

CENTER FOR HEALTH INFORMATION AND ANALYSIS

**MASSACHUSETTS
ACUTE HOSPITAL
AND HEALTH
SYSTEM FINANCIAL
PERFORMANCE: FY 2016**

AUGUST 2017



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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 context in which hospitals operate, CHIA has expanded reporting to include the financial performance of hospital health systems, physician organizations (PO), and related health plans.

In Fiscal Year (FY) 2016, Massachusetts had 30 hospital health systems and 63 acute hospitals. Hospitals are grouped into five cohorts: Academic Medical Centers (AMC), teaching, community, High Public Payer (HPP), and specialty. Eleven hospital health systems are multi-acute systems that operate more than one acute hospital. Nineteen systems are single acute hospital health systems. Three systems (Tenet Healthcare, Trinity Health Care Inc., 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 Healthcare did not submit the required hospital level or system level audited financial statement data. As such, financial data for Steward's acute hospitals were sourced from the Center for Medicare and Medicaid 2552 Hospital Cost Report. As there was no publicly available data source for the system level and physician organization data, this information could not be included in this report.

This report contains 12 months of data for FY 2016 for all systems and hospitals regardless of the year end. Most hospitals' fiscal year end is September 30, with the exception of Steward Healthcare, Trinity Health, Cambridge Health Alliance, Tenet Healthcare, and Shriners Hospitals for Children, which have alternative fiscal year ends.

Baystate Mary Lane Hospital merged with Baystate Wing Hospital on September 10, 2016. Baystate Mary Lane Hospital only submitted an income statement for FY 2016 activities. As such, the hospital's data is included in statewide and acute cohort medians for profitability.

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

KEY FINDINGS

22

In 2016, the majority of parent systems that provided data, 22 out of 29, reported a profit.

47

The majority of acute hospitals reported a profit in FY 2016. Forty-seven out of 63 acute hospitals reported a profit in FY 2016.

3.1%

The statewide median acute hospital total margin was 3.1%, which is a 0.7 percentage point decrease between FY 2015 and FY 2016.

2.6%

The statewide median acute hospital operating margin is 2.6%, which is a 0.6 percentage point decrease between FY 2015 and FY 2016.



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



Most physician organizations reported a financial loss in FY 2016.

1.8

The statewide median current ratio was 1.8, which is a 0.2 point increase between FY 2015 and FY 2016.

58

Fifty-eight hospitals had positive net assets in FY 2016.

PROFITABILITY

FY 2016 Total Margin for Systems with Multiple Acute Hospitals

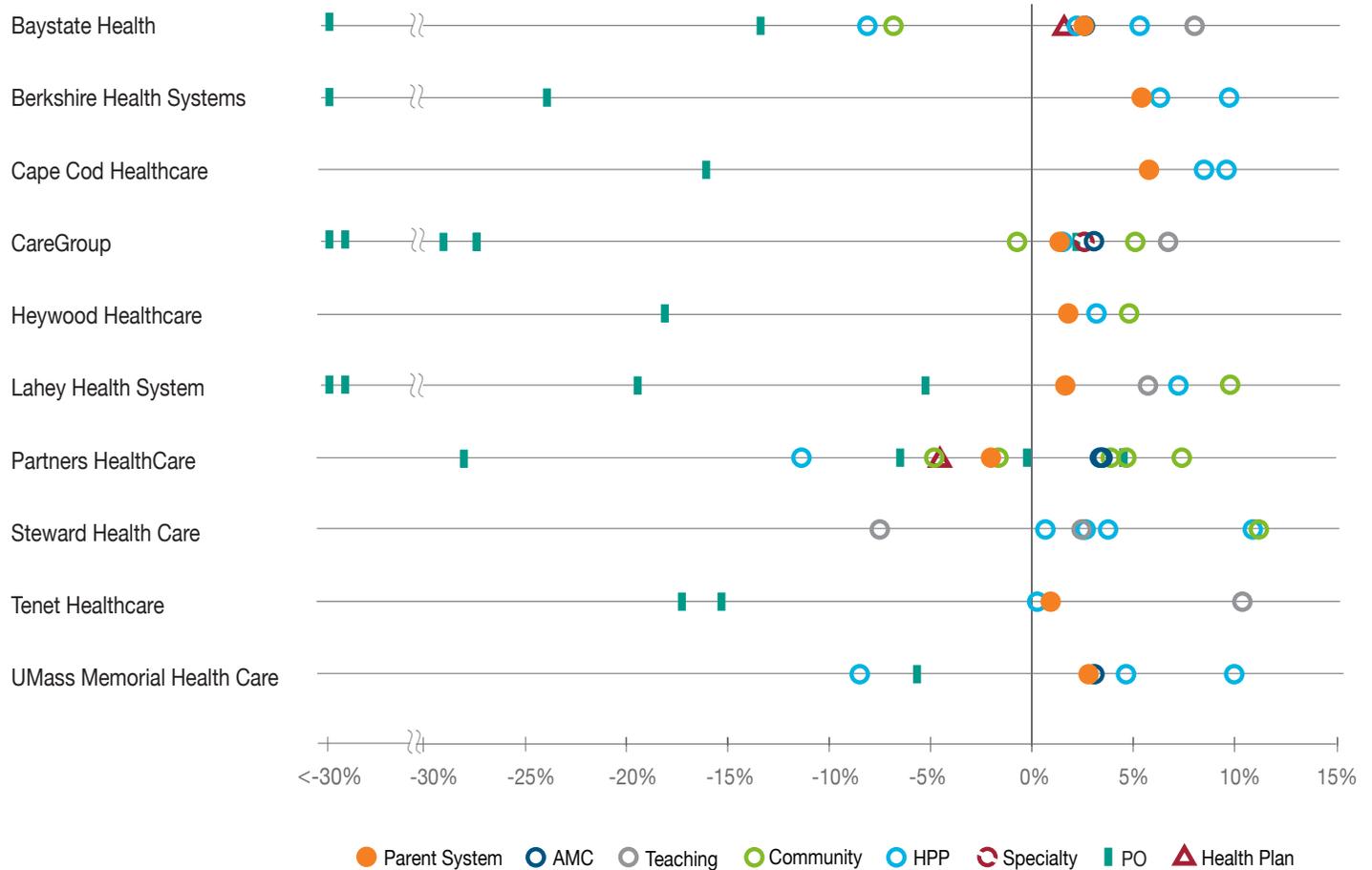
by Component Entity

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

Nine of the 10 multi-acute systems that reported data were profitable. The total margin for these systems ranged from -2.0% for Partners HealthCare to 5.8% for Cape Cod Healthcare. The component acute hospital total margins ranged from -11.4% for Partners' North Shore Hospital to 11.2% for Steward Norwood Hospital.

Most associated physician organizations reported negative margins. One associated health plan reported a loss and one reported a profit.

In general, acute hospitals performed better than their parent systems and related entities.



Notes: Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences.

Steward Health Care's system level data are not included as they did not submit audited financial statements.

Six physician organizations are outliers with margins less than -30%. Detailed information is provided in the accompanying [databook](#).

For complete definitions of acute hospital cohorts, please see page 26.

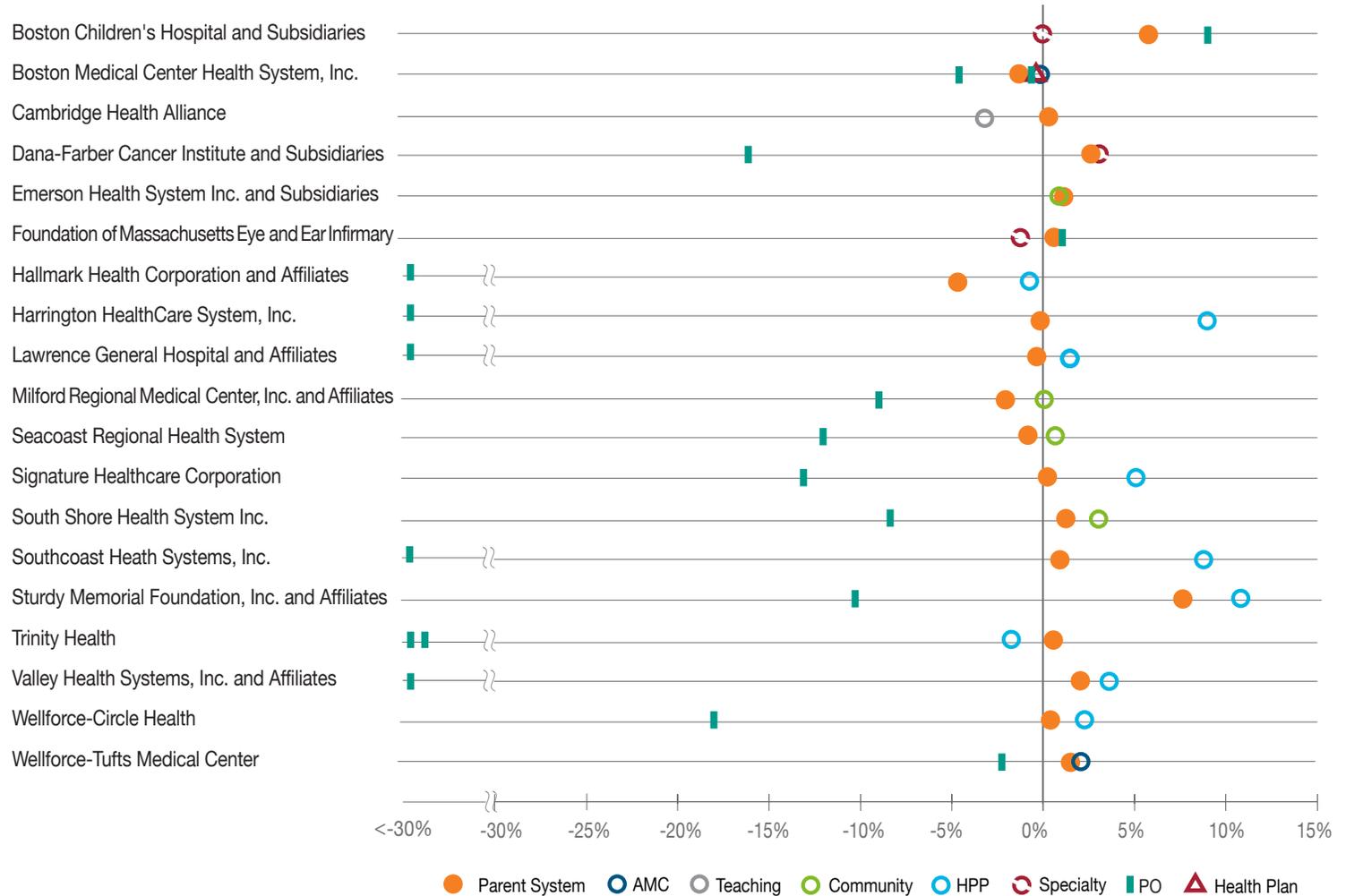
PROFITABILITY

FY 2016 Total Margin for Independent Health Systems

by Component Entity

Thirteen out of 19 independent acute systems reported a profit in FY 2016. Hospital health system performance ranged from -4.7% at Hallmark Health to 7.7% at Sturdy Memorial. Acute hospital performance ranged between -3.2% at Cambridge Health Alliance to 10.7% at Sturdy Memorial Hospital. As was the case for multiple acute hospital systems, independent acute hospitals tended to perform better than their parent systems.

Most associated physician organizations reported negative margins. The associated health plan reported a loss.



Notes: Seven physician organizations are outliers with margins less than -30%. Detailed information is provided in the accompanying [databook](#).

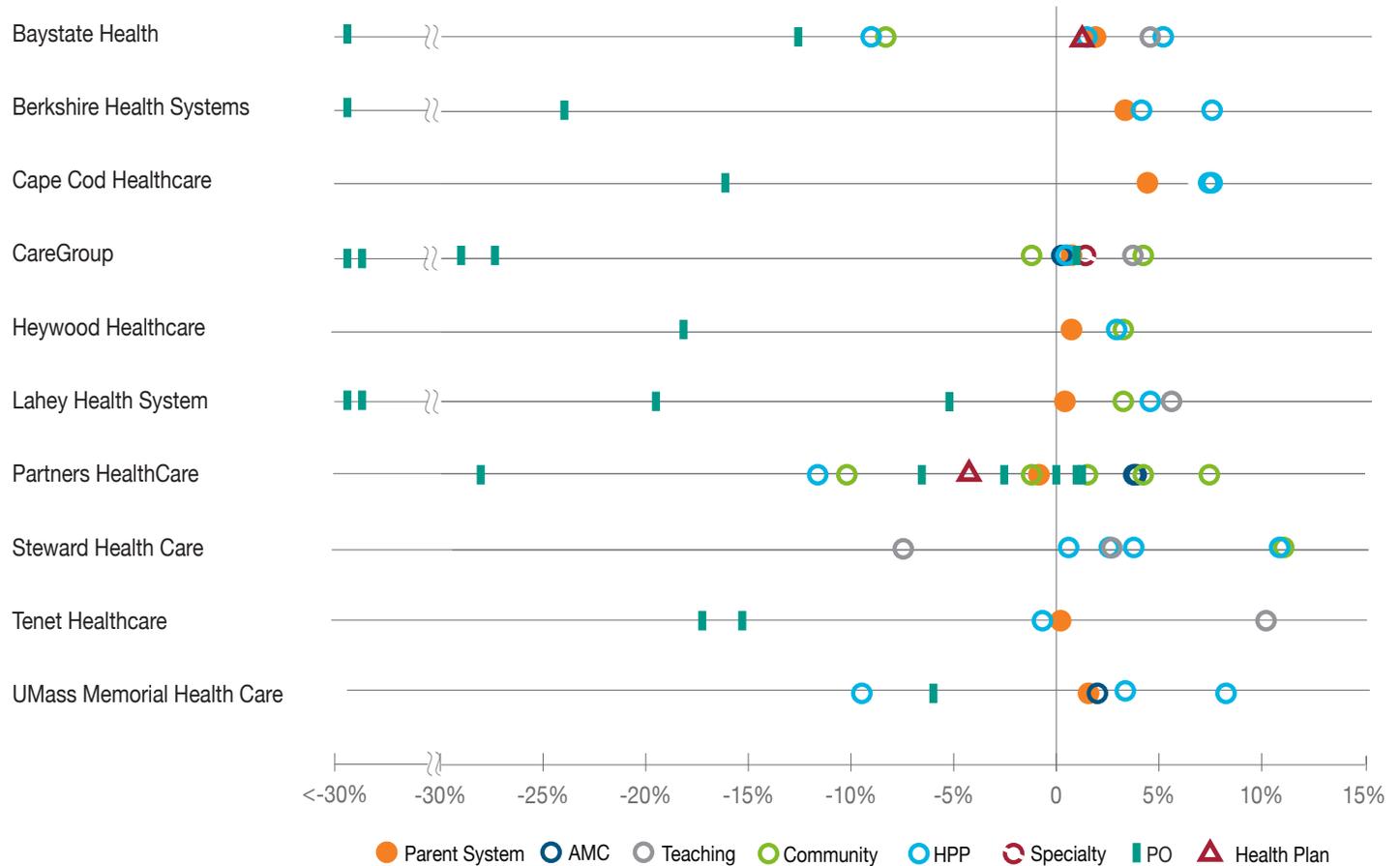
PROFITABILITY

FY 2016 Operating Margin for Systems with Multiple Acute Hospitals by Component Entity

Operating margin is the ratio of operating income/loss to total revenue. It reflects revenues and expenses associated with patient care activities, but does not include investments, research, and other non-operating revenues or expenses.

Of the ten multi-acute hospital systems that reported data, eight reported a positive operating margin. Parent system performance ranged from -0.9% for Partners HealthCare to 4.5% for Cape Cod Healthcare. Acute hospital performance varied between -11.6% for Partner's North Shore Hospital to 11.2% for Steward Norwood Hospital.

Similar to total margin, most physician organizations reported negative operating margins. One associated health plan reported an operating loss and one reported an operating profit.



Notes: Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences.
Steward Health Care's system level data are not included as they did not submit audited financial statements.
Six physician organizations are outliers with margins less than -30%. Detailed information is provided in the accompanying [databook](#).

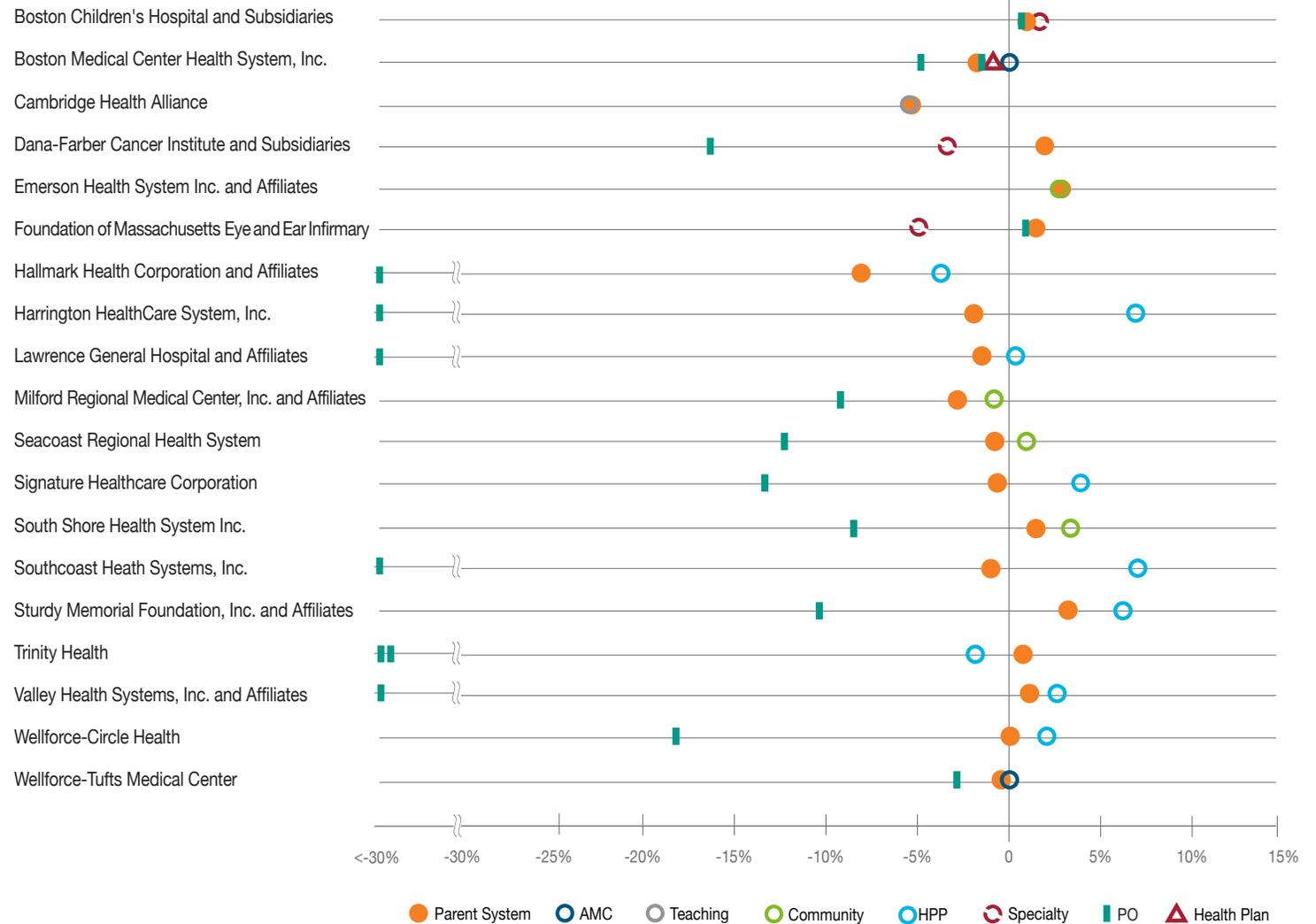
PROFITABILITY

FY 2016 Operating Margin for Independent Health Systems by Component Entity

Nine out of the 19 systems reported a positive operating income. Parent system operating margins ranged from -7.9% at Hallmark Health to 3.5% at Sturdy Memorial Foundation.

Among acute hospitals, operating performance ranged from -5.3% at Cambridge Health Alliance to 7.2% at Southcoast Hospital.

Most associated physician organizations reported an operating loss. One associated health plan reported an operating loss.



Notes: Seven physician organizations are outliers with margins less than -30%. Detailed information is provided in the accompanying [databook](#).

PROFITABILITY

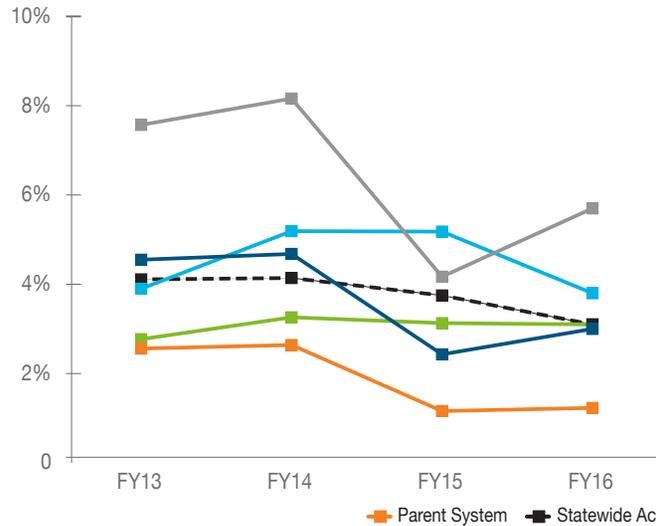
FY 2013 - FY 2016 Total and Operating Margin Trends

by Hospital Cohort

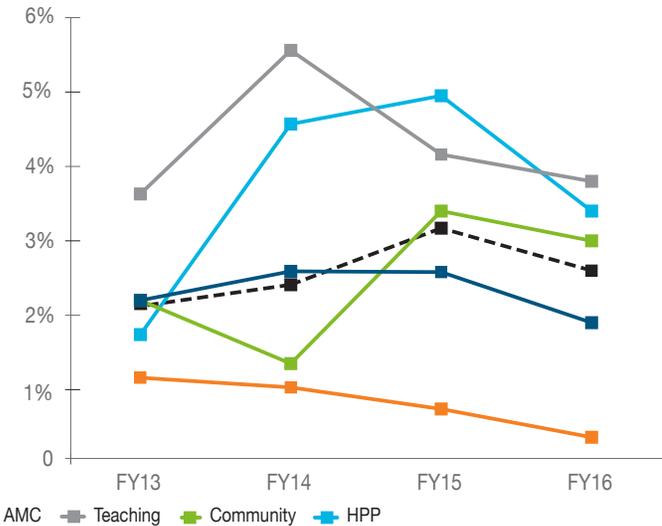
The statewide median for both total margin and operating margin decreased modestly between FY 2015 and FY 2016. The AMC and teaching cohorts' median total margin increased by 0.6 and 1.5 percentage points, respectively, while the community hospital cohort's median total margin remained the same. The community-HPP cohort's median total margin decreased by 1.4 percentage points. The total margin for parent systems remained the same at 1.2%.

All cohorts' operating margin decreased between FY 2015 and FY 2016. The largest decrease was in the community-HPP cohort, which decreased by 1.6 percentage points. Parent systems' operating margin decreased by 0.3 percentage points between FY 2015 and FY 2016.

Total Margin Trend



Operating Margin Trend



	2013	2014	2015	2016
Statewide Median* (63 of 63 hospitals)	4.1%	4.1%	3.8%	3.1%
AMC (6 of 6 hospitals)	4.6%	4.7%	2.4%	3.0%
Teaching (7 of 7 hospitals)	7.6%	8.2%	4.2%	5.7%
Community (15 of 15 hospitals)	2.8%	3.3%	3.1%	3.1%
Community-HPP (29 of 29 hospitals)	3.9%	5.2%	5.2%	3.8%

	2013	2014	2015	2016
Statewide Median* (63 of 63 hospitals)	2.1%	2.4%	3.2%	2.6%
AMC (6 of 6 hospitals)	2.2%	2.6%	2.6%	1.9%
Teaching (7 of 7 hospitals)	3.6%	5.6%	4.2%	3.8%
Community (15 of 15 hospitals)	2.2%	1.4%	3.4%	3.0%
Community-HPP (29 of 29 hospitals)	1.9%	4.6%	5.0%	3.4%

	2013	2014	2015	2016
Health System (29 of 30 for 2016)	2.6%	2.6%	1.2%	1.2%

	2013	2014	2015	2016
Health System (29 of 30 for 2016)	1.2%	1.0%	0.7%	0.4%

*Statewide median includes specialty hospitals.

Notes: Steward Health Care's system level data are not included as they did not submit audited financial statements.

PROFITABILITY

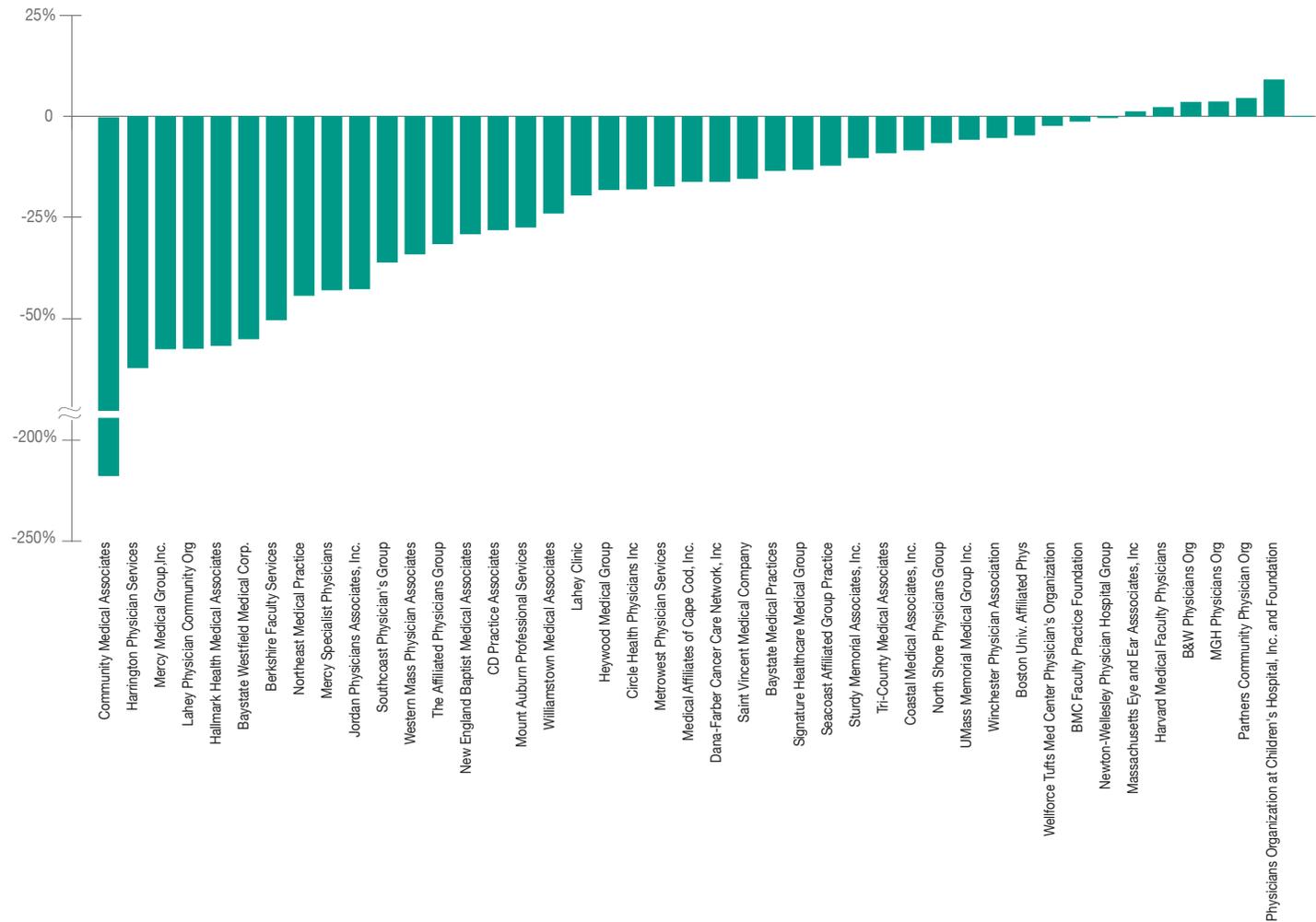
FY 2016 Physician Organization Total Margin

Physician organizations vary greatly in terms of size, services provided, and specialty. The total revenue reported by these organizations ranged from \$1.7 million to \$1 billion in FY 2016.

The median total margin for physician organizations was -16.1%. Total margins and the amount of profits and losses varied greatly. This variation did not appear to be related to whether a physician was affiliated with a multi or individual acute hospital health system.

The majority of physician organizations, 37 of 43, reported losses in FY 2016. Losses ranged from \$223,000 for Newton-Wellesley Physician Hospital Group to \$64 million for Southcoast Physician's Group.

The largest physician organizations with the highest total revenue reported the largest profits. They were Physicians Organization at Children's Hospital and Massachusetts General Hospital Physicians Organization, which reported profits of \$65 million and \$36 million, respectively.



Notes: Steward Health Care's physician level data are not included as they did not submit audited financial statements.

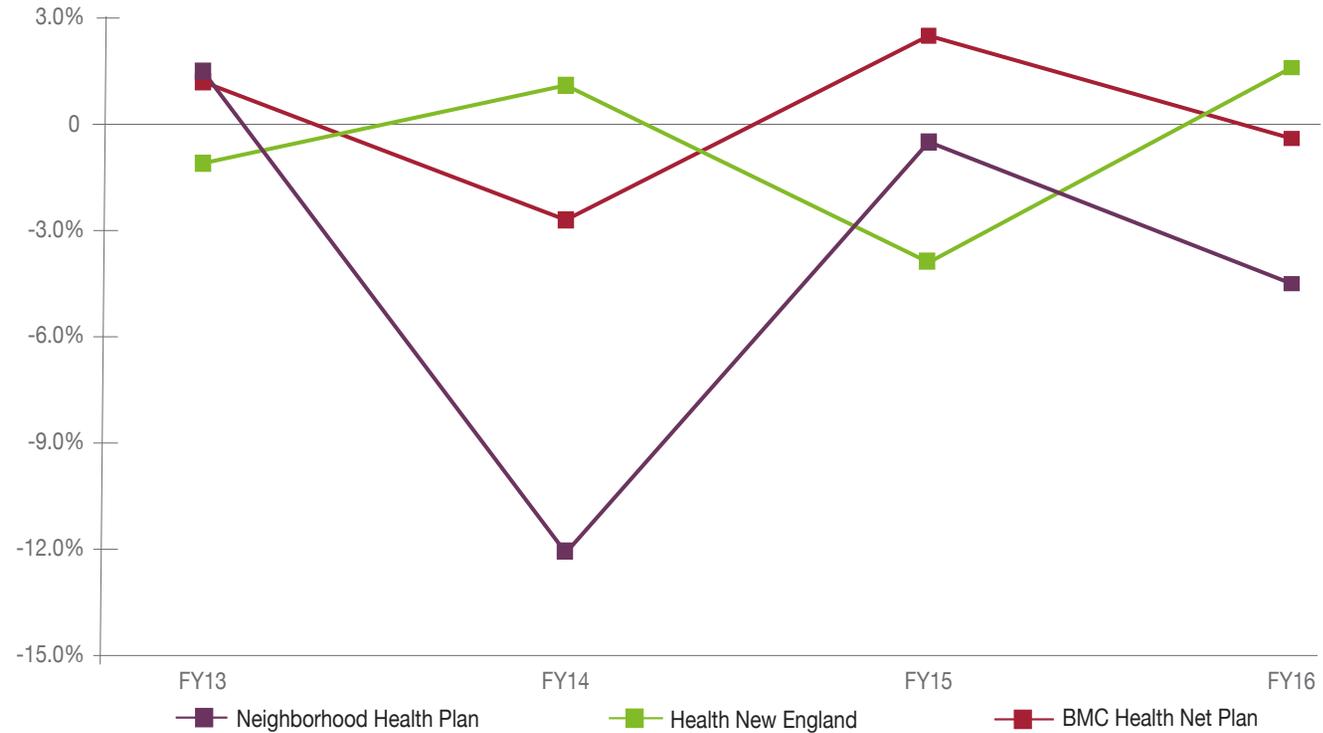
Emerson Health System does not wholly own its physician organization and Cambridge Health Alliance reports its physician organization as an integrated component of the acute hospital.

PROFITABILITY

FY 2013 - FY 2016 Health Plan Total Margin Trend

Three systems are associated with health plans: Baystate Health, Boston Medical Center and Affiliates, and Partners Healthcare. In FY 2016, Baystate Health's Health New England Plan was the only affiliated health plan that reported a profit.

Health plan financial performance varied from year to year. Partner's Neighborhood Health Plan reported losses for the past three years. Boston Medical Center's Health Net Plan reported a loss in FY 2016 and FY 2014 but was profitable in FY 2015 and FY 2013.



	2013	2014	2015	2016
Neighborhood Health Plan (Partners Healthcare)	1.5%	-12.1%	-0.5%	-4.5%
Health New England (Baystate Health)	-1.1%	1.1%	-3.9%	1.6%
BMC Health Net Plan (Boston Medical Center and Affiliates)	1.2%	-2.7%	2.5%	-0.4%

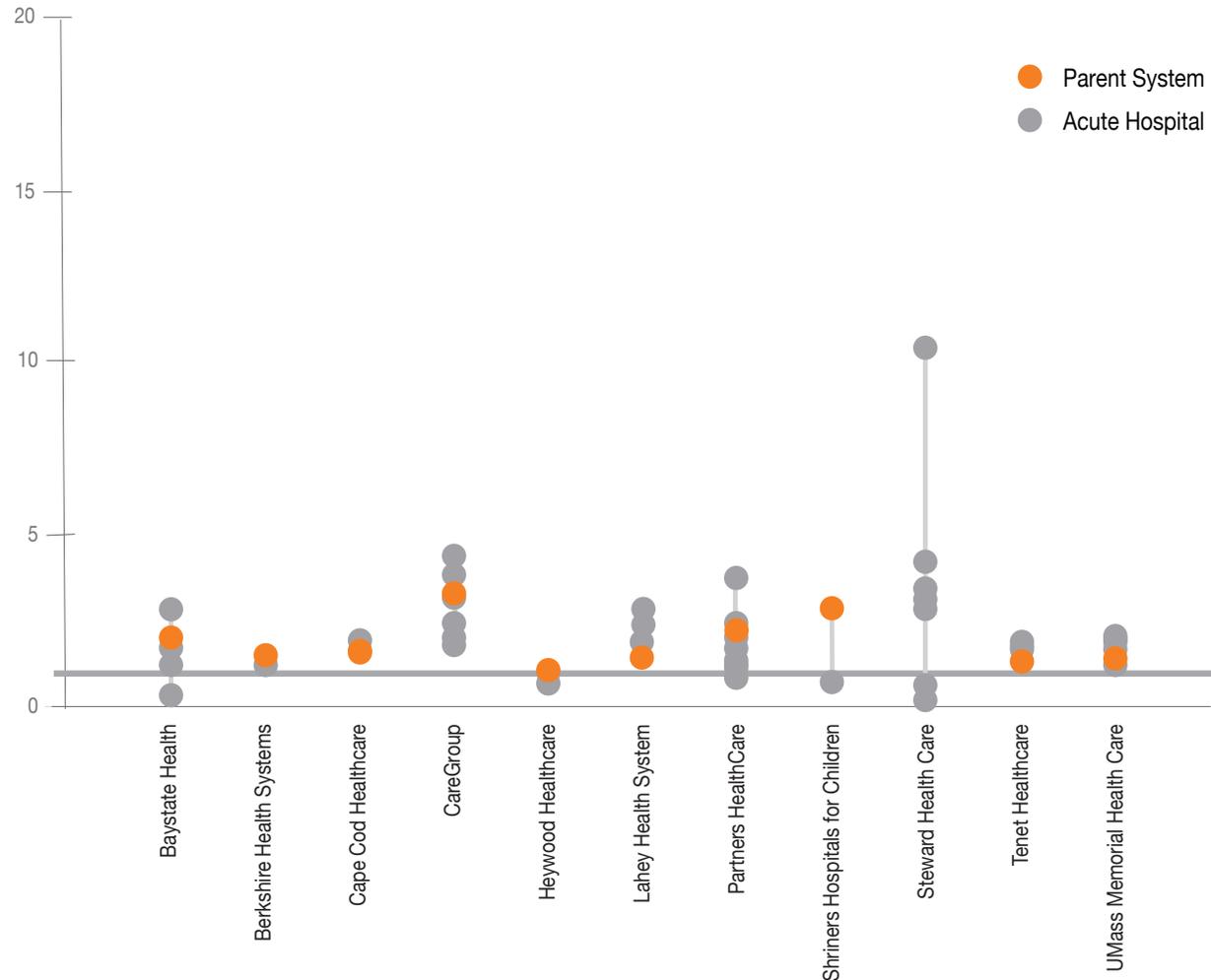
LIQUIDITY

FY 2016 Current Ratio for Systems with Multiple Acute Hospitals

Current ratio measures short-term financial health and indicates whether an entity is able to meet current liabilities with current assets. A ratio of 1.0 or higher indicates that current liabilities could be adequately covered by existing current assets and indicates financial stability.

All of the systems with multiple acute hospitals that provided data reported a current ratio above 1.0. Several acute hospitals reported a current ratio below 1.0, including Athol Memorial Hospital, Baystate Noble Hospital, Cooley Dickinson Hospital, three Steward Health Care hospitals and both Shriners Hospitals.

Steward Saint Anne's reported the highest current ratio, at 10.4.



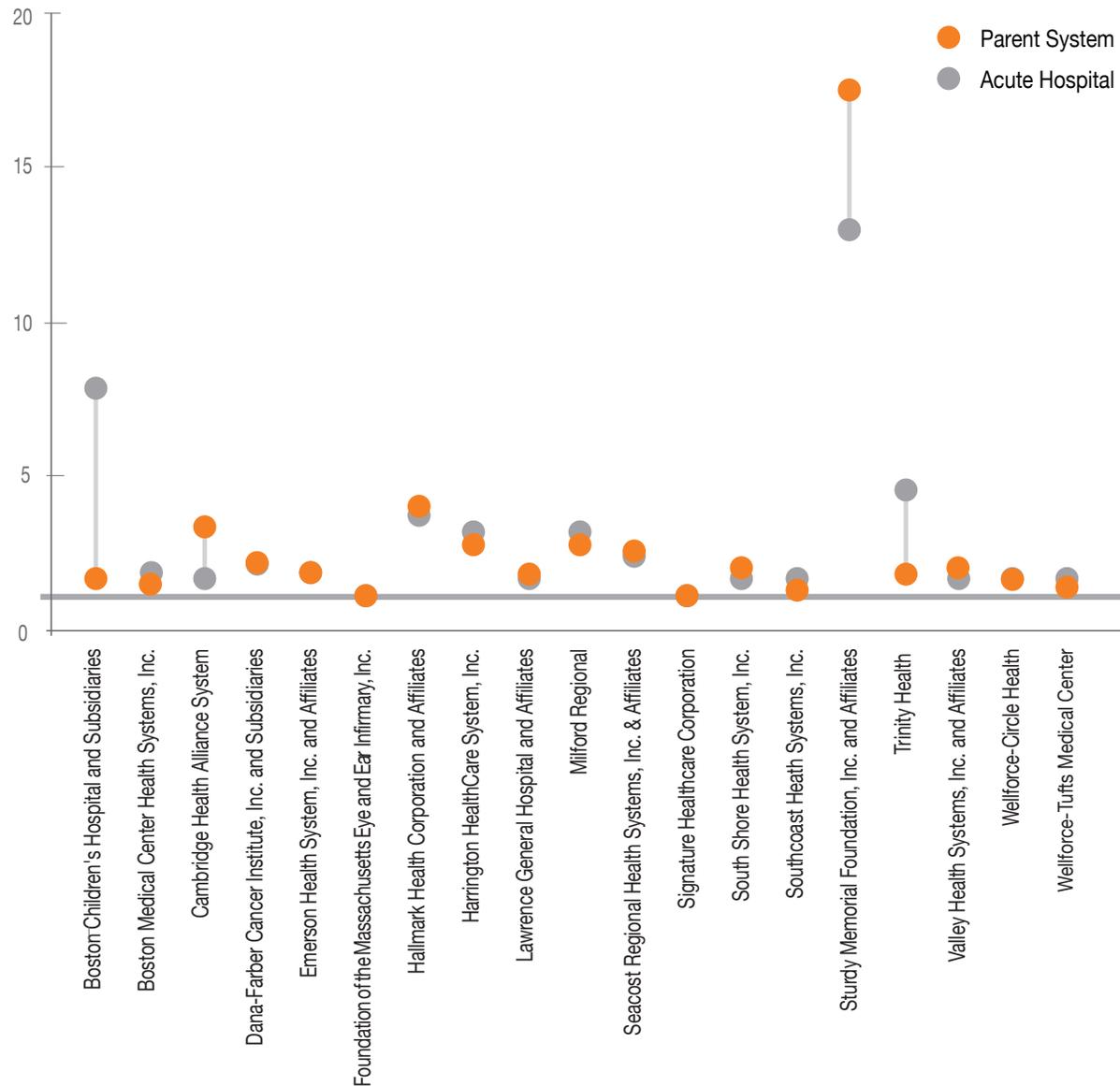
Notes: Steward Health Care's system level data are not included as they did not submit audited financial statements.
 Baystate Mary Lane closed in 2016 and is not included in liquidity measures.

LIQUIDITY

FY 2016 Current Ratio for Independent Health Systems

In FY 2016, all independent health systems reported a current ratio above 1.0, indicating that current liabilities could be met with existing current assets. Parent system current ratios ranged between 1.0 for the Foundation of the Massachusetts Eye and Ear Infirmary and 17.5 for Sturdy Memorial Foundation.

Acute hospitals associated with independent health systems had positive current ratio measures as well, as all hospitals reported a current ratio above 1.0. Performance ranged between 1.1 for both Massachusetts Eye and Ear Infirmary and Signature Healthcare Brockton Hospital and 13.0 for Sturdy Memorial Hospital.

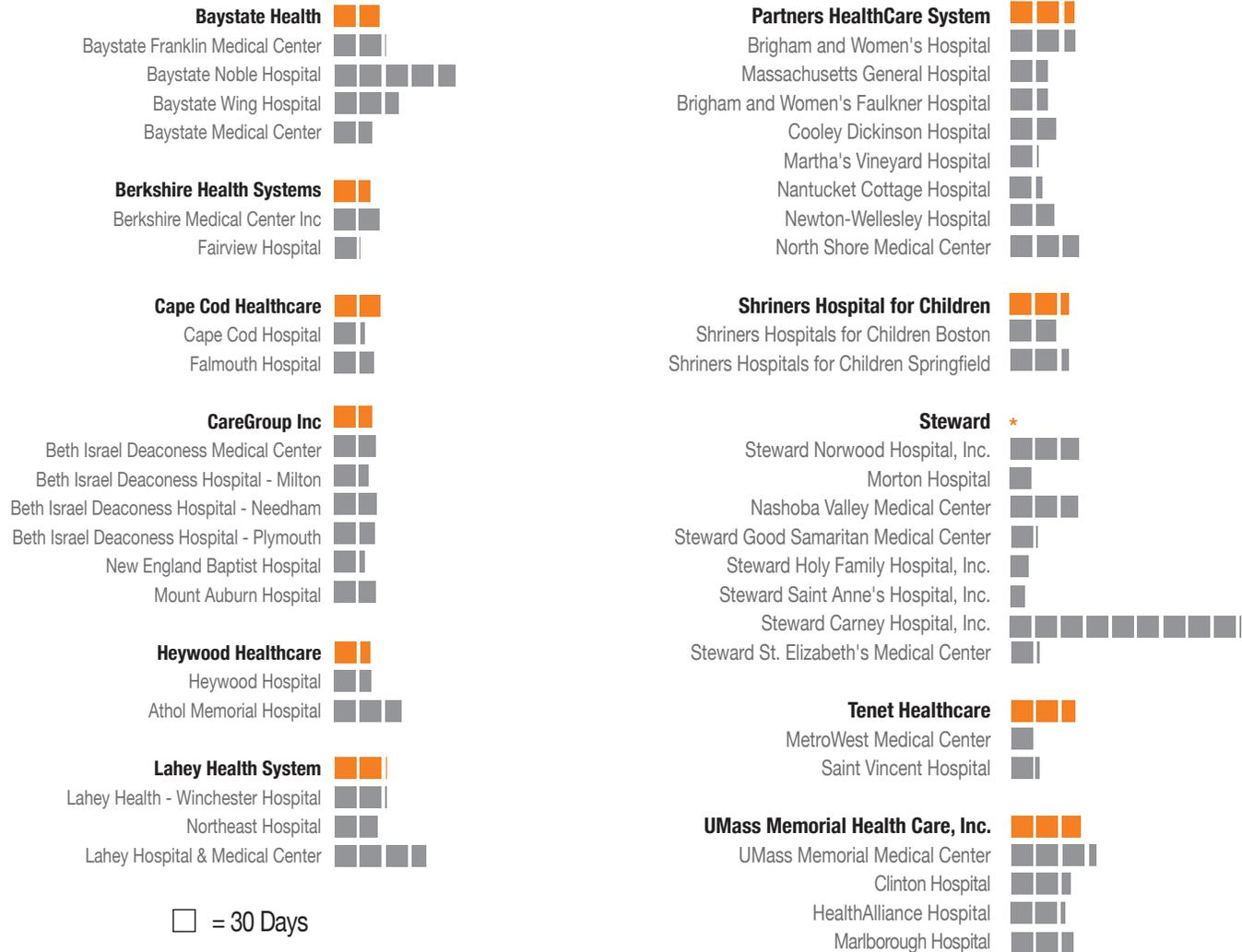


LIQUIDITY

FY 2016 Average Payment Period for Systems with Multiple Acute Hospitals

Average payment period measures the time it takes hospitals to pay current liabilities. Higher values may indicate potential liquidity problems and an inability to pay current obligations. Average payment period ranged from 43 days for Heywood Healthcare to 86 days for UMass Memorial Healthcare.

Ranges for associated acute hospitals vary from 19 days for Steward Saint Anne's Hospital and 273 days for Steward Carney Hospital. Four hospitals had payment periods of 100 days or greater, which includes Baystate Noble Hospital, Lahey Hospital & Medical Center, Steward Carney Hospital, and UMass Memorial Medical Center.



* Steward Health Care's system level data are not included as they did not submit audited financial statements.

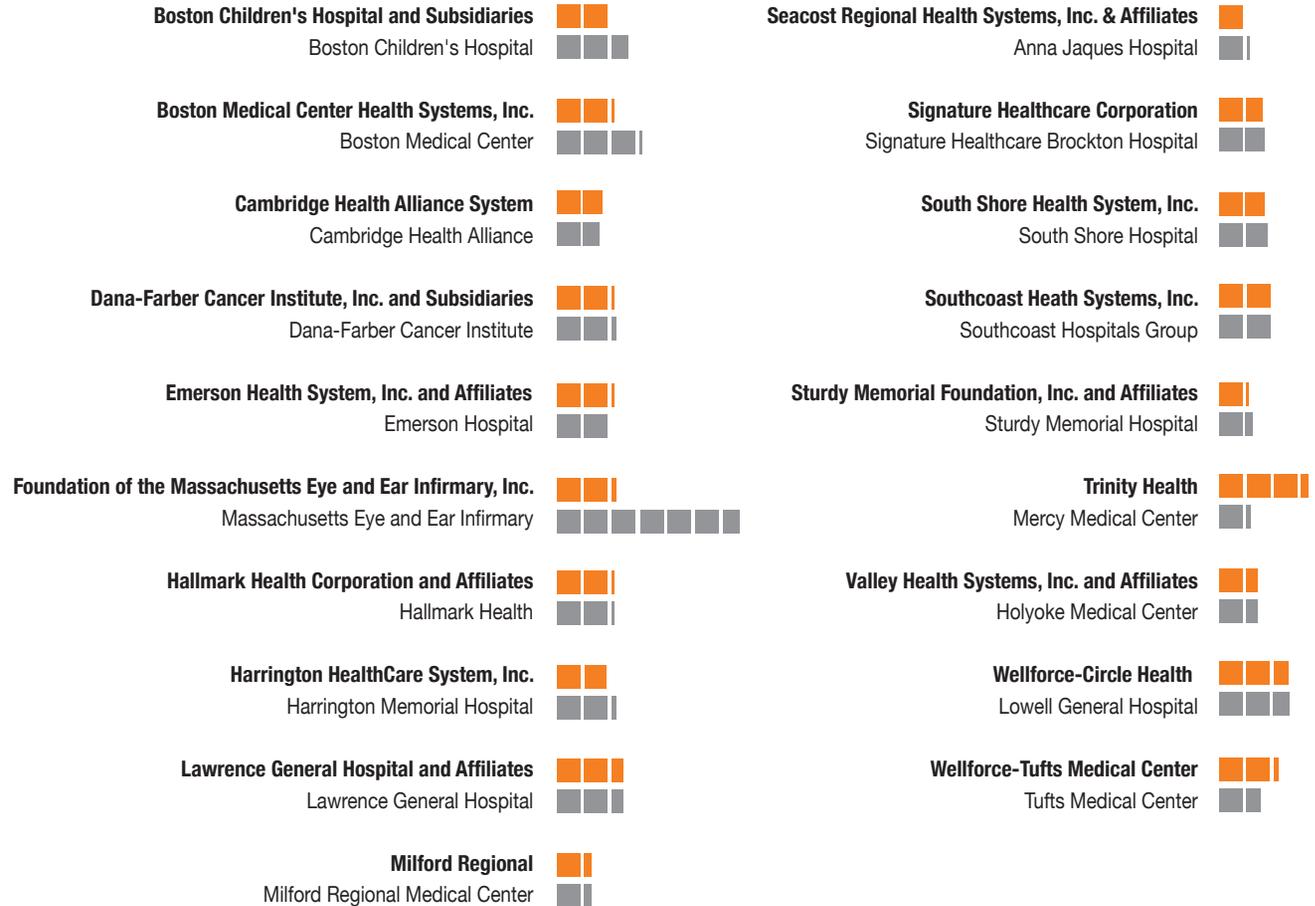
Notes: Baystate Mary Lane closed in 2016 and is not included in liquidity measures.

LIQUIDITY

FY 2016 Average Payment Period for Independent Health Systems

In FY 2016, average payment periods for independent systems ranged from 30 days for Seacoast Regional Health Systems to 98 days for Trinity Health.

Average payment period for acute hospitals associated with independent health systems ranged from 32 days for Anna Jacques Hospital to 202 days for Massachusetts Eye and Ear Infirmary. Massachusetts Eye and Ear Infirmary was the only hospital member of an independent health system that had an average payment period above 100 days.



□ = 30 Days

LIQUIDITY

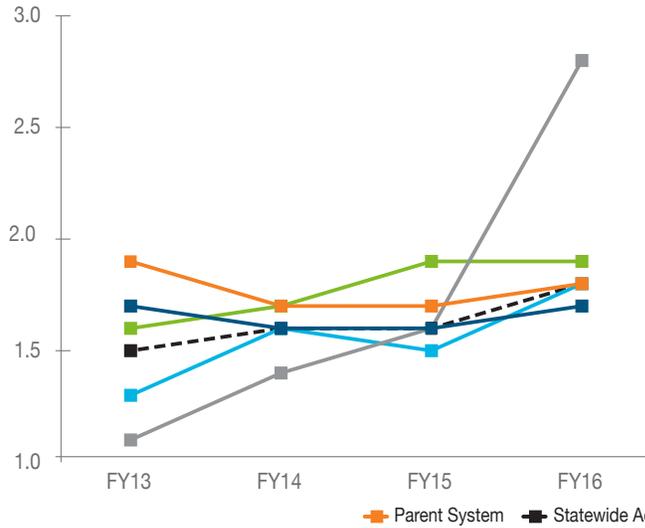
FY 2013 - FY 2016 Current Ratio and Average Payment Period Trends

by Hospital Cohort

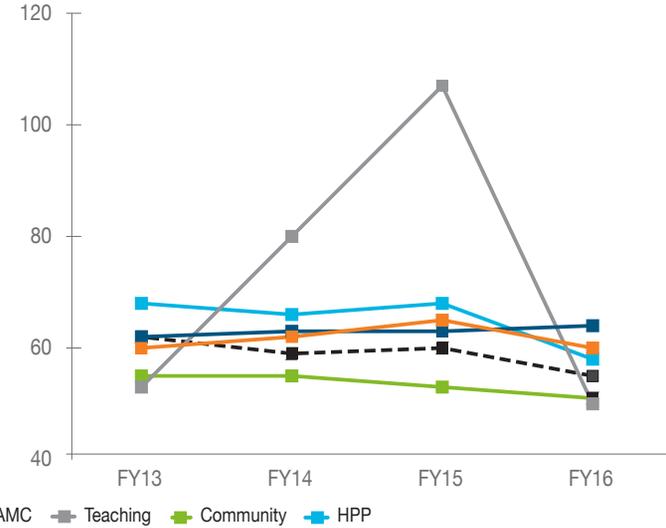
The FY 2016 statewide median current ratio was 1.8, an increase of 0.2 points from FY 2015 to FY 2016. The current ratio also increased for all cohorts. The teaching cohort saw the greatest increase in current ratio, by 1.2. Parent system current ratio was 1.8, which is a 0.1 increase from FY 2015 to FY 2016.

The statewide median average payment period decreased by five days. The teaching, community, and community-HPP cohorts saw decreases in the median average payment periods, while the AMC cohort saw a minor increase in the median average payment periods, while the AMC cohort saw a minor increase in the median average payment period. The teaching cohort saw the most significant change in the median average payment period. In FY 2016, the median average payment period decreased by 57 days from FY 2015.

Current Ratio Trend



Average Payment Period Trend



	2013	2014	2015	2016
Statewide Median* (62 of 63 hospitals) ^	1.5	1.6	1.6	1.8
AMC (6 of 6 hospitals)	1.7	1.6	1.6	1.7
Teaching (7 of 7 hospitals)	1.1	1.4	1.6	2.8
Community (14 of 15 hospitals) ^	1.6	1.7	1.9	1.9
Community-HPP (29 of 29 hospitals)	1.3	1.6	1.5	1.8

	2013	2014	2015	2016
Health System (29 of 30 for 2016)	1.9	1.7	1.7	1.8

	2013	2014	2015	2016
Statewide Median* (62 of 63 hospitals) ^	62	59	60	55
AMC (6 of 6 hospitals)	62	63	63	64
Teaching (7 of 7 hospitals)	53	80	107	50
Community (14 of 15 hospitals) ^	55	55	53	51
Community-HPP (29 of 29 hospitals)	68	66	68	58

	2013	2014	2015	2016
Health System (29 of 30 for 2016)	60	62	65	60

Note: Steward Health Care's system level data are not included as they did not submit audited financial statements.

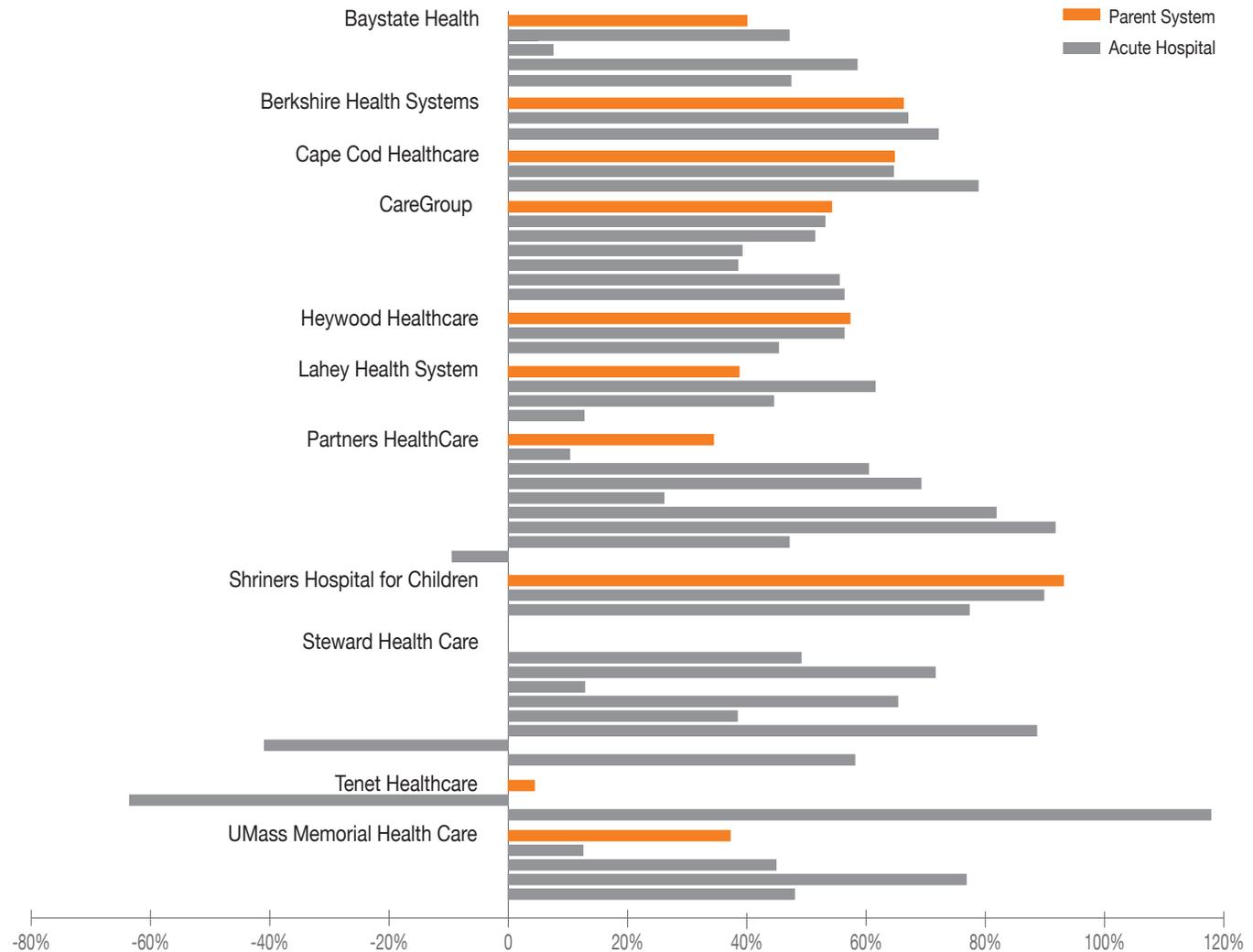
*Statewide median includes specialty hospitals. ^Baystate Mary Lane closed in 2016 and is not included in liquidity medians.

SOLVENCY

FY 2016 Equity Financing Ratio for Systems with Multiple Acute Hospitals

The equity financing ratio measures the proportion of total net assets financed with the hospital's equity and reflects the ability of a hospital to take on more debt. High values indicate hospitals with little or no long-term liabilities. Lower values indicate hospitals that are highly leveraged. Of the multiple acute hospital systems, the lowest equity financing value was 4.4% for Tenet Healthcare and the highest value was 93.1% for Shriners Hospital for Children.

Three hospitals, MetroWest Medical Center, North Shore Hospital, and Steward Carney Hospital reported negative equity financing, indicating that these hospitals are highly leveraged. Saint Vincent Hospital reported the highest equity financing ratio at 117.8%.



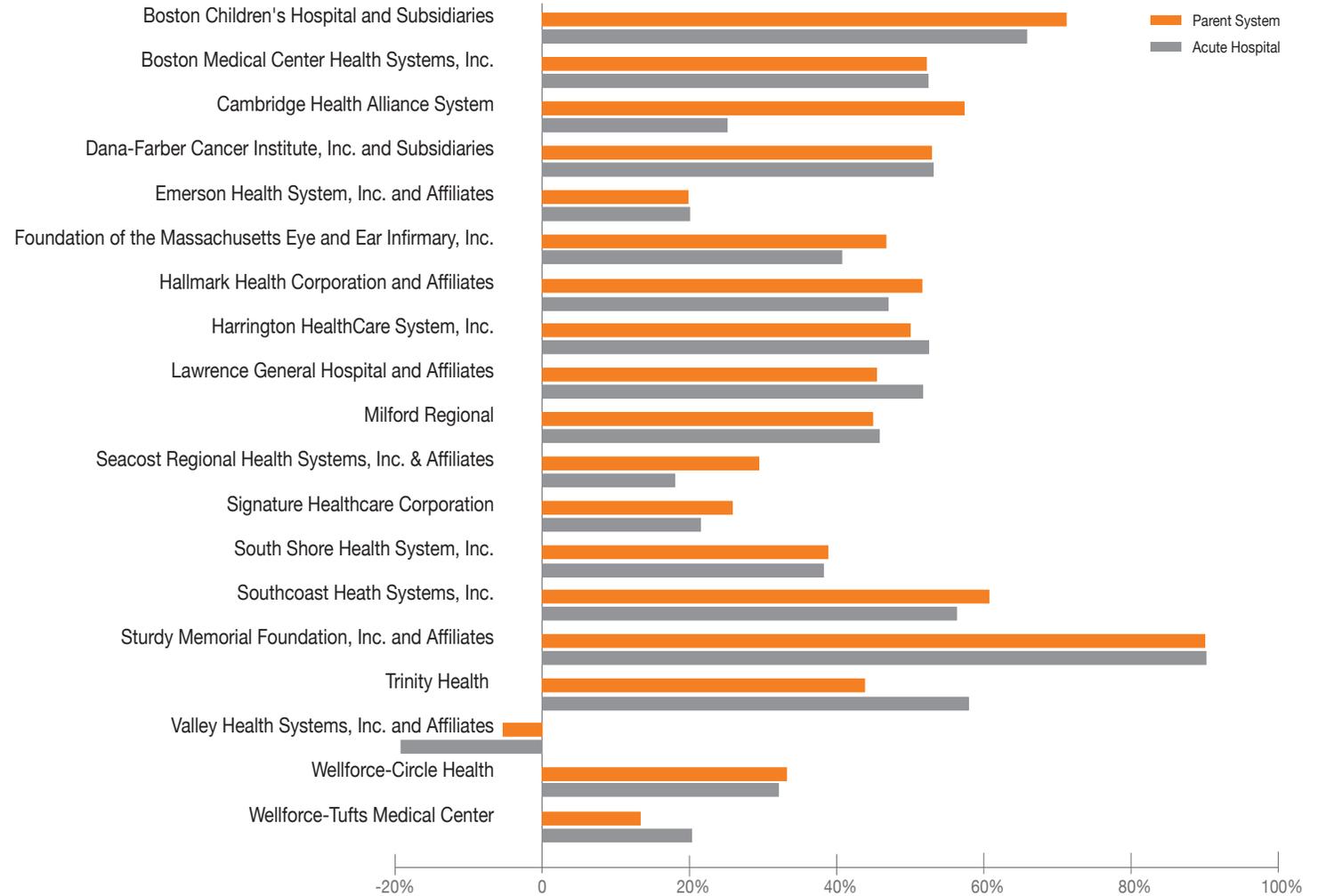
Notes: Steward Health Care's system level data is not included as they did not submit audited financial statements

Baystate Mary Lane closed in 2016 and is not included in solvency measures.

SOLVENCY

FY 2016 Equity Financing Ratio for Independent Health Systems

Equity financing values for independent health systems ranged from -19.2% for Holyoke Medical Center and 90.2% for Sturdy Memorial Hospital. The health systems for these hospitals also represented the minimum and maximum values for equity financing for independent health systems. Valley Health Systems, the parent system for Holyoke Medical Center, reported an equity financing ratio of -5.3% while Sturdy Memorial Foundation reported 90.0%. This indicates that both the acute hospital and parent system for Holyoke Medical Center are highly leveraged. Sturdy Memorial Hospital and its parent system, Sturdy Memorial Foundation, had little to no long term debt.



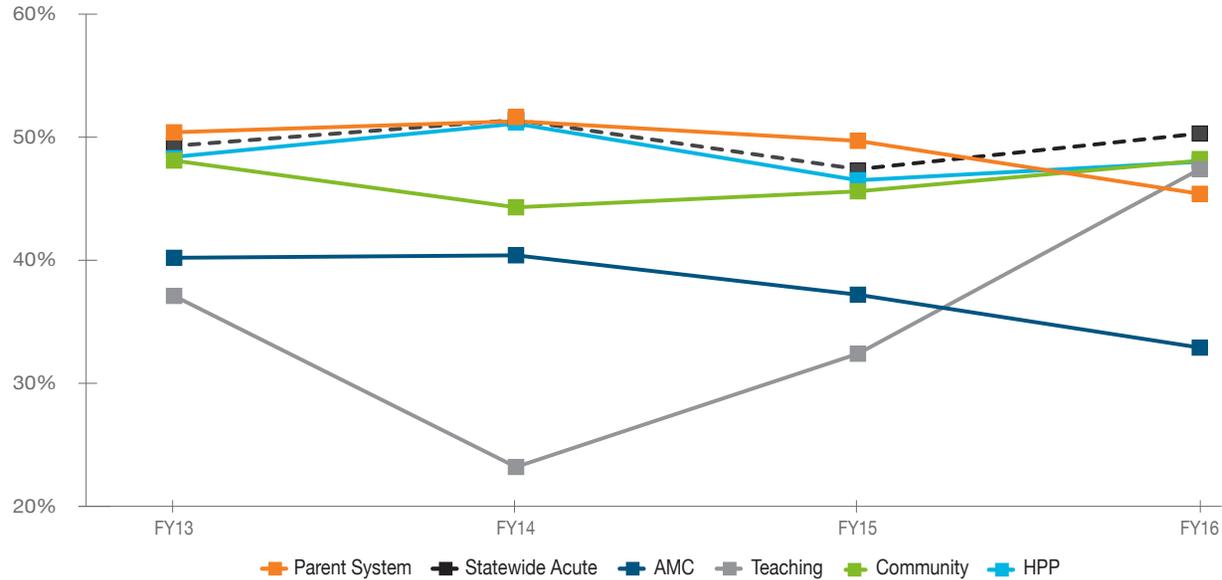
SOLVENCY

FY 2013 - FY 2016 Equity Financing Trends

by Hospital Cohort

The statewide equity financing ratio increased in FY 2016, indicating that hospitals are less leveraged by debt. The teaching, community, and community-HPP ratio increased, while the AMC cohort median equity financing ratio decreased. The equity financing ratio was lowest for the AMC cohort, which was 17.4 percentage points lower than the statewide median. This indicates that the AMC cohort is more highly leveraged than the median for the state. The teaching cohort ratio increased by the largest amount, by 15 percentage points. Parent system equity financing decreased in FY 2016 by 4.3 percentage points.

Equity Financing Trend



	2013	2014	2015	2016
Statewide Median* (62 of 63 hospitals)^	49.3%	51.4%	47.4%	50.3%
AMC (6 of 6 hospitals)	40.2%	40.4%	37.2%	32.9%
Teaching (7 of 7 hospitals)	37.1%	23.2%	32.4%	47.4%
Community (14 of 15 hospitals)^	48.1%	44.3%	45.6%	48.1%
Community-HPP (29 of 29 hospitals)	48.4%	51.4%	46.5%	48.0%
Health System (29 of 30 for 2016)	50.4%	51.3%	49.7%	45.4%

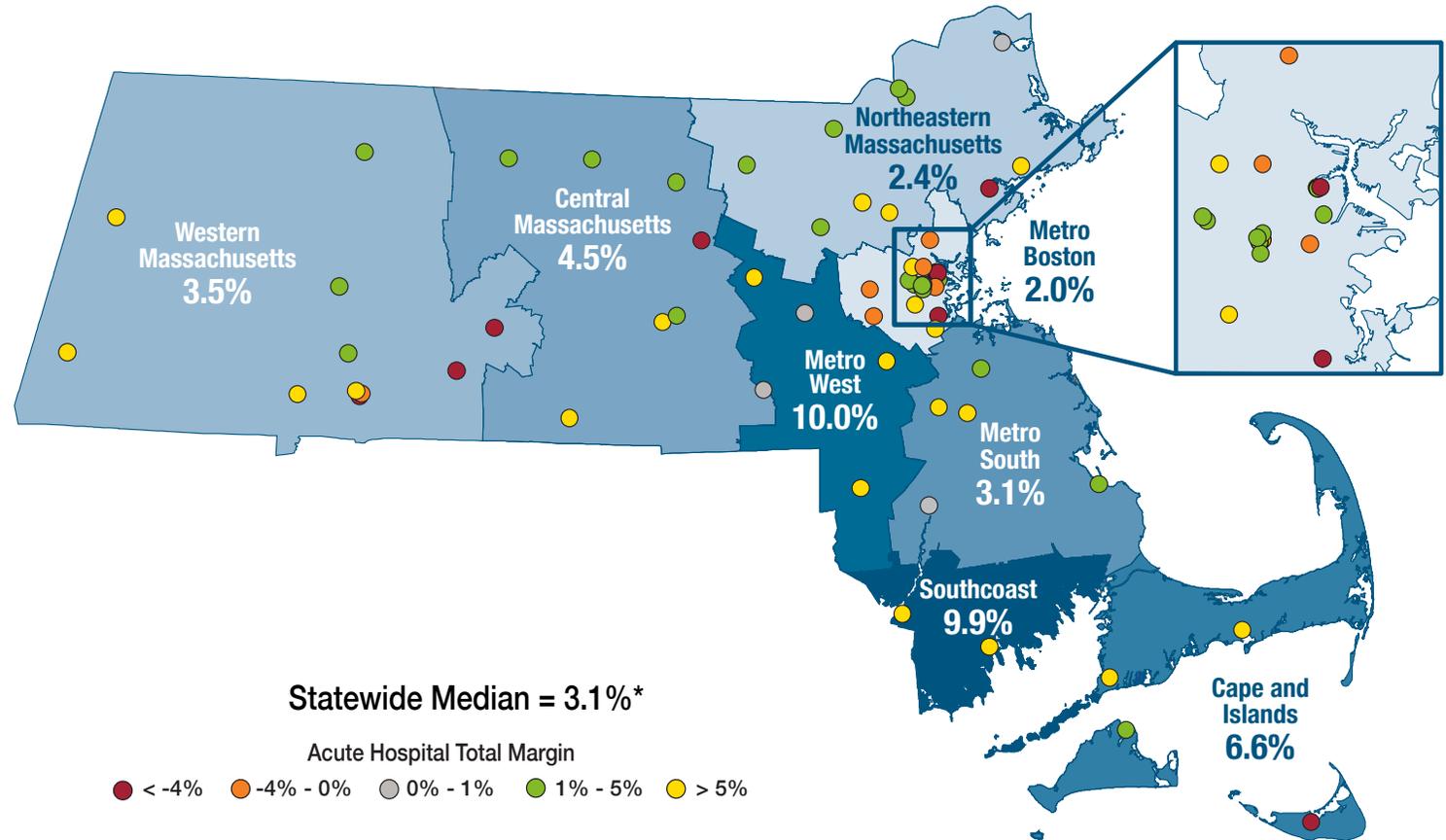
*Statewide median includes specialty hospitals

^Baystate Mary Lane closed in 2016 and is not included in solvency medians

PROFITABILITY

FY 2016 Acute Hospital Total Margin by Region

There were a few notable differences in the financial performance of acute hospitals across Massachusetts regions in FY 2016. The Metro Boston and Northeastern Massachusetts region showed the lowest median total margins at 2.0% and 2.4%, which are below the statewide median of 3.1%. The Southcoast and Metro West region had the highest medians at 9.9% and 10.0%, well above the statewide median. The number of hospitals per region varies greatly, as some regions have a dense concentration of acute hospitals. The Metro Boston region contains 19 hospitals, while the Southcoast region contains two hospitals.



*Statewide median includes specialty hospitals..

FY 2016 Health System, Hospital, Physician Organization, and Health Plan Metrics

Entity Name	Entity Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Profit (Loss) (in Millions)	Equity Financing	Net Assets (in Millions)
Baystate Health			2.0	57	2.0%	2.6%	\$60.4	40.0%	\$849.7
Baystate Franklin	Community-HPP Hospital	12	1.7	61	1.8%	2.2%	\$2.2	47.1%	\$49.9
Baystate Mary Lane	Community Hospital	12			-8.3%	-6.8%	(\$1.5)		
Baystate Medical Center ^ε	Teaching Hospital	12	2.8	48	4.7%	8.0%	\$97.8	47.4%	\$657.3
Baystate Noble	Community-HPP Hospital	12	0.3	143	5.2%	5.3%	\$3.3	7.5%	\$2.4
Baystate Wing	Community-HPP Hospital	12	1.2	78	-8.9%	-8.1%	(\$6.2)	58.5%	\$52.5
Baystate Medical Practices	Physician Organization	12			-12.5%	-13.4%	(\$34.9)		(\$54.2)
Baystate Westfield Medical Corp.	Physician Organization	12			-52.5%	-54.9%	(\$5.8)		\$1.3
Health New England	Health Plan	12			1.4%	1.6%	\$15.2		\$49.5
Berkshire Health Systems			1.5	46	3.5%	5.4%	\$31.9	66.2%	\$405.5
Berkshire Medical Center	Community-HPP Hospital	12	1.2	58	7.6%	9.7%	\$47.2	67.0%	\$368.9
Fairview Hospital	Community-HPP Hospital	12	1.2	31	4.1%	6.3%	\$3.2	72.1%	\$29.7
Berkshire Faculty Services	Physician Organization	12			-50.3%	-50.3%	(\$17.4)		\$0.0
Williamstown Medical Associates	Physician Organization	12			-23.9%	-23.9%	(\$1.1)		(\$0.2)
Boston Children's Hospital and Subsidiaries			1.7	60	1.2%	5.8%	\$138.4	71.2%	\$4,850.6
Boston Children's Hospital	Specialty Hospital	12	7.8	81	1.8%	0.0%	(\$0.3)	65.8%	\$3,158.7
Physicians Organization at Children's Hospital, Inc. and Foundation	Physician Organization	12			0.9%	9.0%	\$66.0		\$868.4
Boston Medical Center Health System, Inc.			1.5	64	-1.6%	-1.3%	(\$36.3)	52.2%	\$1,465.4
Boston Medical Center ^ε	Academic Medical Center	12	1.9	92	0.1%	-0.6%	(\$7.6)	52.4%	\$1,156.1
Boston University Affiliated Physicians	Physician Organization	12			-4.6%	-4.6%	(\$0.3)		(\$1.7)
BMC Faculty Practice Foundation	Physician Organization	12			-1.3%	-1.2%	(\$4.2)		\$62.6
BMC Health Plan	Health Plan	12			-0.7%	-0.4%	(\$6.7)		\$215.2
Cambridge Health Alliance			3.4	54	-5.1%	0.3%	\$1.9	57.3%	\$307.8
Cambridge Health Alliance ^ε	Teaching Hospital	12	1.7	50	-5.3%	-3.2%	(\$18.8)	25.1%	\$76.5
Cape Cod Healthcare			1.6	58	4.5%	5.8%	\$49.0	64.8%	\$634.3
Cape Cod Hospital	Community-HPP Hospital	12	1.9	35	7.5%	8.5%	\$44.2	64.6%	\$347.3
Falmouth Hospital	Community-HPP Hospital	12	1.6	50	7.6%	9.6%	\$16.1	78.8%	\$208.2
Medical Affiliates of Cape Cod, Inc.	Physician Organization	12			-16.1%	-16.1%	(\$12.9)		\$13.0

Note: Cells are intentionally left blank where current ratio, average payment period, and equity financing ratio were not calculated for physician organizations and health plans.

Entity Name	Entity Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Profit (Loss) (in Millions)	Equity Financing	Net Assets (in Millions)
CareGroup			3.3	48	0.5%	1.4%	\$43.6	54.2%	\$1,692.2
Beth Israel Deaconess Hospital - Milton	Community Hospital	12	2.4	43	4.1%	5.1%	\$5.4	51.4%	\$71.7
Beth Israel Deaconess Hospital - Needham	Community Hospital	12	2.0	55	-1.2%	-0.7%	(\$0.5)	39.2%	\$42.9
Beth Israel Deaconess Hospital - Plymouth	Community-HPP Hospital	12	1.8	51	0.3%	1.5%	\$3.6	38.5%	\$72.3
Beth Israel Deaconess Medical Center	Academic Medical Center	12	3.1	53	1.5%	3.1%	\$49.8	53.1%	\$866.1
Mt. Auburn Hospital	Teaching Hospital	12	4.4	53	3.8%	6.7%	\$23.7	56.3%	\$271.4
New England Baptist Hospital	Specialty Hospital	12	3.8	37	1.4%	2.6%	\$6.2	55.5%	\$123.6
Harvard Medical Faculty Physicians	Physician Organization	12			0.9%	2.2%	\$12.4		\$188.5
The Affiliated Physicians Group	Physician Organization	12			-31.5%	-31.5%	(\$25.8)		\$0.0
Jordan Physicians Associates, Inc.	Physician Organization	12			-42.6%	-42.6%	(\$7.6)		\$1.9
New England Baptist Medical Associates	Physician Organization	12			-29.0%	-29.0%	(\$3.6)		\$1.4
Mount Auburn Professional Services	Physician Organization	12			-27.4%	-27.4%	(\$20.0)		\$18.1
Dana-Farber Cancer Institute and Subsidiaries			2.2	63	2.1%	2.6%	\$36.8	52.9%	\$1,393.6
Dana-Farber Cancer Institute	Specialty Hospital	12	2.3	65	-3.2%	3.1%	\$43.3	53.1%	\$1,407.8
Dana-Farber Cancer Care Network, Inc	Physician Organization	12			-16.1%	-16.1%	(\$6.5)		(\$14.3)
Emerson Health System Inc. and Subsidiaries			1.8	62	3.0%	1.2%	\$2.7	19.8%	\$37.9
Emerson Hospital	Community Hospital	12	1.8	61	3.0%	1.1%	\$2.4	20.0%	\$38.5
Foundation of the Massachusetts Eye and Ear Infirmary			1.0	65	1.6%	0.6%	\$2.4	46.7%	\$246.3
Massachusetts Eye & Ear Infirmary	Specialty Hospital	12	1.1	202	-4.8%	-1.2%	(\$3.1)	40.7%	\$229.3
Massachusetts Eye and Ear Associates, Inc	Physician Organization	12			1.1%	1.1%	\$1.4		\$16.9
Hallmark Health			4.0	63	-7.9%	-4.7%	(\$14.4)	51.6%	\$196.6
Hallmark Health	Community-HPP Hospital	12	3.8	62	-3.6%	-0.7%	(\$1.9)	47.0%	\$155.4
Hallmark Health Medical Associates	Physician Organization	12			-56.6%	-56.6%	(\$14.0)		(\$3.9)
Harrington HealthCare System, Inc.			2.8	58	-1.8%	-0.2%	(\$0.3)	50.0%	\$67.5
Harrington Hospital	Community-HPP Hospital	12	3.1	65	7.1%	9.0%	\$12.4	52.5%	\$65.9
Harrington Physician Services	Physician Organization	12			-62.1%	-62.1%	(\$12.7)		\$1.7
Heywood Healthcare			1.0	43	0.7%	1.8%	\$2.7	57.3%	\$64.8
Athol Hospital	Community-HPP Hospital	12	0.7	82	3.0%	3.2%	\$0.8	45.3%	\$5.9
Heywood Memorial Hospital	Community Hospital	12	1.0	46	3.2%	4.8%	\$5.4	56.3%	\$53.6
Heywood Medical Group	Physician Organization	12			-18.1%	-18.1%	(\$3.0)		(\$0.3)

Note: Cells are intentionally left blank where current ratio, average payment period, and equity financing ratio were not calculated for physician organizations and health plans.

Entity Name	Entity Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Profit (Loss) (in Millions)	Equity Financing	Net Assets (in Millions)
Lahey Health System			1.4	61	0.4%	1.7%	\$34.1	38.7%	\$945.1
Lahey Hospital and Medical Center	Teaching Hospital	12	2.8	110	5.6%	5.7%	\$52.4	12.7%	\$100.3
Northeast Hospital	Community-HPP Hospital	12	2.4	55	4.6%	7.2%	\$25.9	44.5%	\$197.1
Winchester Hospital	Community Hospital	12	1.9	62	3.2%	9.8%	\$29.5	61.5%	\$267.4
Lahey Clinic	Physician Organization	12			-19.5%	-19.4%	(\$55.0)		(\$88.3)
Northeast Medical Practice	Physician Organization	12			-44.2%	-44.2%	(\$10.5)		(\$24.7)
Winchester Physician Association	Physician Organization	12			-5.2%	-5.3%	(\$2.1)		\$1.2
Lahey Physician Community Organization	Physician Organization	12			-56.9%	-57.3%	(\$1.0)		(\$1.1)
Lawrence General Hospital and Affiliates			1.8	75	-1.3%	-0.4%	(\$0.9)	45.4%	\$117.7
Lawrence General Hospital	Community-HPP Hospital	12	1.6	76	0.5%	1.5%	\$3.6	51.7%	\$114.8
Community Medical Associates	Physician Organization	12			-182.5%	-219.7%	(\$5.2)		(\$0.1)
Milford Regional Medical Center, Inc. and Affiliates			2.8	39	-2.6%	-2.0%	(\$5.3)	44.9%	\$118.5
Milford Regional Medical Center	Community Hospital	12	3.2	40	-0.7%	0.1%	\$0.1	45.8%	\$117.0
Tri-County Medical Associates	Physician Organization	12			-9.0%	-9.0%	(\$5.4)		\$1.6
Partners HealthCare			2.0	74	-0.9%	-2.0%	(\$249.0)	34.4%	\$5,474.4
Brigham & Women's Faulkner Hospital	Community Hospital	12	1.7	44	7.4%	7.4%	\$18.8	69.2%	\$113.5
Brigham & Women's Hospital	Academic Medical Center	12	1.3	74	3.4%	3.5%	\$94.4	10.3%	\$298.5
Cooley Dickinson Hospital	Community Hospital	12	0.9	56	3.9%	3.9%	\$7.0	26.1%	\$44.4
Martha's Vineyard Hospital	Community Hospital	12	2.4	32	1.5%	4.6%	\$3.7	81.8%	\$110.9
Massachusetts General Hospital	Academic Medical Center	12	1.7	46	3.9%	3.9%	\$142.8	60.4%	\$2,274.5
Nantucket Cottage Hospital	Community Hospital	12	3.7	38	-10.2%	-4.8%	(\$2.3)	91.7%	\$96.6
Newton-Wellesley Hospital	Community Hospital	12	1.2	55	-1.2%	-1.6%	(\$6.8)	47.1%	\$224.7
North Shore Medical Center	Community-HPP Hospital	12	2.2	82	-11.6%	-11.4%	(\$48.0)	-9.4%	(\$46.8)
Partners Community Physician Organization	Physician Organization	12			-2.5%	4.4%	\$7.5		\$23.4
MGH Physicians Organization	Physician Organization	12			1.1%	3.5%	\$35.7		\$487.1
B&W Physicians Organization	Physician Organization	12			1.5%	3.5%	\$28.8		\$294.1
North Shore Physicians Group	Physician Organization	12			-6.5%	-6.5%	(\$8.8)		\$3.1
Newton-Wellesley Physician Hospital Group	Physician Organization	12			-0.0%	-0.3%	(\$0.2)		\$9.6
CD Practice Associates	Physician Organization	12			-28.0%	-28.0%	(\$9.9)		\$0.0
Neighborhood Health Plan	Health Plan	12			-4.2%	-4.5%	(\$113.9)		\$186.2

Note: Cells are intentionally left blank where current ratio, average payment period, and equity financing ratio were not calculated for physician organizations and health plans.

Entity Name	Entity Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Profit (Loss) (in Millions)	Equity Financing	Net Assets (in Millions)
Seacoast Regional Health System			2.6	30	-0.6%	-0.8%	(\$1.2)	29.4%	\$31.9
Anna Jaques Hospital	Community Hospital	12	2.4	32	1.1%	0.7%	\$0.8	18.0%	\$16.3
Seacoast Affiliated Group Practice	Physician Organization	12			-12.1%	-12.1%	(\$2.2)		(\$1.6)
Shriners Hospitals for Children			2.8	71	-17.3%	15.9%	\$158.2	93.1%	\$8,799.7
Shriners Hospital for Children-Boston	Specialty Hospital	12	0.6	57	-694.0%	-694.0%	(\$36.2)	89.8%	\$52.5
Shriners Hospital for Children-Springfield	Specialty Hospital	12	0.6	69	-111.2%	-111.2%	(\$9.8)	77.3%	\$11.3
Signature Healthcare Corporation			1.1	50	-0.4%	0.3%	\$0.9	25.8%	\$63.2
Signature Healthcare Brockton Hospital	Community-HPP Hospital	12	1.1	54	4.1%	5.1%	\$13.8	21.5%	\$44.7
Signature Healthcare Medical Group	Physician Organization	12			-13.1%	-13.1%	(\$12.6)		\$12.7
South Shore Health System Inc.			2.0	55	1.6%	1.2%	\$8.4	38.8%	\$313.4
South Shore Hospital	Community Hospital	12	1.7	58	3.6%	3.1%	\$17.5	38.2%	\$259.5
Coastal Medical Associates, Inc.	Physician Organization	12			-8.3%	-8.3%	(\$11.9)		(\$3.5)
Southcoast Health Systems, Inc.			1.4	59	-0.9%	0.9%	\$9.3	60.7%	\$698.0
Southcoast Hospital Group	Community-HPP Hospital	12	1.7	59	7.2%	8.8%	\$73.2	56.3%	\$521.9
Southcoast Physician's Group	Physician Organization	12			-36.0%	-36.0%	(\$64.2)		\$26.4
Steward Health Care ^v									
Morton Hospital	Community-HPP Hospital	12	3.1	30	0.6%	0.7%	\$0.9	71.6%	\$35.5
Nashoba Valley Medical Center	Community-HPP Hospital	12	0.6	83	2.5%	2.5%	\$1.3	12.8%	\$4.0
Steward Carney Hospital ^ε	Teaching Hospital	12	0.2	273	-7.5%	-7.5%	(\$9.5)	-40.9%	(\$31.9)
Steward Good Samaritan Medical Center	Community-HPP Hospital	12	4.2	32	10.9%	10.9%	\$30.3	65.3%	\$72.4
Steward Holy Family Hospital	Community-HPP Hospital	12	3.4	24	3.8%	3.8%	\$8.9	38.4%	\$34.1
Steward Norwood Hospital	Community Hospital	12	0.6	84	11.2%	11.2%	\$21.3	49.1%	\$40.8
Steward Saint Anne's Hospital	Community-HPP Hospital	12	10.4	19	10.9%	10.9%	\$29.0	88.6%	\$148.7
Steward St. Elizabeth's Medical Center ^ε	Teaching Hospital	12	2.8	33	2.6%	2.6%	\$8.8	58.1%	\$71.7
Sturdy Memorial Foundation, Inc. and Affiliates			17.5	33	3.5%	7.7%	\$17.0	90.0%	\$380.0
Sturdy Memorial Hospital	Community-HPP Hospital	12	13.0	38	6.4%	10.7%	\$19.1	90.2%	\$349.0
Sturdy Memorial Associates, Inc.	Physician Organization	12			-10.2%	-10.2%	(\$4.4)		(\$28.5)

Note: Cells are intentionally left blank where current ratio, average payment period, and equity financing ratio were not calculated for physician organizations and health plans.

Entity Name	Entity Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Profit (Loss) (in Millions)	Equity Financing	Net Assets (in Millions)
Tenet Healthcare			1.3	79	0.2%	0.9%	\$181.0	4.4%	\$1,082.0
MetroWest Medical Center	Community-HPP Hospital	12	1.8	30	-0.6%	0.3%	\$0.8	-63.5%	(\$62.4)
Saint Vincent Hospital ^ε	Teaching Hospital	12	1.7	35	10.2%	10.4%	\$47.6	117.8%	\$433.7
Metrowest Physician Services	Physician Organization	12			-17.2%	-17.2%	(\$2.6)		\$1.4
Saint Vincent Medical Company	Physician Organization	12			-15.3%	-15.3%	(\$6.0)		\$3.9
Trinity Health			1.8	98	0.9%	0.6%	\$89.8	43.8%	\$10,247.2
Mercy Medical Center	Community-HPP Hospital	12	4.5	35	-1.7%	-1.8%	(\$4.8)	57.9%	\$155.2
Mercy Medical Group, Inc.	Physician Organization	12			-57.4%	-57.4%	(\$9.0)		(\$17.4)
Mercy Specialist Physicians	Physician Organization	12			-42.9%	-42.9%	(\$3.5)		(\$12.5)
UMass Memorial Health Care			1.4	86	1.7%	2.8%	\$68.1	37.2%	\$846.8
Clinton Hospital	Community-HPP Hospital	12	1.6	72	-9.5%	-8.5%	(\$2.3)	44.9%	\$15.1
HealthAlliance Hospital	Community-HPP Hospital	12	1.9	66	3.4%	4.5%	\$8.2	76.8%	\$164.3
Marlborough Hospital	Community-HPP Hospital	12	2.0	76	8.2%	10.0%	\$8.9	48.0%	\$40.4
UMass Memorial Medical Center ^ε	Academic Medical Center	12	1.2	100	2.3%	2.9%	\$47.6	12.5%	\$156.1
UMass Memorial Medical Group Inc.	Physician Organization	12			-6.0%	-5.7%	(\$28.7)		\$79.0
Valley Health System, Inc.			2.1	45	1.3%	2.0%	\$3.4	-5.3%	(\$6.0)
Holyoke Medical Center	Community-HPP Hospital	12	1.6	45	2.8%	3.5%	\$5.0	-19.2%	(\$15.9)
Western Mass Physician Associates	Physician Organization	12			-34.0%	-34.0%	(\$2.9)		(\$0.7)
Wellforce-Circle Health			1.7	77	0.2%	0.4%	\$1.9	32.1%	\$162.6
Lowell General Hospital	Community-HPP Hospital	12	1.7	80	2.2%	2.3%	\$10.4	33.2%	\$159.9
Circle Health Physicians Inc	Physician Organization	12			-18.0%	-18.0%	(\$6.7)		\$0.3
Wellforce-Tufts Medical Center			1.4	66	-0.3%	1.5%	\$14.9%	20.3%	\$170.1
Tufts Medical Center	Academic Medical Center	12	1.6	48	0.2%	2.0%	\$14.8	13.3%	\$85.0
Wellforce Tufts Med Center Physician Organization	Physician Organization	12			-2.7%	-2.2%	(\$5.5)		\$23.7

^ε Hospital meets the High Public Payer threshold.

^ν Steward Health Care's system level data is not included as they did not submit audited financial statements.

Note: Cells are intentionally left blank where current ratio, average payment period, and equity financing ratio were not calculated for physician organizations and health plans.

Report Notes

Acute Hospital and Health System Fiscal Year-End Dates

The Fiscal Year 2016 analysis is based on 12 months of financial data for all entities. The majority of health systems and hospital's fiscal year end date is September 30. Cambridge Health Alliance and Mercy Medical Center have a June 30 year end date, and MetroWest Medical Center, Saint Vincent Hospital, Shriners Hospitals, and Steward Health Care System's eight hospitals have a December 31 year end date.

Hospitals	Fiscal Year End	FY 2016 Data Period
Majority of Hospitals (49)	9/30	10/1/15 – 9/30/16
Cambridge Health Alliance Mercy Medical Center	6/30	7/1/15-6/30/16
MetroWest Medical Center Saint Vincent Hospital Shriners Hospitals for Children Boston Shriners Hospitals for Children Springfield Steward Health Care System Hospitals (8)	12/31	1/1/16-12/31/16

Data Caveats

Baystate Mary Lane Hospital merged with Baystate Wing hospital during FY 2016. Kindred Boston and Kindred North Shore were sold to Curahealth and are now rehabilitation hospitals. As such, they are not included in this report. Tufts Medical Center and Circle Health (Lowell General Hospital's parent) formed Wellforce in FY 2015. They were not financially consolidated during FY 2015 and FY 2016; therefore their data is reported separately.

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.

Academic medical centers (AMC) 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 to 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.

Regional Definitions

The geographic regions presented in this report are derived from the Health Policy Commission (HPC) static geographic regions. The HPC regions were rolled up into larger regions to facilitate better comparison within each geographic area. For additional information please refer to <http://chiamass.gov/hospitals-by-region/>.

Massachusetts Region	Acute Hospital Assigned to Region
Metro Boston	
	Beth Israel Deaconess Hospital – Milton
	Beth Israel Deaconess Hospital – Needham
	Beth Israel Deaconess Medical Center
	Boston Children’s Hospital
	Boston Medical Center
	Brigham and Women’s Faulkner Hospital
	Brigham and Women’s Hospital
	Cambridge Health Alliance
	Dana-Farber Cancer Institute
	Hallmark Health
	Massachusetts Eye and Ear Infirmary
	Massachusetts General Hospital
	Mount Auburn Hospital
	New England Baptist Hospital
	Newton-Wellesley Hospital
	Shriners Hospitals for Children- Boston
	Steward Carney Hospital
	Steward St. Elizabeth’s Medical Center
	Tufts Medical Center

Massachusetts Region	Acute Hospital Assigned to Region
Northeastern Massachusetts	Anna Jaques Hospital Emerson Hospital Lahey Hospital & Medical Center Lawrence General Hospital Lowell General Hospital Nashoba Valley Medical Center North Shore Medical Center Northeast Hospital Steward Holy Family Hospital Winchester Hospital
Central Massachusetts	Athol Hospital Clinton Hospital Harrington Memorial Hospital HealthAlliance Hospital Heywood Hospital Saint Vincent Hospital UMass Memorial Medical Center
Cape and Islands	Cape Cod Hospital Falmouth Hospital Martha's Vineyard Hospital Nantucket Cottage Hospital
Metro West	Marlborough Hospital MetroWest Medical Center Milford Regional Medical Center Steward Norwood Hospital Sturdy Memorial Hospital

Massachusetts Region	Acute Hospital Assigned to Region
Western Massachusetts	Baystate Franklin Medical Center Baystate Mary Lane Hospital Baystate Medical Center Baystate Noble Hospital Baystate Wing Hospital Berkshire Medical Center Cooley Dickinson Hospital Fairview Hospital Holyoke Medical Center Mercy Medical Center Shriners Hospitals for Children- Springfield
Metro South	Beth Israel Deaconess Hospital – Plymouth Morton Hospital Signature Healthcare Brockton Hospital South Shore Hospital Steward Good Samaritan Medical Center
Southcoast	Steward Saint Anne's Hospital Southcoast Hospitals Group

Individual hospital trend analysis (fact sheets) and the [databook](http://www.chiamass.gov/hospital-financial-performance/) are available on CHIA's website at <http://www.chiamass.gov/hospital-financial-performance/>.



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