



County of Monterey

Item No.

Board Report

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

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Matter Type: Budget Committee

Receive the Natividad Medical Center Semi-Annual Financial Report for the period of July 1, 2025, through December 31, 2025, and the Fiscal Year ending June 30, 2026.

RECOMMENDATION:

Receive the Natividad Medical Center Semi-Annual Financial Report for the period of July 1, 2025, through December 31, 2025, and the Fiscal Year ending June 30, 2026.

SUMMARY/DISCUSSION:

For the six months ending December 2025, the average daily inpatient census was 116.6 compared to budget of 128.0. Adjusted patient days (including both inpatient and outpatient volumes) totaled 32,923 compared to budget of 35,365, an unfavorable variance of 6.9%. Emergency Department visits of 28,949 was less than prior year by 4.5% and less than budget by 5.7%.

Net negative margin YTD December 2025 was \$2.7 million loss compared to positive budget of \$1.6 million. Net patient revenues totaled \$152million compared to budget of \$165 million. Net patient revenues were lower than budget by \$12.8 million or 7.8%. Revenues from Government Funding totaled \$51.0 million and were close to budget. Other operating revenue totaled \$14.6 million and was 73.2% higher than budget due to higher actual interest rates and income recorded for the two quarters. Operating expenses year-to-date were \$220.4 million compared to budget of \$222.8 million. The positive expense variance of \$2.3 million or 1.0% was attributed to expenditures for registry of \$320 thousand, purchased services of \$1.4 million and supplies of \$1.1 million offset with increase of \$291 thousand in physician and contract fees and utilities of \$648 thousand.

Collections from patients and payers were \$155.9 million year-to-date. Balance in cash Fund 451 was \$139.9 million, State and Federal Intergovernmental Fund was \$50.9 million, Capital Fund was \$167.0 million, and the Strategic Reserve was \$33.5 million.

Accounts receivable for Short Doyle as of September 2025 and December was \$22.5 million and \$19.5 million. Accounts over 180 days were \$9.5 million and \$6.0 million respectively. Staff from Natividad had several meetings with Behavior Health to resolve the payment of these old accounts. As of January 2026, Accounts receivable for Short Doyle has increased to \$19.6 million and decreased to \$5.5 million over 180 days.

Net patient receivables were \$57.7 million or 69.5 days in receivables. Distribution by payer: 4.8%,

Medi-Cal, 13.0% Medi-Cal Managed Care, 17.7% Medicare, 58.7% Commercial, 0.01% Self-Pay, and 5.7% Short Doyle. Distribution by aging: 25.9% In-House and under process, 48.1% between 0-60 days, 25.7% between 60-181 days and 0.4% over 181 days.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

None.

FINANCING:

Funding provided by NMC's Enterprise Fund.

Prepared and Approved by: Daniel Leon, Chief Financial Officer, 831-783-2551

Attachments:

NMC's Financial Statements