



County of Monterey

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

Board Report

File #: BC 18-142, **Version:** 1

Receive the Natividad Medical Center Financial Report for September 30, 2018

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee receive the Natividad Medical Center Financial Report for September 30, 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 September 30, 2018 was 112.1 as compared to a budget of 110.4. Medical/Surgical, PEDS and OB/GYN patient days were below the budget for the month, while NICU, Acute Rehab and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 4,755 compared to budget of 4,704, a favorable variance of 1.1%. Emergency Department was lower than budget by 5.9%.

Actual net income for the month was \$1.3 million compared to a budgeted net income of \$1.2 million. Net patient revenues totaled \$20.7 million compared to a budget of \$20.0 million. Net revenues exceeded budget by 3.3% due to an improved payer mix. Revenues from Government Funding totaled \$4.7 million compared to a budget of \$4.5 million. Other operating revenue totaled \$0.7 million compared to a budget of \$0.5 million. Operating expenses for month were \$24.8 million compared to a budget of \$23.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$868,288, Registry of \$267,977, Physicians of \$88,457, Supplies of \$27,766, Insurance of \$5,872 and Depreciation of \$60,495. Cost per adjusted patient day was higher than budget by \$144 or 2.8%. Net revenue per adjusted patient day was higher than budget by \$152 or 2.9%.

The average daily inpatient census (ADC) for the year-to-date ending September 30, 2018 was 108.7 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 14,416 compared to budget of 14,422, an unfavorable variance of 0.04%. Emergency Department was lower than budget by 2.1%.

Actual net income for the year-to-date was \$13.7 million compared to a budgeted net income of \$3.6 million. Net patient revenues totaled \$69.2 million compared to a budget of \$60.1 million. Net revenues exceeded budget by 15.3% due to improved payer mix. Revenues from Government Funding totaled \$15.2 million compared to a budget of \$13.5 million. Other operating revenue totaled \$2.7 million compared to a budget of \$1.5 million. Operating expenses for month were \$73.5 million compared to a budget of \$71.4 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$2,738,391, Registry of \$778,714, Physicians of \$328,035, Supplies of \$420,450, Insurance of \$17,616 and Depreciation of \$123,873. Cost per adjusted patient day was higher than budget by \$143 or 2.9%. Net revenue per adjusted patient day was higher than budget by \$843 or 16.2%.

Year-to-date through September 30, 2018, the balance in cash - Fund 451 - was \$47.9 million. Collections from patients and various payers were \$20.5 million for the month. Year-to-date through September 30, 2018, the balance in cash Fund 404 was \$75.7 million, State and Federal Intergovernmental Fund was \$45.0M and the Strategic Reserve was \$25.0 million.

Patient receivables were \$36.3 million. Distribution by payer: 7.5% MediCal, 9.3% MediCal Managed Care, 10.1% Medicare, 70.2% Commercial, 1.0% Self-Pay, and 1.9% Short Doyle. Distribution by aging: 20.6% In-House and under process, 50.7% between 0-60 days, 28.40% 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: October 31, 2018

Attachment: September, 2018 NMC Financial Statements