

Massachusetts Acute Hospital & Health System Financial Performance

FY 2019

October 2020



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Introduction

The Center for Health Information and Analysis (CHIA) reports on the annual and quarterly financial performance of acute hospitals. As the financial performance of hospital health systems is important to understanding the greater contexts in which hospitals operate, CHIA has expanded its reporting to include the financial performance of hospital health systems (HHS), affiliated physician organizations (PO), and related health plans.

In fiscal year (FY) 2019, Massachusetts had 25 hospital health systems, which included 61 acute hospitals, 49 physician organizations, and three health plans. Hospitals are grouped into four primary cohorts based on similar characteristics: Academic Medical Centers (AMCs), teaching hospitals, community hospitals, and community-High Public Payer (HPP) hospitals. Specialty hospitals are not considered a cohort due to the unique patient population served and/or the unique sets of services

provided. Specialty hospitals are included in statewide medians but are not included in the cohort analyses. This report assigns hospitals to cohorts based on FY 2018 data.

Eleven out of 25 hospital health systems operate more than one acute hospital and are classified as multi-acute systems. The remaining 14 operate one acute hospital and are classified as independent systems. Four systems (Steward Health Care, Tenet Healthcare, Trinity Health, and Shriners Hospitals for Children) are part of larger systems that operate hospitals nationwide.

Hospital health systems consist of all consolidated health entities, including acute hospitals, non-acute hospitals, physician organizations, and health plans. They may also include consolidated non-health care entities, such as foundations and real estate trusts.

Steward Health Care did not submit the required system level audited financial statement data. Steward Health Care system level data is not included in this report.

This report contains 12 months of fiscal year end data for FY 2019 for most systems and hospitals based on each entity's year end date. The exception is Beth Israel Lahey Health, which represents seven months of data. Most entities' fiscal year end is September 30 with

the exception of Steward Health Care, Trinity Health, Cambridge Health Alliance, Tenet Healthcare, and Shriners Hospitals for Children.

This publication reports on the profitability, liquidity, and solvency of hospital health systems and their affiliated acute hospitals, as well as the profitability of affiliated physician organizations and health plans. ■

Key Findings

19

Of the 24 hospital health systems that reported data, 19 had a surplus.

48

Of the 61 acute hospitals, 48 reported a surplus.

7

Of the 49 physician organizations that reported data, seven had a surplus.

3.5%

The statewide median acute hospital total margin was 3.5%, a 1.0 percentage point decrease from FY 2018.

2.5%

The statewide median acute hospital operating margin was 2.5%, a 0.2 percentage point decrease from FY 2018.

Acute hospitals tended to have greater margins than their associated parent systems.

1.5

The statewide median acute hospital current ratio was 1.5, a 0.1 decrease from FY 2018.

59

Of the 61 acute hospitals that reported data, 59 had positive net assets.

Profitability

Total margin reflects the excess of total revenues over total expenses, including operating and non-operating activities, as a percentage of total revenue.

Eight of the nine multi-acute health systems reporting data were profitable. The multi-acute health system that reported the lowest total margin was Tenet Healthcare at -1.3%, while the system that reported the highest total margin was UMass Memorial Health Care at 7.5%.

The acute care hospital that reported the lowest total margin was Baystate Noble Hospital at -15.2%, while the acute care hospital that reported the highest total margin was Steward Good Samaritan Medical Center at 20.1%.

Most of the 32 physician organizations associated with a multi-acute health system reported a loss.

Health New England reported a positive total margin at 0.5% and Always Health Partners (formerly Neighborhood Health Plan) reported a negative total margin at -2.7%.

FY 2019 Total Margin for Systems with Multiple Acute Hospitals by Component Entity



Notes: Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences. Nineteen physician organizations are outliers with margins <math><-20\%</math>. Detailed information is provided in the accompanying [databook](#). For complete definitions of acute hospital types, please see page 20.

Profitability

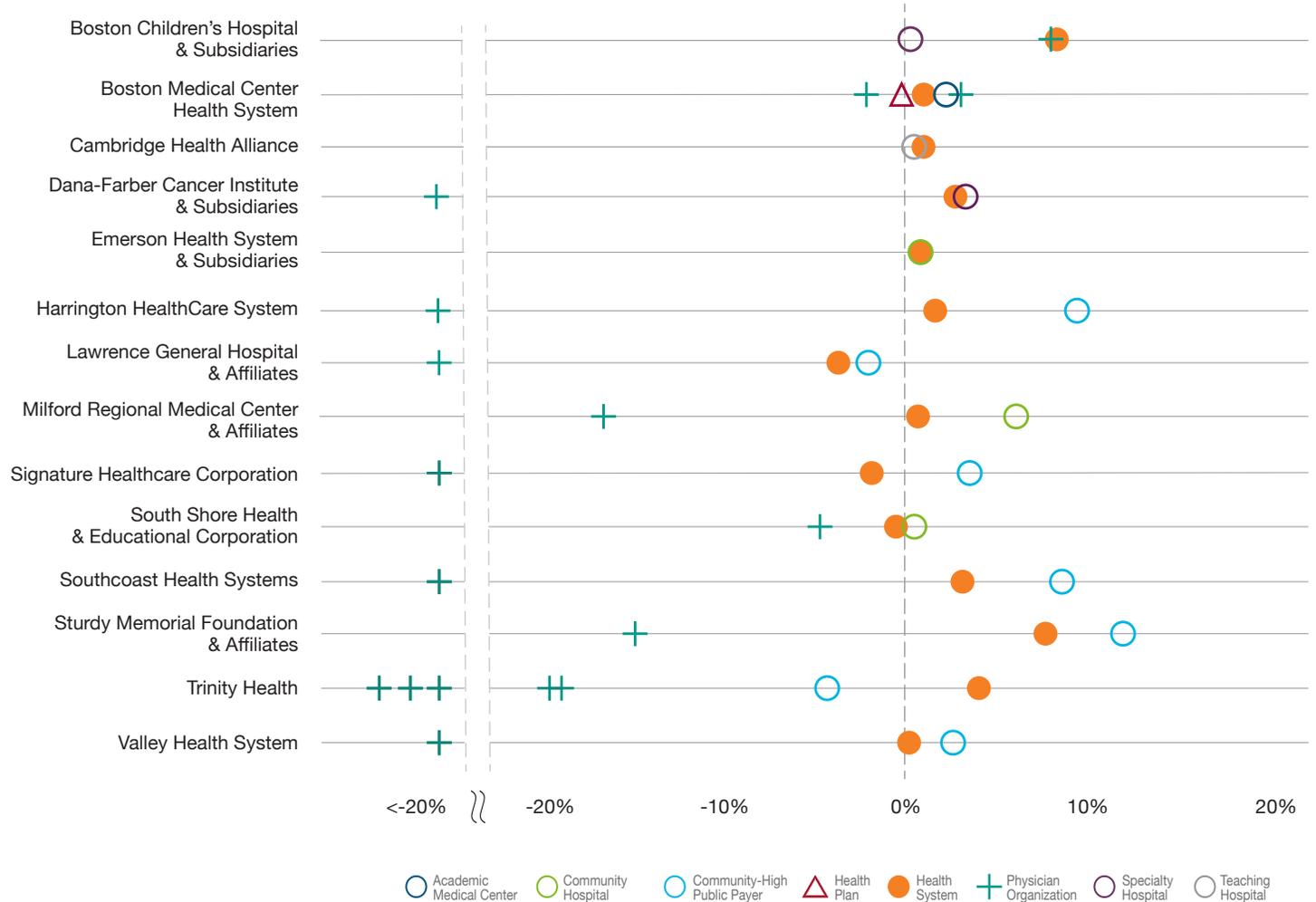
Eleven of the 14 independent health systems reported positive total margins. The total margins for independent health systems ranged from -3.6% for Lawrence General Hospital and Affiliates to 8.2% for Boston Children’s Hospital and Subsidiaries.

Associated acute care hospital performance ranged from -4.2% for Mercy Medical Center (part of Trinity Health) to 11.8% for Sturdy Memorial Hospital (part of Sturdy Memorial Foundation and Affiliates). Two of the fourteen associated acute care hospitals reported negative total margins.

Only Boston University Affiliated Physicians (part of Boston Medical Center Health System) and Physicians Organization at Children’s Hospital reported positive total margins at 3.0% and 7.9%, respectively. The other 15 independent health system associated physician organizations reported negative total margins.

BMC Health Plan reported a negative total margin at -0.2%.

FY 2019 Total Margin for Independent Health Systems by Component Entity



Notes: Nine physician organizations are outliers with total margins < -20%. Detailed information is provided in the accompanying [databook](#).

Profitability

FY 2019 Operating Margin for Systems with Multiple Acute Hospitals by Component Entity

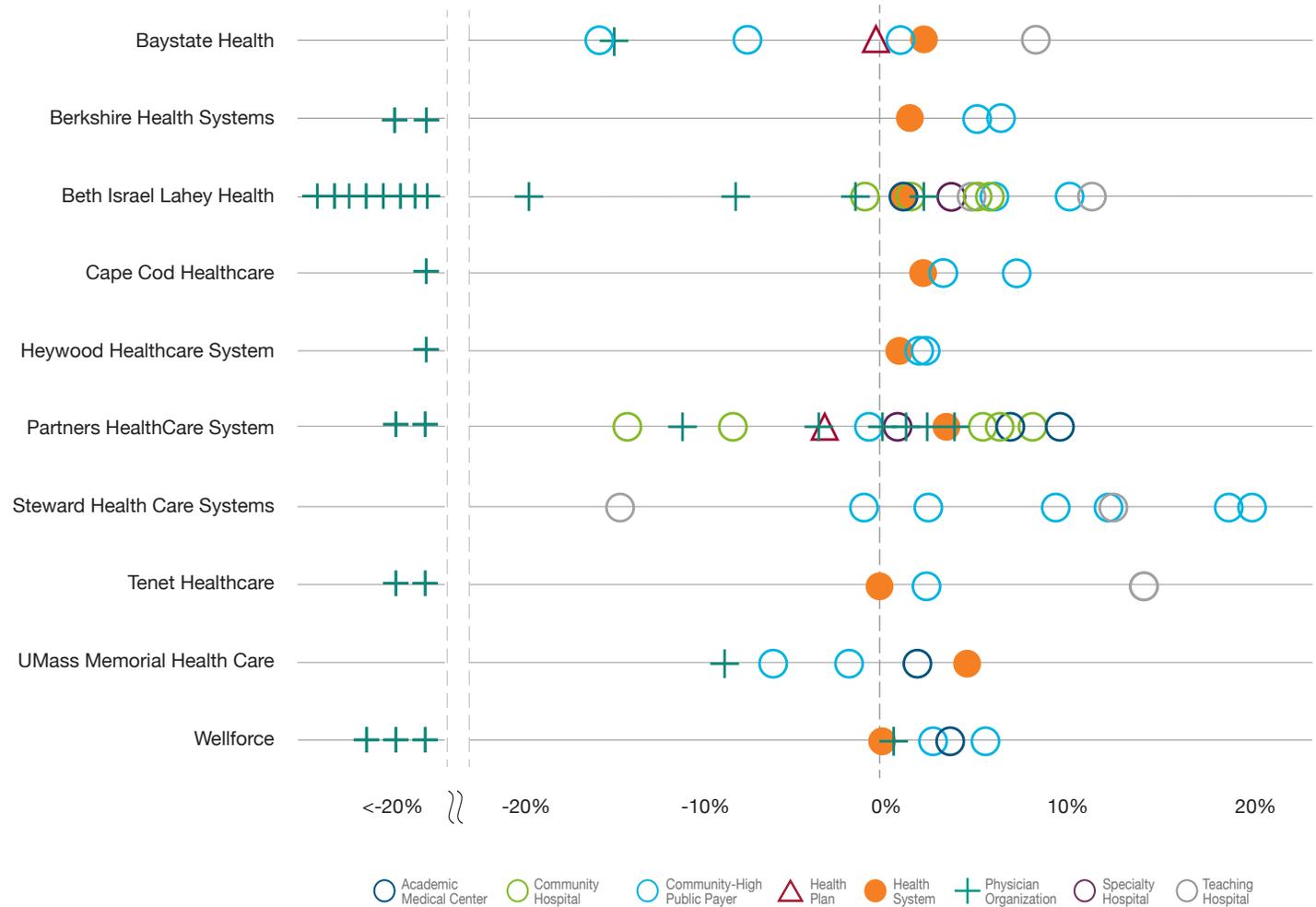
Operating margin reflects the excess of operating revenues over operating expenses, including patient care and other activities, as a percentage of total revenue.

Eight of the nine multi-acute systems reporting data had a positive operating margin. Operating margins ranged from -0.1% for Tenet Healthcare to 4.6% for UMass Memorial Health Care.

Associated acute hospital performance varied, with Baystate Noble Hospital (a part of Baystate Health) reporting a -15.2% operating margin and Steward Good Samaritan Medical Center (a part of Steward Health Care System) reporting a 20.1% operating margin.

Six of 32 associated physician organizations reported a positive operating margin.

Always Health Partners and Health New England reported operating margins of -3.2% and -0.2%, respectively.



Notes: Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences. Nineteen physician organizations are outliers with operating margins < -20%. Detailed information is provided in the accompanying [databook](#).

Profitability

Five of the 14 independent acute hospital health systems reported positive operating margins. Operating margins for the health systems ranged from -12.3% for Dana-Farber Cancer Institute and Subsidiaries to 2.8% for Boston Children's Hospitals and Subsidiaries.

Associated acute hospital performance ranged from an operating margin of -12.3% for Dana-Farber Cancer Institute to 8.0% for Harrington Memorial Hospital.

Only Boston University Affiliate Physicians and Physicians Organization at Children's Hospital and Foundation reported positive operating margins at 3.4% and 2.5%, respectively. The other 15 associated physician organizations reported negative operating margins.

BMC Health Plan reported a negative operating margin at -1.2%.

FY 2019 Operating Margin for Independent Health Systems by Component Entity



Notes: Nine physician organizations are outliers with operating margins < -20%. Detailed information is provided in the accompanying [databook](#).

Profitability

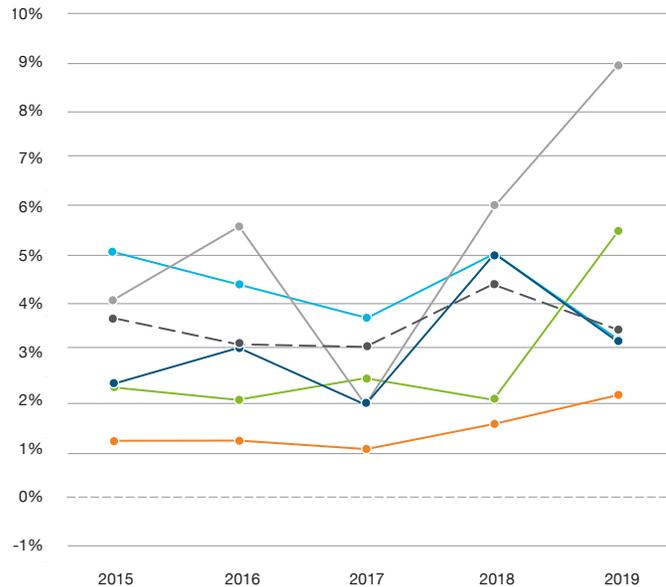
FY 2015–2019 Total and Operating Margin Trends by Hospital Cohort

The statewide acute hospital median total margin decreased by 1.0 percentage points, from 4.5% in 2018 to 3.5% in 2019. The Academic Medical Center and community-High Public Payer cohorts saw decreases in median total margin of -1.9 and -1.7 percentage points, respectively, while the teaching hospital and community hospital saw increases in median total margin of 3.0 and 3.5 percentage points, respectively.

The statewide acute hospital median operating margin decreased by -0.2 percentage points, from 2.7% in 2018 to 2.5% in 2019. The community-High Public Payer cohort saw a decrease in median operating margin of 0.9 percentage points, while the teaching hospital and community hospital cohorts saw increases in median operating margin of 3.5 and 1.9 percentage points, respectively, and the Academic Medical Center cohort remained stable.

The median total and operating margins for hospital health systems both increased from the prior year, increasing by 0.6 and 0.3 percentage points.

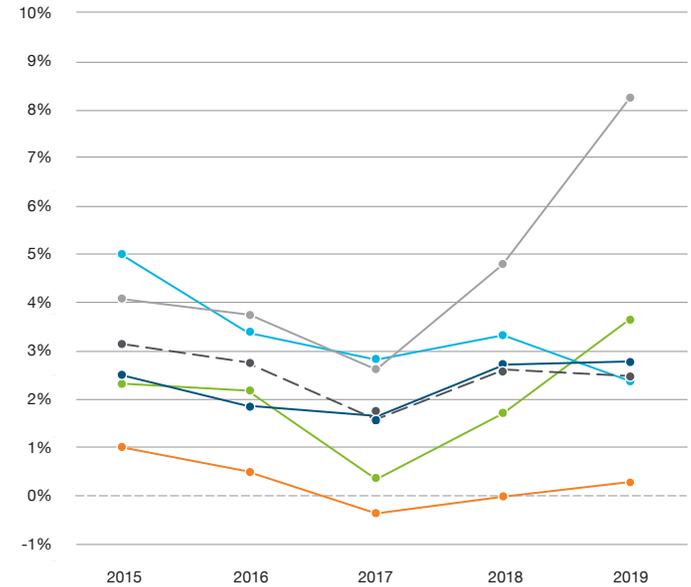
Total Margin Trends



--- Statewide Acute — Academic Medical Center — Teaching Hospital — Community Hospital — Community-High Public Payer — Hospital Health System

	2015	2016	2017	2018	2019
Statewide Acute Median	3.8%	3.1%	3.2%	4.5%	3.5%
Academic Medical Center	2.4%	3.0%	2.0%	5.0%	3.1%
Teaching Hospital	4.2%	5.7%	2.0%	6.0%	9.0%
Community Hospital	2.4%	2.1%	2.6%	2.1%	5.6%
Community-High Public Payer	5.2%	4.5%	3.8%	5.0%	3.3%
Health System	1.2%	1.2%	1.1%	1.6%	2.2%

Operating Margin Trends



--- Statewide Acute — Academic Medical Center — Teaching Hospital — Community Hospital — Community-High Public Payer — Hospital Health System

	2015	2016	2017	2018	2019
Statewide Acute Median	3.2%	2.8%	1.6%	2.7%	2.5%
Academic Medical Center	2.6%	1.9%	1.8%	2.8%	2.8%
Teaching Hospital	4.2%	3.8%	2.7%	4.8%	8.3%
Community Hospital	2.4%	2.3%	0.4%	1.8%	3.7%
Community-High Public Payer	5.0%	3.4%	2.9%	3.4%	2.5%
Health System	1.0%	0.5%	-0.4%	0.0%	0.3%

Notes: Steward Health Care's system level data are not included in 2016, 2017, and 2019 as they did not submit audited or standardized financial statements those years. The statewide acute hospital median includes specialty hospitals.

Profitability

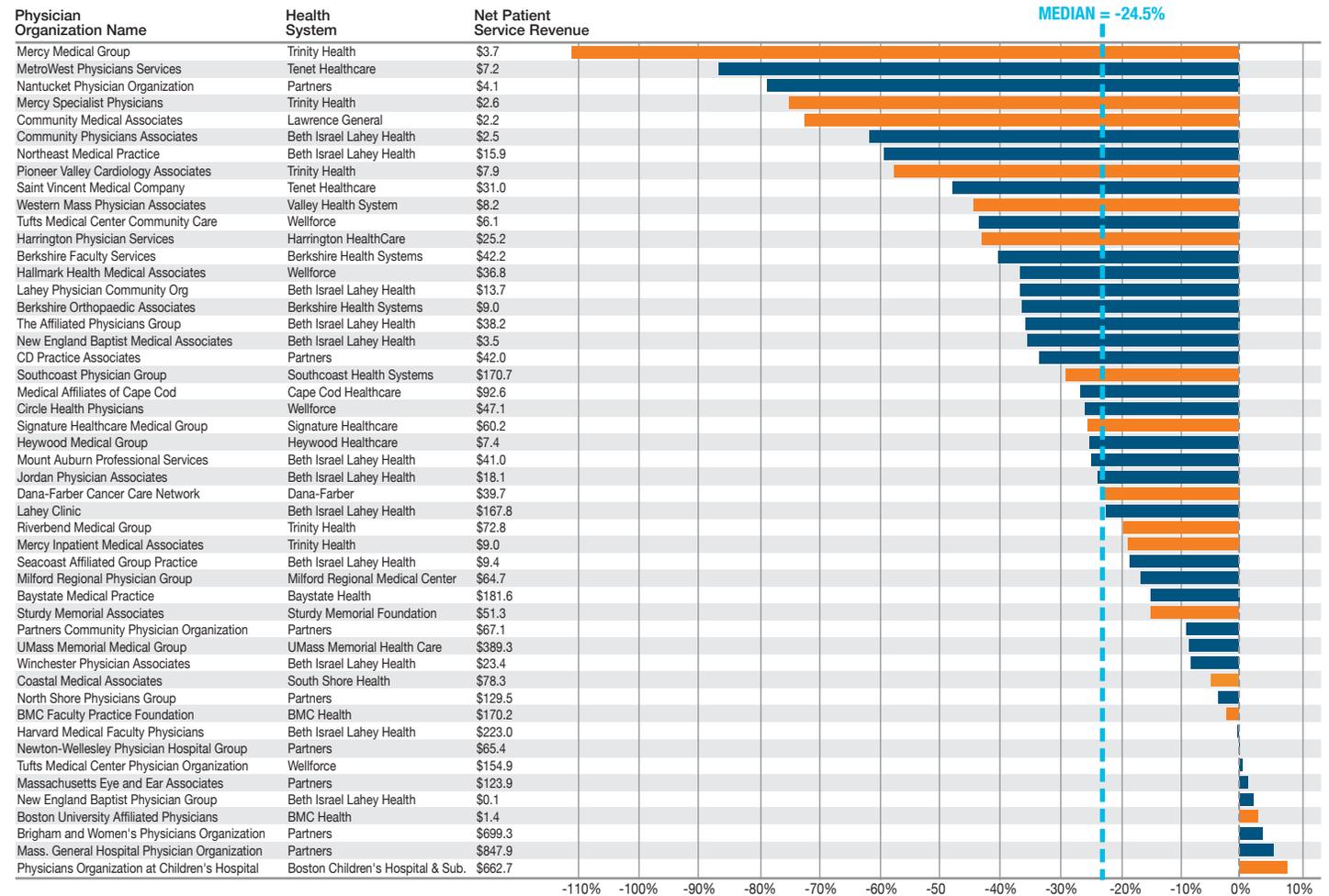
Physician organizations vary greatly in terms of size, services provided, and specialty. As a result, total margins, profits, and losses also vary.

The reported total margin ranged from -110.7% to 7.9% and the reported net patient service revenue ranged from \$84,000 to \$848 million. The reported total revenue ranged from \$84,000 to \$1.23 billion.

Only seven of 49 physician organizations reported a profit, which ranged from \$2,000 to \$68 million. The losses ranged from \$120,000 to \$60 million.

The three physician organizations with the largest revenue, Massachusetts General Hospital Physicians Organization, Brigham and Women's Physicians Organization, and Physicians Organization at Children's Hospital and Foundation, also reported the largest total margins at 5.6%, 3.9%, and 7.9%, respectively.

FY 2019 Hospital-Affiliated Physician Organization by Total Margin



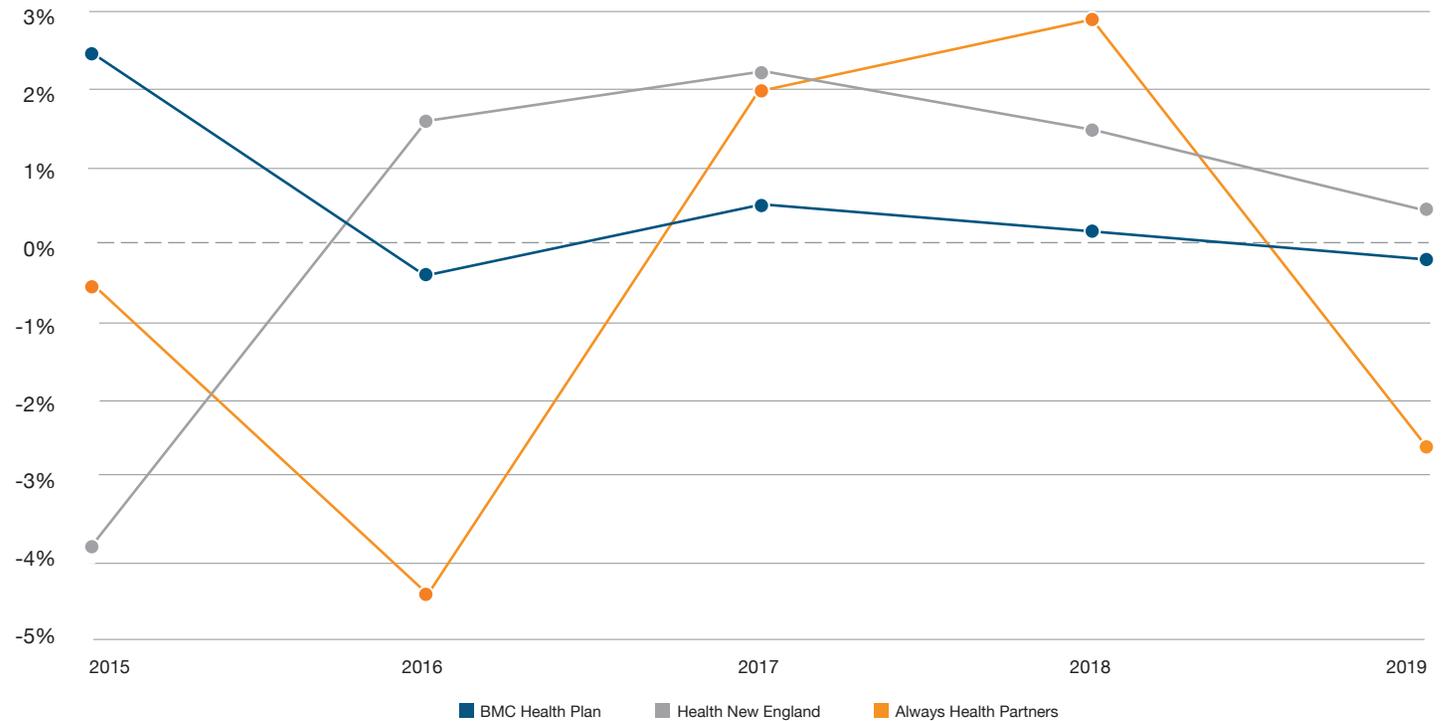
Notes: Steward Health Care's physician level data are not included as they did not submit audited financial statements. Cambridge Health Alliance reports its physician organization as an integrated component of the acute hospital.

Profitability

Three hospital health systems have an associated health plan: Baystate Health, Boston Medical Center and Affiliates, and Partners Healthcare. In FY 2019, only Health New England (affiliated with Baystate Health) reported a profit. However, no health plan saw an increase in total margin between FY 2018 and FY 2019.

The health plans' financial performances have varied during the last five fiscal years. Allways Health Partners (formerly Neighborhood Health Plan) reported a loss in FY 2019 after reporting profits in the two previous years. Health New England has reported a profit each year since FY 2016 after reporting a loss in FY 2015. BMC Health Plan reported a loss in FY 2019 after reporting profits in the two previous years.

FY 2015–2019 HHS-Affiliated Plan Total Margin



	2015	2016	2017	2018	2019
Allways Health Partners	-0.5%	-4.5%	2.0%	2.9%	-2.7%
BMC Health Plan (BMCHP)	2.5%	-0.4%	0.5%	0.2%	-0.2%
Health New England	-3.9%	1.6%	2.2%	1.5%	0.5%

Liquidity

The statewide acute hospital median current ratio has remained relatively stable over time, decreasing by 0.1 between 2018 and 2019.

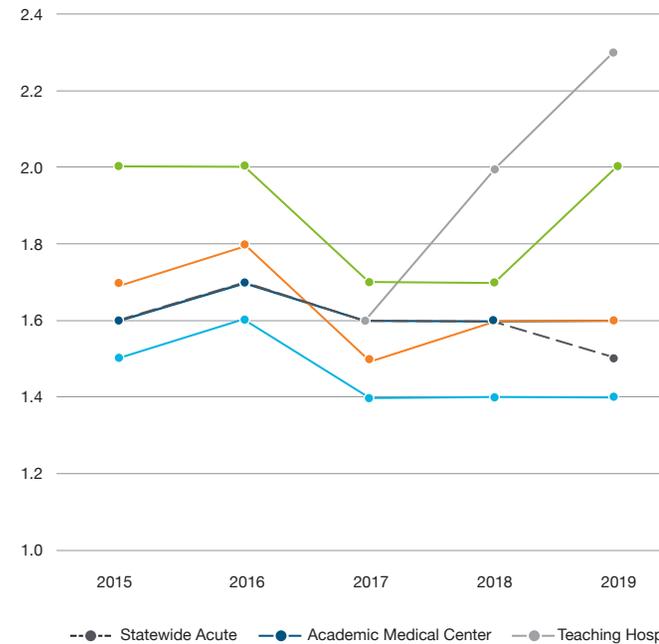
The median current ratio of the teaching hospital and community hospital cohorts each increased by 0.3, while the median current ratio of the Academic Medical Center and community-High Public Payer cohorts remained stable year over year.

The statewide acute hospital median for average payment period remained stable between 2018 and 2019. The median payment period among the Academic Medical Center, community hospital, and community-High Public Payer cohorts increased while the teaching hospital cohort experienced a decrease in median average payment period by two days.

The hospital health system median current ratio and median average payment period both remained stable between 2018 and 2019. The median current ratio remained 1.6 and the median average payment period remained at 59 days.

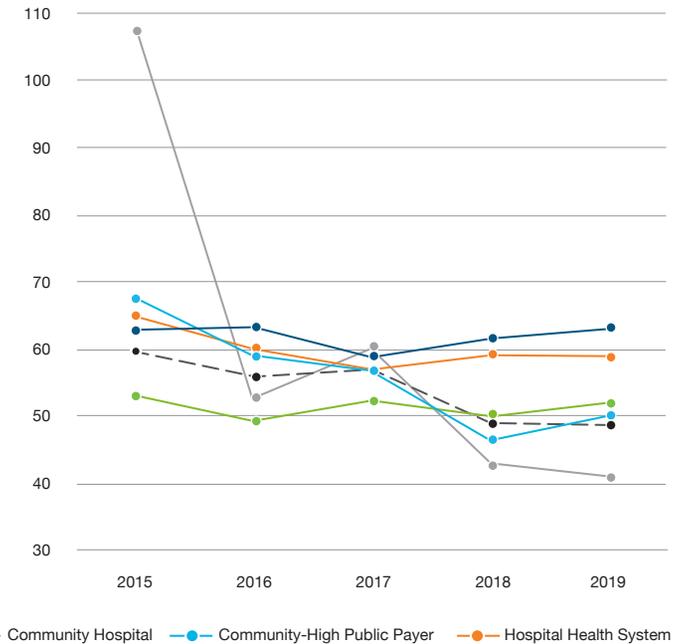
FY 2015–2019 Current Ratio and Average Payment Period Trends

Current Ratio Trends



	2015	2016	2017	2018	2019
Statewide Acute Median	1.6	1.7	1.6	1.6	1.5
Academic Medical Center	1.6	1.7	1.6	1.6	1.6
Teaching Hospital	1.6	1.7	1.6	2.0	2.3
Community Hospital	2.0	2.0	1.7	1.7	2.0
Community-High Public Payer	1.5	1.6	1.4	1.4	1.4
Health System	1.7	1.8	1.5	1.6	1.6

Average Payment Period Trends



	2015	2016	2017	2018	2019
Statewide Acute Median	60	56	57	49	49
Academic Medical Center	63	64	59	62	63
Teaching Hospital	107	53	60	43	41
Community Hospital	53	50	53	50	52
Community-High Public Payer	68	59	57	47	50
Health System	65	60	57	59	59

Notes: Steward Health Care's system level data are not included in 2016, 2017, and 2019 as they did not submit audited or standardized financial statements those years. The statewide acute hospital median includes specialty hospitals.

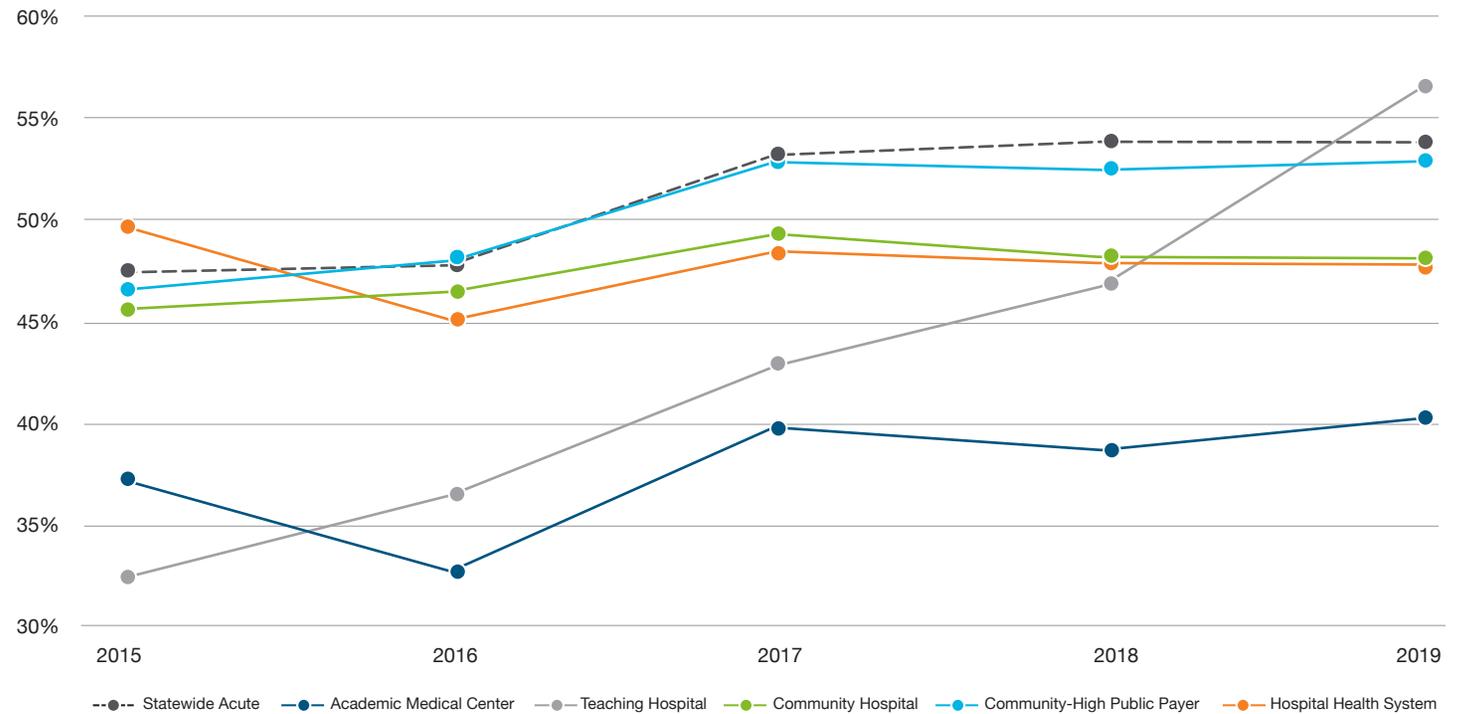
Solvency

The statewide acute hospital median for equity financing remained stable in 2019, indicating that overall hospitals were equally leveraged by debt as they were in the previous year.

The Academic Medical Center, teaching hospital, community hospital, and community-High Public Payer cohorts all experienced an increase in median equity financing ratio between 2018 and 2019.

The Academic Medical Center cohort had the lowest median equity financing ratio for the fourth consecutive year, indicating these hospitals are more leveraged by debt. The teaching hospital cohort had the highest median equity financing ratio in 2019, increasing by 9.8 percentage points compared to 2018.

FY 2015–2019 Equity Financing Ratio Trends



	2015	2016	2017	2018	2019
Statewide Acute Median	47.4%	47.7%	53.1%	53.8%	53.8%
Academic Medical Center	37.2%	32.9%	39.8%	38.8%	40.3%
Teaching Hospital	32.4%	36.5%	42.9%	46.7%	56.5%
Community Hospital	45.6%	46.5%	49.3%	48.1%	48.2%
Community-High Public Payer	46.5%	48.0%	52.8%	52.5%	52.9%
Health System	49.7%	45.1%	48.4%	47.9%	47.8%

Notes: Steward Health Care's system level data are not included in 2016, 2017, and 2019 as they did not submit audited or standardized financial statements those years. The statewide acute hospital median includes specialty hospitals.

FY 2019 Health System, Hospital, Physician Organization and Health Plan Metrics

Entity Name	Organization Type	Months Reported	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Current Ratio	Average Payment Period	Equity Financing	Net Assets (in millions)
Baystate Health		12	2.3%	3.0%	\$71.0	2.3	53	49.0%	\$1,085.0
Baystate Franklin	Community-High Public Payer	12	1.0%	1.0%	\$1.0	1.7	36	50.5%	\$46.2
Baystate Medical Center ⁶	Teaching Hospital	12	8.3%	9.0%	\$126.4	3.8	35	59.5%	\$839.0
Baystate Noble	Community-High Public Payer	12	-15.2%	-15.2%	-\$9.6	0.3	142	30.2%	\$14.7
Baystate Wing	Community-High Public Payer	12	-7.3%	-7.1%	-\$6.2	1.1	88	43.8%	\$42.9
Baystate Medical Practices	Physician Organization	12	-14.7%	-14.7%	-\$48.5				
Health New England	Health Plan	12	-0.2%	0.5%	\$0.0				
Berkshire Health Systems		12	1.5%	3.6%	\$24.2	1.7	38	73.5%	\$508.8
Berkshire Medical Center	Community-High Public Payer	12	5.2%	7.4%	\$40.1	1.4	53	74.4%	\$461.1
Fairview Hospital	Community-High Public Payer	12	6.4%	8.6%	\$5.2	1.6	27	76.1%	\$40.9
Berkshire Faculty Services	Physician Organization	12	-40.0%	-40.0%	-\$18.3				
Berkshire Orthopaedic Associates	Physician Organization	12	-36.1%	-36.1%	-\$3.4				
Beth Israel Lahey Health¹		7	1.2%	2.8%	\$102.6	3.0	88	48.2%	\$3,065.1
Anna Jaques Hospital	Community Hospital	7	-0.9%	7.5%	\$6.5	3.5	63	22.7%	\$21.0
Beth Israel Deaconess Hospital - Milton	Community Hospital	7	5.2%	6.1%	\$4.6	2.4	99	57.9%	\$92.3
Beth Israel Deaconess Hospital - Needham	Community Hospital	7	1.6%	1.7%	\$1.0	1.8	102	36.8%	\$57.3
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	7	6.1%	6.4%	\$11.3	2.1	75	50.0%	\$107.3
Beth Israel Deaconess Medical Center	Academic Medical Center	7	1.2%	2.2%	\$24.6	3.0	87	48.5%	\$1,070.5
Lahey Hospital and Medical Center	Teaching Hospital	7	11.4%	11.4%	\$74.7	2.0	65	49.5%	\$127.3
Mount Auburn Hospital	Teaching Hospital	7	4.9%	6.2%	\$12.8	3.4	94	57.6%	\$254.4
New England Baptist Hospital	Specialty Hospital	7	3.7%	4.2%	\$6.0	6.0	49	64.2%	\$153.9
Northeast Hospital	Community-High Public Payer	7	10.2%	8.6%	\$19.9	5.0	93	47.9%	\$219.2
Winchester Hospital	Community Hospital	7	5.8%	5.1%	\$8.8	4.7	103	66.1%	\$297.1
The Affiliated Physicians Group	Physician Organization	7	-35.5%	-35.5%	-\$18.2				
Community Physicians Associates	Physician Organization	7	-61.3%	-61.3%	-\$1.5				
Harvard Medical Faculty Physicians	Physician Organization	7	-1.5%	-0.3%	-\$1.4				
Jordan Physicians Associates	Physician Organization	7	-23.5%	-23.5%	-\$4.7				
Lahey Clinic	Physician Organization	7	-22.2%	-22.1%	-\$40.4				
Lahey Physician Community Org	Physician Organization	7	-36.0%	-36.3%	-\$5.1				
Mount Auburn Professional Services	Physician Organization	7	-24.3%	-24.5%	-\$11.6				

Entity Name	Organization Type	Months Reported	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Current Ratio	Average Payment Period	Equity Financing	Net Assets (in millions)
New England Baptist Medical Associates	Physician Organization	7	-35.1%	-35.1%	-\$2.4				
New England Baptist Physician Group	Physician Organization	7	2.4%	2.4%	\$0.0				
Northeast Medical Practice	Physician Organization	7	-58.9%	-58.9%	-\$9.7				
Seacoast Affiliated Group Practice	Physician Organization	7	-19.2%	-18.1%	-\$1.8				
Winchester Physician Association	Physician Organization	7	-8.0%	-8.0%	-\$2.1				
Boston Children's Hospital and Subsidiaries		12	2.8%	8.2%	\$235.0	1.5	76	71.3%	\$6,123.4
Boston Children's Hospital	Specialty Hospital	12	3.8%	0.3%	\$4.8	7.8	93	66.6%	\$4,204.3
Physicians Organization at Children's Hospital and Foundation	Physician Organization	12	2.5%	7.9%	\$66.0				
Boston Medical Center Health System		12	-0.3%	1.0%	\$42.1	1.6	44	53.7%	\$1,643.2
Boston Medical Center ^e	Academic Medical Center	12	0.6%	2.2%	\$36.7	2.0	60	54.7%	\$1,327.5
Boston University Affiliated Physicians	Physician Organization	12	3.4%	3.0%	\$0.1				
BMC Faculty Practice Foundation	Physician Organization	12	-2.4%	-2.1%	-\$7.7				
BMC Health Plan (BMCHP)	Health Plan	12	-1.2%	-0.2%	\$0.0				
Cambridge Health Alliance		12	-1.0%	1.0%	\$7.1	4.4	43	43.7%	\$249.6
Cambridge Health Alliance ^e	Teaching Hospital	12	-1.0%	0.6%	\$4.4	4.4	43	43.8%	\$249.7
Cape Cod Healthcare		12	2.2%	4.3%	\$42.8	1.7	57	69.8%	\$817.2
Cape Cod Hospital	Community-High Public Payer	12	7.3%	9.1%	\$55.9	2.2	40	72.8%	\$476.1
Falmouth Hospital	Community-High Public Payer	12	3.3%	7.1%	\$12.7	1.3	38	83.4%	\$230.8
Medical Affiliates of Cape Cod, Inc	Physician Organization	12	-26.5%	-26.4%	-\$24.8				
Dana-Farber Cancer Institute and Subsidiaries		12	-12.3%	2.7%	\$54.1	1.5	56	61.7%	\$1,906.2
Dana-Farber Cancer Institute	Specialty Hospital	12	-12.1%	3.2%	\$63.0	1.6	57	62.2%	\$1,944.5
Dana-Farber Cancer Care Network	Physician Organization	12	-22.5%	-22.4%	-\$8.9				
Emerson Health System Inc. and Subsidiaries		12	2.5%	0.8%	\$2.0	1.5	76	23.2%	\$49.3
Emerson Hospital	Community Hospital	12	2.5%	0.8%	\$2.1	1.5	76	23.4%	\$49.9
Harrington HealthCare System		12	0.5%	1.6%	\$2.7	2.3	73	53.6%	\$75.9
Harrington Hospital	Community-High Public Payer	12	8.0%	9.3%	\$13.6	2.4	85	54.6%	\$74.3
Harrington Physician Services	Physician Organization	12	-42.7%	-42.7%	-\$10.9				
Heywood Healthcare		12	0.9%	1.3%	\$2.3	1.1	48	46.9%	\$70.6
Athol Hospital	Community-High Public Payer	12	1.9%	2.1%	\$0.7	0.8	56	36.6%	\$9.3
Heywood Hospital	Community-High Public Payer	12	2.3%	2.8%	\$4.0	1.0	47	56.0%	\$53.5
Heywood Medical Group	Physician Organization	12	-24.8%	-24.9%	-\$1.9				

Entity Name	Organization Type	Months Reported	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Current Ratio	Average Payment Period	Equity Financing	Net Assets (in millions)
Lawrence General Hospital and Affiliates		12	-4.3%	-3.6%	-\$9.9	1.6	85	33.7%	\$101.1
Lawrence General Hospital	Community-High Public Payer	12	-1.9%	-2.0%	-\$5.1	1.4	92	40.6%	\$107.4
Community Medical Associates.	Physician Organization	12	-72.1%	-72.1%	-\$3.1				
Milford Regional Medical Center and Affiliates		12	-0.1%	0.7%	\$2.0	2.2	45	44.8%	\$128.2
Milford Regional Medical Center	Community Hospital	12	4.9%	6.0%	\$13.9	2.6	45	46.4%	\$125.0
Milford Regional Physician Group	Physician Organization	12	-16.2%	-16.3%	-\$11.9				
Partners HealthCare		12	3.5%	3.5%	\$486.2	2.8	71	45.9%	\$9,747.7
Brigham & Women's Faulkner Hospital	Community Hospital	12	8.1%	8.1%	\$23.6	1.3	43	68.5%	\$104.0
Brigham & Women's Hospital	Academic Medical Center	12	7.0%	7.0%	\$229.1	1.3	66	32.1%	\$977.5
Cooley Dickinson Hospital	Community Hospital	12	6.4%	7.6%	\$15.7	0.8	49	38.1%	\$52.3
Martha's Vineyard Hospital	Community Hospital	12	5.6%	9.7%	\$10.0	2.2	40	77.9%	\$128.8
Massachusetts Eye & Ear Infirmary	Specialty Hospital	12	0.8%	-2.3%	-\$6.5	1.5	76	19.6%	\$49.5
Massachusetts General Hospital	Academic Medical Center	12	9.6%	9.6%	\$431.1	1.4	44	64.3%	\$2,701.8
Nantucket Cottage Hospital	Community Hospital	12	-13.9%	-6.6%	-\$3.3	3.4	43	93.9%	\$158.7
Newton-Wellesley Hospital	Community Hospital	12	-8.1%	-8.3%	-\$44.0	0.9	43	39.4%	\$159.9
North Shore Medical Center	Community-High Public Payer	12	-0.7%	-0.6%	-\$2.8	0.8	85	-62.8%	(\$318.0)
Brigham and Women's Physicians Organization	Physician Organization	12	2.4%	3.9%	\$36.5				
CD Practice Associates	Physician Organization	12	-33.1%	-33.1%	-\$14.2				
Massachusetts Eye and Ear Associates	Physician Organization	12	1.3%	1.4%	\$2.0				
Massachusetts General Hospital Physicians Organization	Physician Organization	12	3.9%	5.6%	\$68.2				
Nantucket Physician Organization	Physician Organization	12	-78.4%	-78.4%	-\$3.2				
Newton-Wellesley Physician Hospital Group	Physician Organization	12	0.0%	-0.1%	-\$0.1				
North Shore Physicians Group	Physician Organization	12	-3.5%	-3.4%	-\$5.6				
Partners Community Physician Organization	Physician Organization	12	-10.8%	-8.7%	-\$9.7				
Allways Health Partners	Health Plan	12	-3.2%	-2.7%	\$0.0				
Shriners Hospitals for Children		12	-36.9%	-4.7%	-\$43.3	10.0	364	90.9%	\$9,615.8
Shriners Hospital for Children - Boston*	Specialty Hospital								
Shriners Hospital for Children - Springfield*	Specialty Hospital								
Signature Healthcare Corporation		12	-3.4%	-1.8%	-\$6.7	1.1	56	26.6%	\$77.5
Signature Healthcare Brockton Hospital	Community-High Public Payer	12	1.6%	3.5%	\$10.6	1.1	62	24.9%	\$64.2
Signature Healthcare Medical Group	Physician Organization	12	-25.1%	-25.1%	-\$17.8				

Entity Name	Organization Type	Months Reported	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Current Ratio	Average Payment Period	Equity Financing	Net Assets (in millions)
South Shore Health System Inc.		12	-0.6%	-0.5%	-\$3.6	1.6	64	47.4%	\$411.1
South Shore Hospital	Community Hospital	12	0.9%	0.5%	\$3.6	1.4	55	49.9%	\$341.3
Coastal Medical Associates	Physician Organization	12	-4.6%	-4.6%	-\$3.9				
Southcoast Health Systems		12	0.6%	3.1%	\$34.8	1.3	58	64.1%	\$780.9
Southcoast Hospital Group	Community-High Public Payer	12	6.4%	8.5%	\$76.6	1.4	65	59.6%	\$575.3
Southcoast Physician Group	Physician Organization	12	-28.7%	-28.7%	-\$59.6				
Steward Health Care^v									
Morton Hospital	Community-High Public Payer	12	2.5%	2.5%	\$3.1	1.4	29	64.4%	\$25.1
Nashoba Valley Medical Center	Community-High Public Payer	12	-1.0%	-1.0%	-\$0.6	1.5	34	51.9%	\$7.1
Steward Carney Hospital ^e	Teaching Hospital	12	-14.2%	-14.2%	-\$16.8	1.4	31	56.5%	\$22.9
Steward Good Samaritan Medical Center	Community-High Public Payer	12	20.1%	20.1%	\$62.5	1.5	34	55.6%	\$34.6
Steward Holy Family Hospital	Community-High Public Payer	12	9.5%	9.5%	\$25.3	1.3	36	43.6%	\$23.2
Steward Norwood Hospital	Community-High Public Payer	12	12.3%	12.3%	\$25.0	1.3	35	62.0%	\$32.7
Steward Saint Anne's Hospital	Community-High Public Payer	12	18.9%	18.9%	\$55.2	1.7	30	56.6%	\$32.4
Steward St. Elizabeth's Medical Center ^e	Teaching Hospital	12	12.6%	12.6%	\$50.3	1.2	41	38.3%	\$28.8
Steward Medical Group	Physician Organization								
Sturdy Memorial Foundation and Affiliates		12	-1.2%	7.6%	\$21.3	1.5	39	91.3%	\$457.5
Sturdy Memorial Hospital	Community-High Public Payer	12	1.7%	11.8%	\$26.4	1.4	46	91.3%	\$402.0
Sturdy Memorial Associates	Physician Organization	12	-14.6%	-14.6%	-\$8.3				
Tenet Healthcare		12	-0.1%	-1.3%	-\$232.0	1.2	87	8.5%	\$1,989.0
MetroWest Medical Center	Community-High Public Payer	12	2.4%	2.6%	\$7.0	1.9	43	42.3%	\$54.9
Saint Vincent Hospital ^e	Teaching Hospital	12	14.2%	14.2%	\$73.7	2.3	37	139.3%	\$561.2
Metrowest Physician Services	Physician Organization	12	-86.3%	-86.3%	-\$7.4				
Saint Vincent Medical Company	Physician Organization	12	-47.6%	-47.6%	-\$16.2				
Trinity Health		12	1.6%	4.0%	\$786.0	2.2	77	51.3%	\$13,835.4
Mercy Medical Center	Community-High Public Payer	12	-4.5%	-4.2%	-\$13.3	4.5	38	53.8%	\$157.5
Mercy Inpatient Medical Associates	Physician Organization	12	-18.2%	-18.6%	-\$3.1				
Mercy Medical Group	Physician Organization	12	-87.0%	-110.7%	-\$5.5				
Mercy Specialist Physicians	Physician Organization	12	-74.7%	-74.7%	-\$2.1				
Pioneer Valley Cardiology Associates	Physician Organization	12	-57.2%	-57.2%	-\$4.7				
Riverbend Medical Group	Physician Organization	12	-18.6%	-19.2%	-\$15.2				

Entity Name	Organization Type	Months Reported	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Current Ratio	Average Payment Period	Equity Financing	Net Assets (in millions)
UMass Memorial Health Care		12	4.6%	7.5%	\$216.7	2.0	63	40.4%	\$1,076.5
HealthAlliance - Clinton Hospital	Community-High Public Payer	12	-6.0%	-4.0%	-\$8.2	0.9	82	59.6%	\$155.1
Marlborough Hospital	Community-High Public Payer	12	-1.8%	0.3%	\$0.3	2.5	46	59.9%	\$46.0
UMass Memorial Medical Center ^e	Academic Medical Center	12	1.9%	2.6%	\$48.3	1.8	67	14.4%	\$194.8
UMass Memorial Medical Group Inc.	Physician Organization	12	-8.6%	-8.3%	-\$46.3				
Valley Health System		12	0.0%	0.2%	\$0.4	1.4	49	-6.6%	(\$7.9)
Holyoke Medical Center	Community-High Public Payer	12	2.4%	2.6%	\$4.7	1.3	52	-18.1%	(\$16.4)
Western Mass Physician Associates	Physician Organization	12	-44.0%	-44.0%	-\$4.3				
Wellforce		12	0.0%	5.9%	\$129.5	1.2	59	33.6%	\$693.2
Lowell General Hospital	Community-High Public Payer	12	2.8%	3.0%	\$14.1	1.1	80	30.3%	\$137.8
MelroseWakefield Health	Community-High Public Payer	12	5.6%	8.2%	\$20.6	1.4	74	48.8%	\$178.3
Tufts Medical Center ^e	Academic Medical Center	12	3.7%	3.6%	\$33.9	1.2	47	17.0%	\$143.3
Circle Health Physicians	Physician Organization	12	-25.5%	-25.5%	-\$12.2				
Hallmark Health Medical Associates	Physician Organization	12	-36.3%	-36.3%	-\$15.5				
Tufts Medical Center Community Care	Physician Organization	12	-43.2%	-43.2%	-\$3.5				
Tufts Medical Center Physician Organization	Physician Organization	12	0.6%	0.5%	\$1.4				

All dollar values are in millions.

¹ Beth Israel Lahey Health merged effective March 1, 2019. For that reason, only seven months of data are included in this report.

^e Hospital meets the High Public Payer threshold.

^v Steward Health Care's system level and physician organization data are not included as they did not submit audited or standardized financial statements.

* Shriners Hospital Boston (SHB) and Shriners Hospital Springfield (SHS) are part of the national Shriners Hospitals for Children system (SHC) and are reliant upon support from the SHC endowment to cover the costs associated with fulfilling their mission to provide care to patients regardless of /their ability to pay. This support is provided through transfers from the SHC's endowment to the hospitals, as these transfers are not considered revenue for the purpose of calculating profitability margin, SHB's and SHS's profitability margins are not comparable to other acute hospitals. Therefore, they have been excluded from the graphics but are included in the statewide median and the [databook](#).

Report Notes

Acute Hospital and Health System

Fiscal Year-End Dates

The Fiscal Year 2019 analysis is based on 12 months of financial data for all entities with the exception of Beth Israel Lahey Health, for which the data represents seven months of data. The majority of health systems and hospitals have a fiscal year end date of September 30; however, Cambridge Health Alliance and Mercy Medical Center have a June 30 year end date, and MetroWest Medical Center, Saint Vincent Hospital, Shriners – Boston, Shriners – Springfield, and Steward Health Care System’s eight hospitals have a December 31 year end date.

Hospitals	Fiscal Year End	FY 2019 Data Period
Majority of Hospitals (47)	9/30	10/1/18 – 9/30/19
Cambridge Health Alliance Mercy Medical Center	6/30	7/1/18- 6/30/19
MetroWest Medical Center Saint Vincent Hospital Shriners Hospitals for Children Boston Shriners Hospitals for Children Springfield Steward Health Care System Hospitals (8)	12/31	1/1/19- 12/31/19

Data Caveats

Beth Israel Lahey Health became financially consolidated in March 2019. Seven months of data are reported for the system and its affiliated hospitals and physician organizations representing the period from March 1 through September 30, 2019. This is the first annual report in which they are reported as a single health system.

Acute Hospital Cohort Definitions

Acute hospitals were assigned to one of the following cohorts according to the criteria below. Please note that some AMCs and teaching hospitals have High Public Payer (HPP) status; this has been noted throughout the report where applicable. For this report, FY 2018 Hospital Cost Report data is used to determine cohorts.

Academic medical centers (AMCs) are a subset of teaching hospitals. AMCs are characterized by (1) extensive research and teaching programs, and (2) extensive resources for tertiary and quaternary care, and are (3) principal teaching hospitals for their respective medical schools, and (4) full service hospitals with case mix intensity greater than 5% above the statewide average.

Teaching hospitals are those hospitals that report at least 25 full-time equivalent medical school residents per 100 inpatient beds in accordance with Medicare Payment

Advisory Commission and which do not meet the criteria to be classified as AMCs.

Community hospitals are hospitals that do not meet the 25 full-time equivalents medical school residents per 100 beds criteria to be classified as a teaching hospital and have a public payer mix of less than 63%.

Community-High Public Payer (HPP) are community hospitals that are disproportionately reliant upon public revenues by virtue of a public payer mix of 63% or greater. Public payers include Medicare, MassHealth and other government payers, including the Health Safety Net.

Specialty hospitals are not included in any cohort comparison analysis due the unique patient populations they serve and/or the unique sets of services they provide. However, specialty hospitals are included in all statewide median calculations. ■



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