



County of Monterey

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

Board Report

File #: BC 19-043, **Version:** 1

Receive the Natividad Medical Center Financial Report for March 31, 2019.

RECOMMENDATION:

It is recommended that the Budget Committee receive the Natividad Medical Center Financial Report for March 31, 2019.

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, 2019 was 116.5 as compared to a budget of 110.4. NICU, ICU and OB/GYN patient days were below the budget for the month, while Med/Surg, PEDS, Acute Rehab and Mental Health were higher than budget for the month. Adjusted patient days (including both inpatient and outpatient volumes) totaled 5,140 compared to budget of 4,860, a favorable variance of 5.8%. Emergency Department was higher than budget by 12.3%.

Actual net income for the month was \$0.7 million compared to a budgeted net income of \$1.2 million. Net patient revenues totaled \$21.2 million compared to a budget of \$20.0 million. Net patient revenues were higher than budget by 5.9% due to an increase in volume and an improved payer mix. Revenues from Government Funding totaled \$4.7 million compared to a budget of \$4.5 million. Other operating revenue totaled \$0.8 million compared to a budget of \$0.5 million. Operating expenses for the month were \$26.0 million compared to a budget of \$23.8 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$1,105,850, Registry of \$66,077, Physicians of \$628,881, Supplies of \$238,448, Insurance of \$5,872, and Depreciation of \$47,739 and other operating expense of \$161,163. Cost per adjusted patient day was higher than budget by \$168 or 3.4%. Net revenue per adjusted patient day was higher than budget by \$60 or 1.2%.

The average daily inpatient census (ADC) for the year-to-date ending March 31, 2019 was 110.7 as compared to a budget of 110.4. Medical/Surgical and OB/GYN patient days were below the budget year-to-date, while NICU, ICU, PEDS, Acute Rehab and Mental Health were higher than budget year-to-date. Adjusted patient days (including both inpatient and outpatient volumes) totaled 43,467 compared to budget of 42,955, a favorable variance of 1.2%. Emergency Department was higher than budget by 6.6%.

Actual year-to-date net income was \$18.7 million compared to a budgeted net income of \$10.8 million. Net patient revenues totaled \$193.3 million compared to a budget of \$180.2 million. Net patient revenues exceeded budget by 7.2% due to an improved payer mix. Revenues from Government Funding totaled \$42.7 million compared to a budget of \$40.4 million. Other operating revenue totaled \$7.0 million compared to a budget of \$4.6 million. Operating expenses to date were \$224.2 million compared to a budget of \$214.3 million. Unfavorable operating expense variances were noted in the areas of Salaries, Wages & Benefits of \$7,991,114, Registry of \$2,398,235, Physicians of \$1,777,425, Supplies of \$1,305,448, Insurance of \$52,847 and Depreciation of \$528,469. Cost per adjusted patient day was higher than budget by \$169 or 3.4%. Net revenue per adjusted patient day was higher than budget by \$348 or 6.6%.

Year-to-date through March 31, 2019, the balance in cash - Fund 451 - was \$42.1 million. Collections from patients and various payers were \$21.0 million for the month. Year-to-date through March 31, 2019, the balance in cash Fund 404 was \$73.7 million, State and Federal Intergovernmental Fund was \$45.0 million and the Strategic Reserve was \$25.0 million.

Patient receivables were \$29.3 million. Distribution by payer: 6.5% MediCal, 9.5% MediCal Managed Care, 13.5% Medicare, 68.0% Commercial, 0.3% Self-Pay, and 2.2% Short Doyle. Distribution by aging: 21.8% In-House and under process, 51.3% between 0-60 days, 26.60% 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 2, 2019

Attachment: March, 2019 NMC Financial Statements