a budget of \$4.5 million. Other operating revenue totaled \$1.5 million compared to a budget of \$0.5 million due to the interest earned from the Anthem Arbitration. Operating expenses for month were \$24.9 million compared to a budget of \$23.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$725,381, Registry of \$288,838, Physicians of \$195,218, Supplies of \$505,454, Insurance of \$5,872 and Depreciation of \$15,905. Cost per adjusted patient day was higher than budget by \$94 or 1.9%. Net revenue per adjusted patient day was higher than budget by \$2,101 or 40.8%.

The average daily inpatient census (ADC) for the year-to-date ending August 31, 2018 was 107.0 as compared to a budget of 110.4. Medical/Surgical, Acute Rehab and OB/GYN patient days were below the budget for the month, while NICU, ICU, PEDS and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 9,658 compared to budget of 9,719, an unfavorable variance of 0.6%. Emergency Department was lower than budget by 0.2%.

Actual net income for the year-to-date was \$12.4 million compared to a budgeted net income of \$2.4 million. Net patient revenues totaled \$48.6 million compared to a budget of \$40.0 million. Net revenues exceeded budget by 21.3% due to the receipt of the Anthem Arbitration Award and improved payer mix. Revenues from Government Funding totaled \$10.6 million compared to a budget of \$9.0 million. Other operating revenue totaled \$2.0 million compared to a budget of \$1.0 million due to the interest earned from the Anthem Arbitration Award. Operating expenses for month were \$48.7 million compared to a budget of \$47.6 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$1,870,103, Registry of \$510,737, Physicians of \$239,578, Supplies of \$392,684, Insurance of \$11,744 and Depreciation of

\$63,378. Cost per adjusted patient day was higher than budget by \$144 or 2.9%. Net revenue per adjusted patient day was higher than budget by \$1,184 or 23.0%.

Year-to-date through August 31, 2018, the balance in cash - Fund 451 - including \$3.2 million for the Seaside Clinics reserve was \$100.9 million. Collections from patients and various payers were \$28.6 million for the month. Year-to-date through August 31, 2018, the balance in cash Fund 404 was \$75.7 million and the Strategic Reserve was \$25.0 million.

Patient receivables were \$36.2 million. Distribution by payer: 8.1% MediCal, 9.0% MediCal Managed Care, 11.5% Medicare, 38.9% Commercial, 0.6% Self-Pay, and 1.9% Short Doyle. Distribution by aging: 21.7% In-House and under process, 49.7% between 0-60 days, 28.30% 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: October 16, 2018

Attachment: August, 2018 NMC Financial Statements