

CENTER FOR HEALTH INFORMATION AND ANALYSIS

**MASSACHUSETTS
ACUTE HOSPITAL
AND HEALTH
SYSTEM FINANCIAL
PERFORMANCE: FY 2017**

AUGUST 2018



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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 (HHS), affiliated physician organizations (PO), and related health plans.

In Fiscal Year (FY) 2017, Massachusetts had 30 hospital health systems and 62 acute hospitals. Hospitals are grouped into four primary cohorts of hospitals with similar characteristics: Academic Medical Center (AMC), teaching, community, and community-High Public Payer (HPP). Specialty hospitals are not considered a cohort due to the unique patient population that they serve and/or the unique sets of services they provide. Specialty hospitals are included in statewide medians but are not included in the cohort analysis. This report assigns hospitals to cohorts based on FY 2016 data, as FY 2017 cohort data was not available at the time of publication.

Eleven hospital health systems are multi-acute systems that operate more than one acute hospital. Nineteen systems are single acute hospital health systems. Four systems (Steward Health Care, Tenet Healthcare, Trinity Health Care, 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. 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 fiscal year end data for FY 2017 for all systems and hospitals based on each hospital's year end. Most hospitals' 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, which have alternative fiscal year ends.

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

KEY FINDINGS

21

In 2017, the majority of parent systems that provided data—21 out of 29—reported a surplus.

49

The majority of acute hospitals reported a surplus in FY 2017. Forty-nine out of 62 acute hospitals reported a surplus in FY 2017.

3.2%

The statewide median acute hospital total margin was 3.2%, which is a 0.1 percentage point increase between FY 2016 and FY 2017.

1.6%

The statewide median acute hospital operating margin was 1.6%, which is a 1.2 percentage point decrease between FY 2016 and FY 2017.



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



Most hospital health system-affiliated physicians reported a financial loss in FY 2017.

1.6

The statewide median current ratio was 1.6, which was a 0.1 decrease between FY 2016 and FY 2017.

58

Fifty-eight hospitals had positive net assets in FY 2017.

PROFITABILITY

FY 2017 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.

Seven of the nine multi-acute systems that reported data were profitable. Total margin ranged from Tenet Healthcare at -1.7% to Partners Healthcare at 4.7%. The component acute care hospitals ranged from -20.0% at Steward Carney Hospital to 12.6% at Steward Saint Anne's Hospital.

Most hospital health system-associated physician organizations reported a loss, with the exception of Care Group's Harvard Medical Faculty Physicians and Partners' Brigham and Women's Physicians Organization and Massachusetts General Hospital Physicians Organization. Both associated health plans reported a positive total margin.



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

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

Seven physicians organizations are outliers with margins <-30%. Detailed information is provided in the accompanying [databook](#).

For complete definitions or acute hospital cohorts, please see page 27.

PROFITABILITY

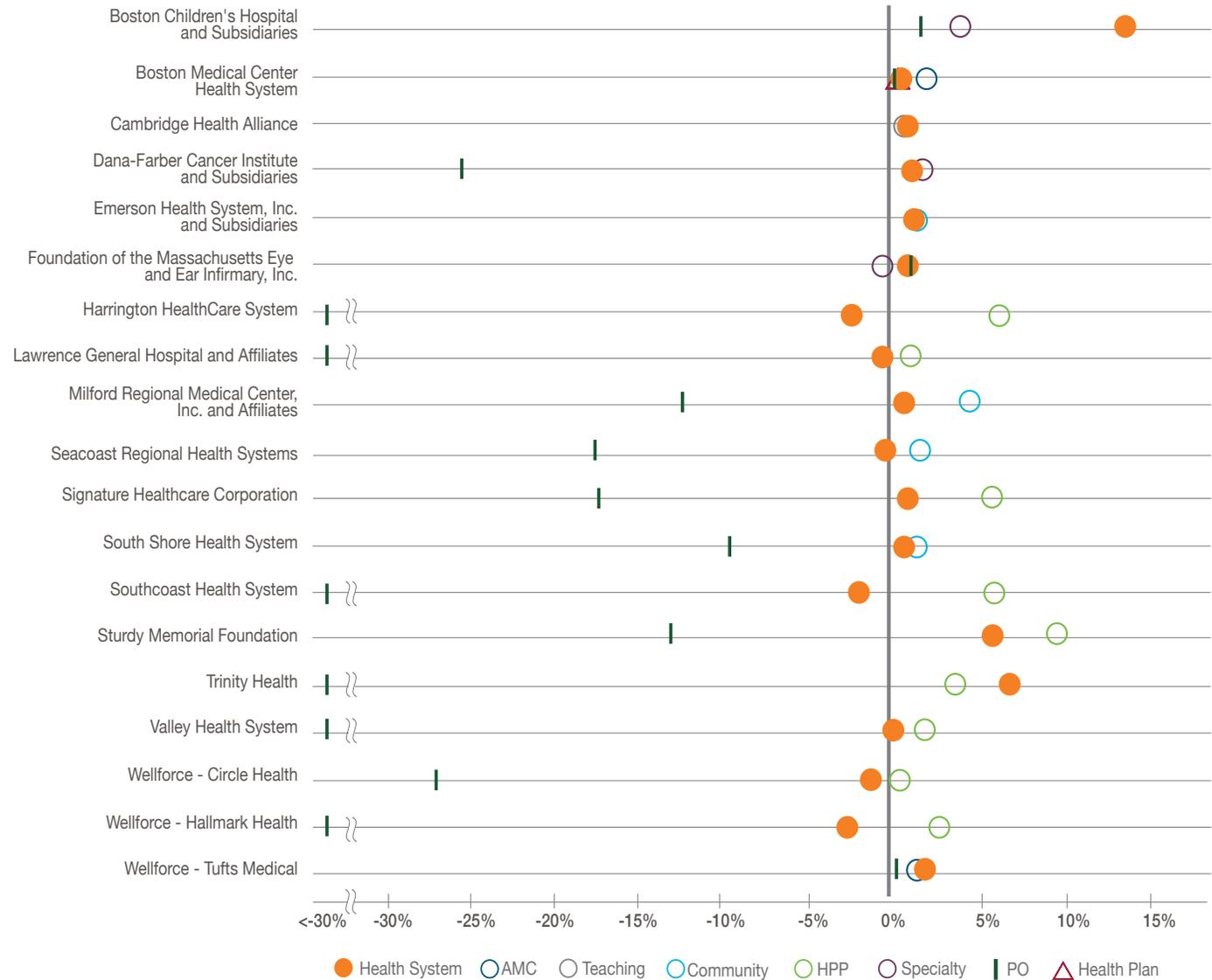
FY 2017 Total Margin for Independent Health Systems

by Component Entity

Thirteen out of 19 independent health systems reported a positive total margin for FY 2017. Total margins for independent health systems ranged from -2.5% for Wellforce-Hallmark Healthcare to 13.8% for Boston Children's Hospital and Subsidiaries.

Associated acute care hospital performance ranged from Massachusetts Eye and Ear Hospital at -0.4% to Sturdy Memorial Hospital at 9.9%. Only one associated hospital reported a negative total margin.

Five out of 18 HHS-associated physician organizations reported a positive total margin for FY 2017. The associated health plan reported a positive total margin.



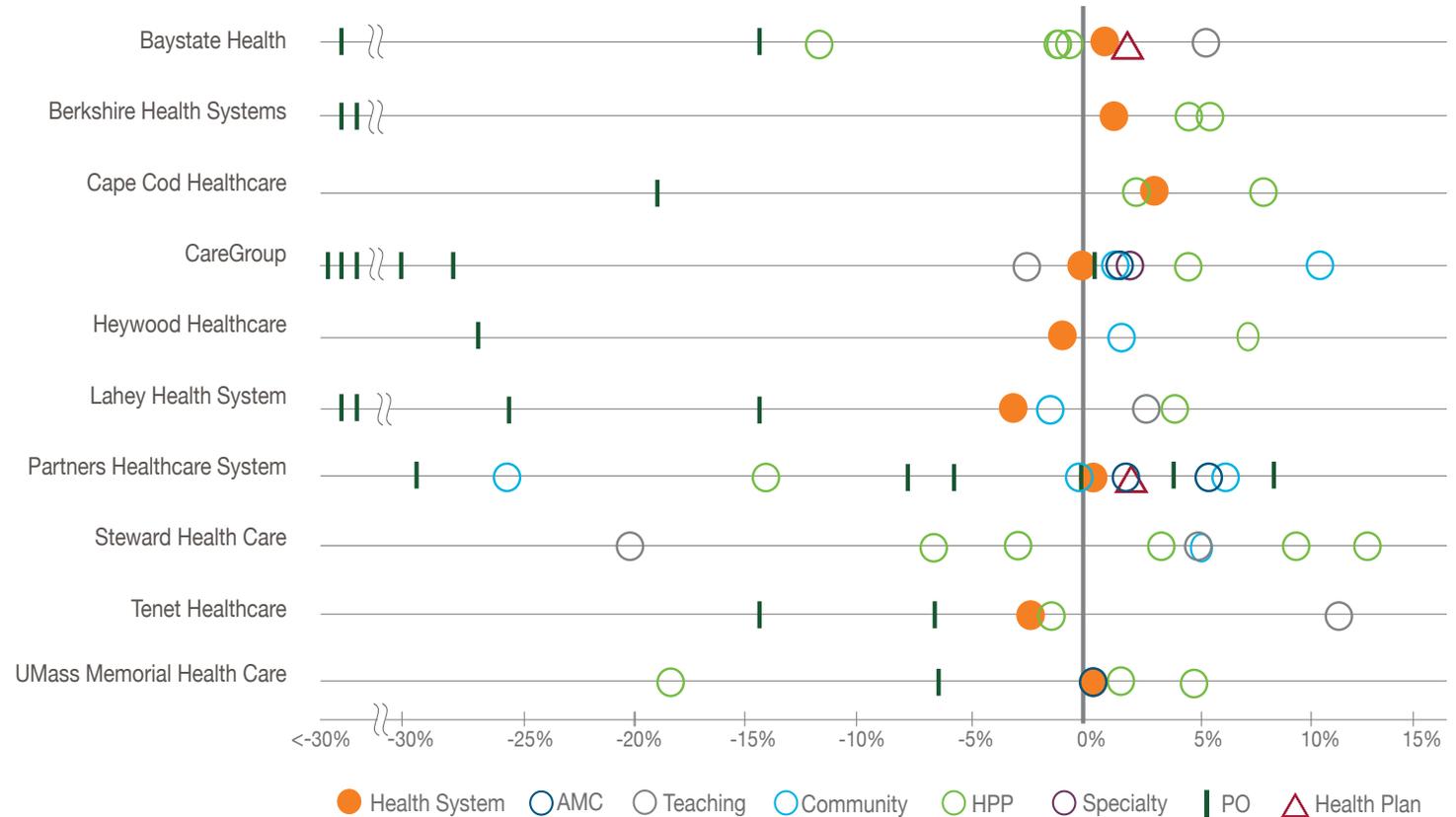
Notes: Six physicians organizations are outliers with margins <-30%. Detailed information is provided in the accompanying [databook](#).

PROFITABILITY

FY 2017 Operating Margin for Systems with Multiple Acute Hospitals by Component Entity

Five out of the nine multi-acute systems that reported data reported a positive operating margin for FY 2017. Operating margin ranged from Lahey Health System with -3.1% to Cape Cod Healthcare with 3.2%.

Associated acute hospital performance varied from Nantucket Cottage Hospital with a -25.4% operating margin to Steward Saint Anne's Hospital with a 12.4% operating margin. Three out of 24 associated physician organizations reported a positive operating margin. The associated health plan reported a positive operating margin.



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.
 Eight physicians organizations are outliers with margins <-30%. Detailed information is provided in the accompanying [databook](#).

PROFITABILITY

FY 2017 Operating Margin for Independent Health Systems by Component Entity

Five out of 19 independent acute hospital health systems reported a positive operating margin in FY 2017. System operating margins ranged from -6.9% at Wellforce-Hallmark Health to Boston Children's Hospital and Foundation with a 2.0% operating margin.

Component acute hospital performance ranged from a -7.1% operating margin at Dana Farber Cancer Institute to a 5.2% operating margin at Signature Healthcare Corporation at Signature Healthcare Brockton Hospital. Three out of 18 associated physician organizations reported an operating profit and the associated health plan reported an operating profit.



Notes: Six physicians organizations are outliers with margins <-30%. Detailed information is provided in the accompanying [databook](#).

PROFITABILITY

FY 2014-FY 2017 Total and Operating Margin Trends

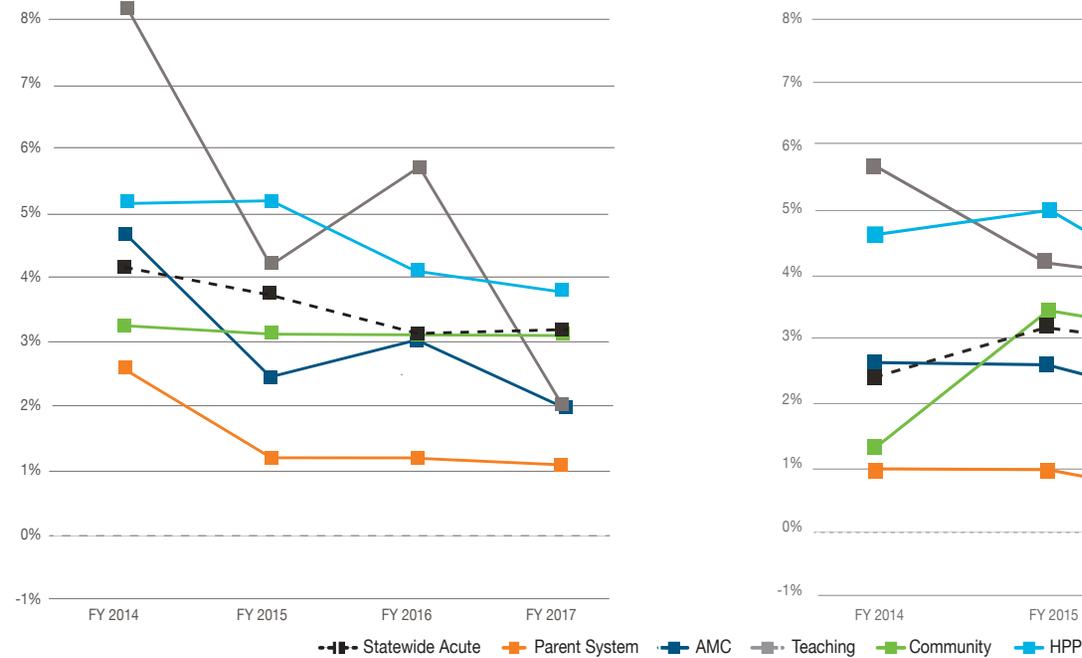
by Hospital Cohort

The statewide median for total margin increased by 0.1 percentage points between 2016 and 2017. The Academic Medical Center, community-HPP, and teaching cohorts had a decrease in total margin, while the community cohort remained the same. The teaching hospital cohort had the most significant total margin decrease at 3.7 percentage points.

The median operating margin decreased by 1.2 percentage points. All cohorts saw a decrease in operating margin. The community cohort had the most significant decrease in median operating margin, by 2.1 percentage points.

The median total margin for hospital health systems decreased by 0.1 percentage points between 2016 and 2017. The median operating margin for hospital health systems decreased by 0.9 percentage points. In 2017, the median operating margin for hospital health systems was a negative percentage, indicating that hospital health system financial performance is influenced by non-operating activities.

Total Margin Trends

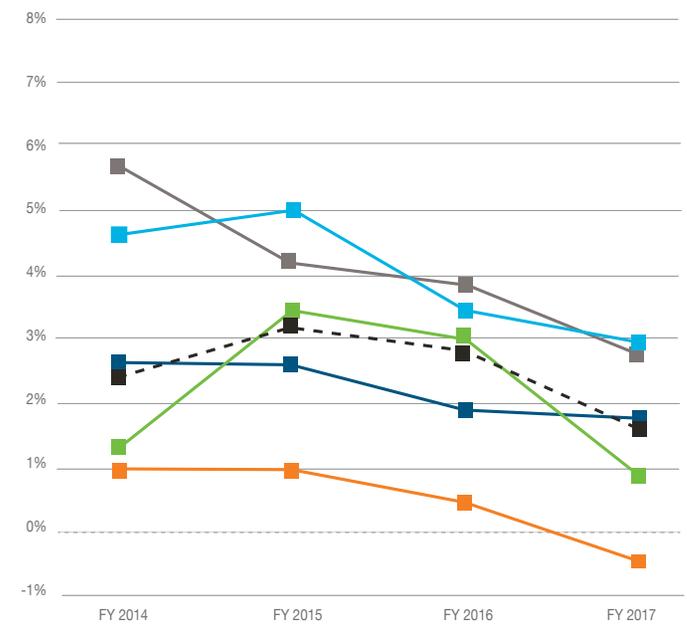


	2014	2015	2016	2017
Statewide Median*	4.1%	3.8%	3.1%	3.2%
Academic Medical Center	4.7%	2.4%	3.0%	2.0%
Teaching Hospital	8.2%	4.2%	5.7%	2.0%
Community Hospital	3.3%	3.1%	3.1%	3.1%
Community-High Public Payer	5.2%	5.2%	4.1%	3.8%
Health System	2.6%	1.2%	1.2%	1.1%

*Statewide median includes specialty hospitals.

Notes: Steward Health Care's system level data are not included in 2016 and 2017 as they did not submit audited financial statements.

Operating Margin Trends



	2014	2015	2016	2017
Statewide Median*	2.4%	3.2%	2.8%	1.6%
Academic Medical Center	2.6%	2.6%	1.9%	1.8%
Teaching Hospital	5.6%	4.2%	3.8%	2.7%
Community Hospital	1.4%	3.4%	3.0%	0.9%
Community-High Public Payer	4.6%	5.0%	3.4%	2.9%
Health System	1.0%	1.0%	0.5%	-0.4%

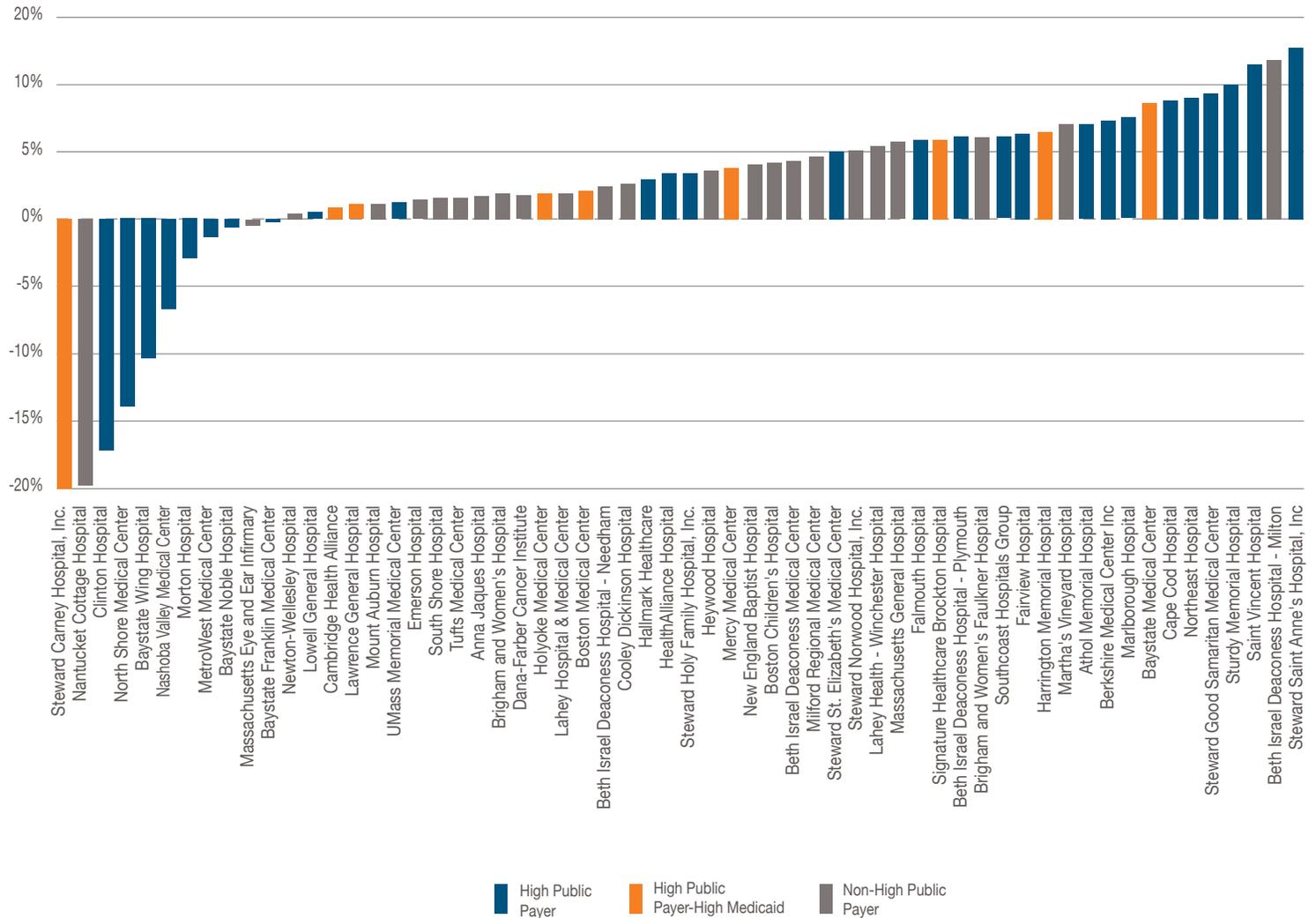
PROFITABILITY

FY 2017 Total Margin by Public Payer Status

by Hospital

A hospital meets the threshold for high public payer status if 63% of its gross patient service revenue (GPSR) is from public payers such as Medicaid or Medicare. Hospitals can meet high public payer status regardless of whether they are an Academic Medical Center, a teaching hospital, or a community hospital. Of these 36 HPP hospitals, nine are considered high Medicaid hospitals. HPP-High Medicaid hospitals are disproportionately reliant on revenue from Medicaid, by virtue of a Medicaid payer mix within the top quartile for all HPP hospitals.

Of the 11 hospitals that reported a negative total margin, eight were HPP hospitals, two were non-HPP hospitals, and one was a HPP-High Medicaid hospital. Eight of out of nine HPP-High Medicaid hospitals reported a positive total margin.



PROFITABILITY

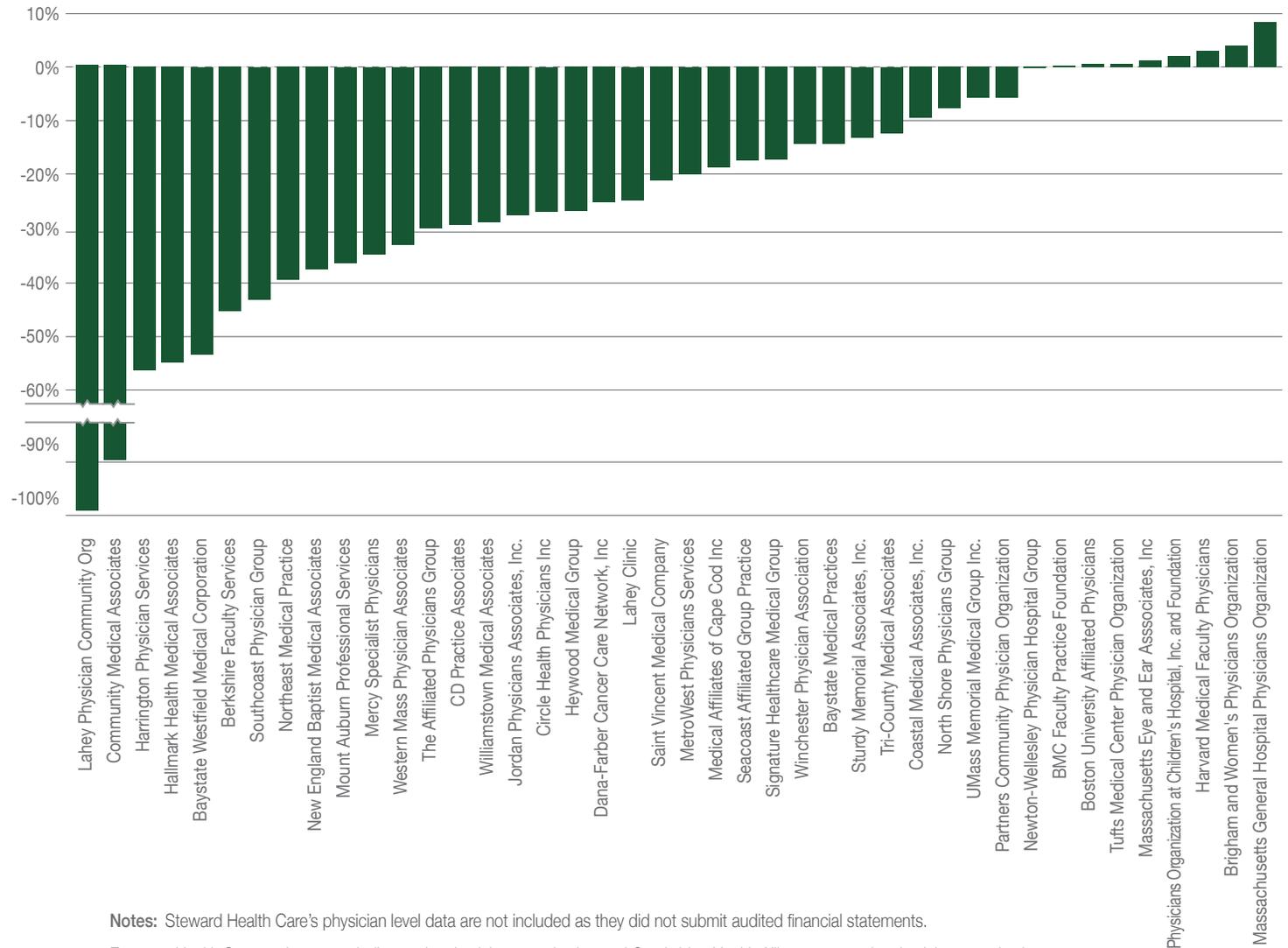
FY 2017 Hospital-Affiliated Physician Organization Total Margin

Physician organizations vary greatly in terms of size, services provided, and specialty. The total revenue reported by these organizations ranged from \$3.5 million to \$1 billion.

The median total margin for these physician organizations was -20.5%. Total margins and profits and losses varied greatly. This variation did not appear to be related to whether a physician group was affiliated with a multi or individual acute hospital health system.

The majority of these physician organizations reported a loss. Eight out of 42 physician organizations reported a profit in FY 2017. Losses ranged from \$77.8 million at Southcoast Physician Organization to \$97,000 at Newton-Wellesley Physician Hospital Group.

The two physician organizations with the largest revenue, Massachusetts General Hospital Physician Organization and Brigham and Women's Physician Organization reported the largest total margins, at 8.3% and 3.9%, respectively.



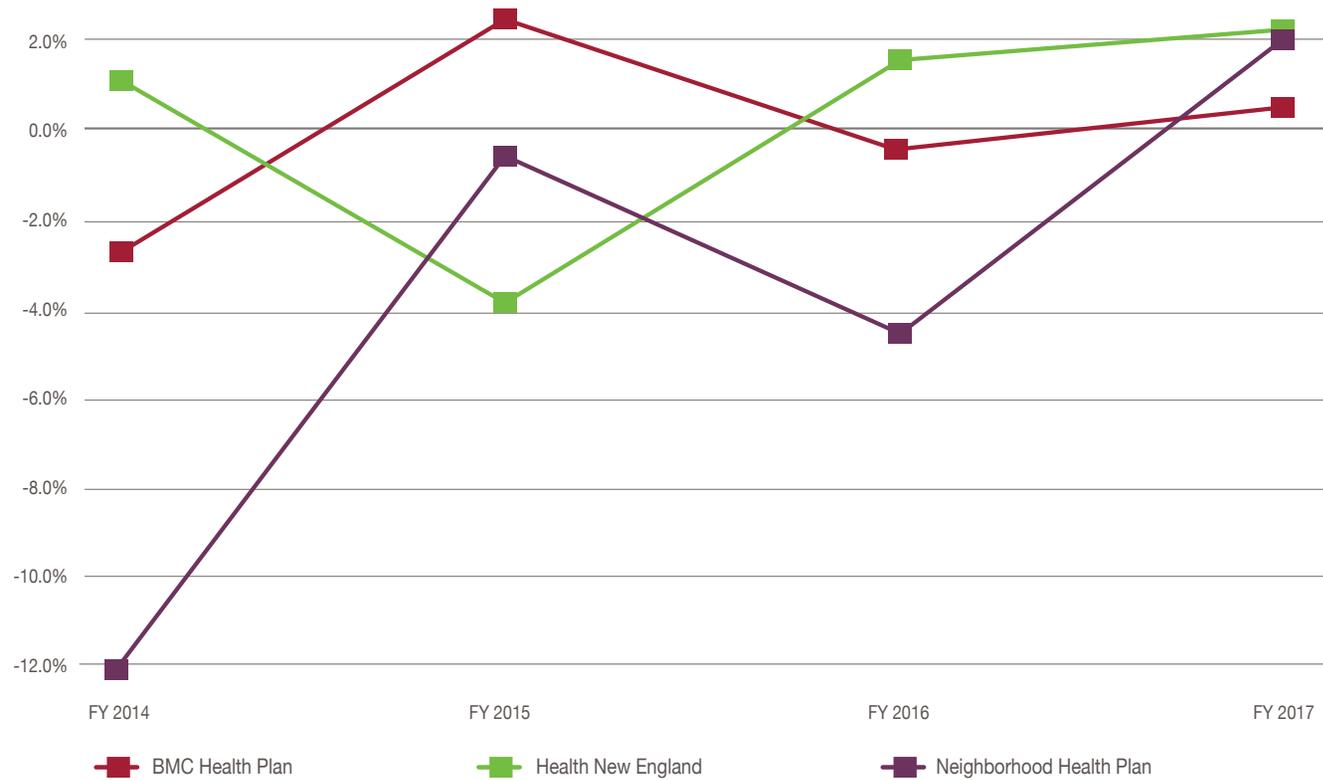
Notes: Steward Health Care's physician level data are not included as they did not submit audited financial statements.
Emerson Health System does not wholly own its physician organization and Cambridge Health Alliance reports its physician organization as an integrated component of the acute hospital.

PROFITABILITY

FY 2014-FY 2017 HHS-Affiliated Health Plan Total Margin

Three hospital health systems have an associated health plan: Baystate Health, Boston Medical Center and Affiliates, and Partners Healthcare. In FY 2017, all associated health plans reported a profit and had increases in total margin between FY 2016 and FY 2017.

Health plans financial performance has varied from FY 2014-FY 2017. Neighborhood Health Plan reported a profit in FY 2017, but reported a loss in all other years. Health New England reported a profit in all years except FY 2015, and BMC Health Net Plan reported a profit in 2015 and 2017.



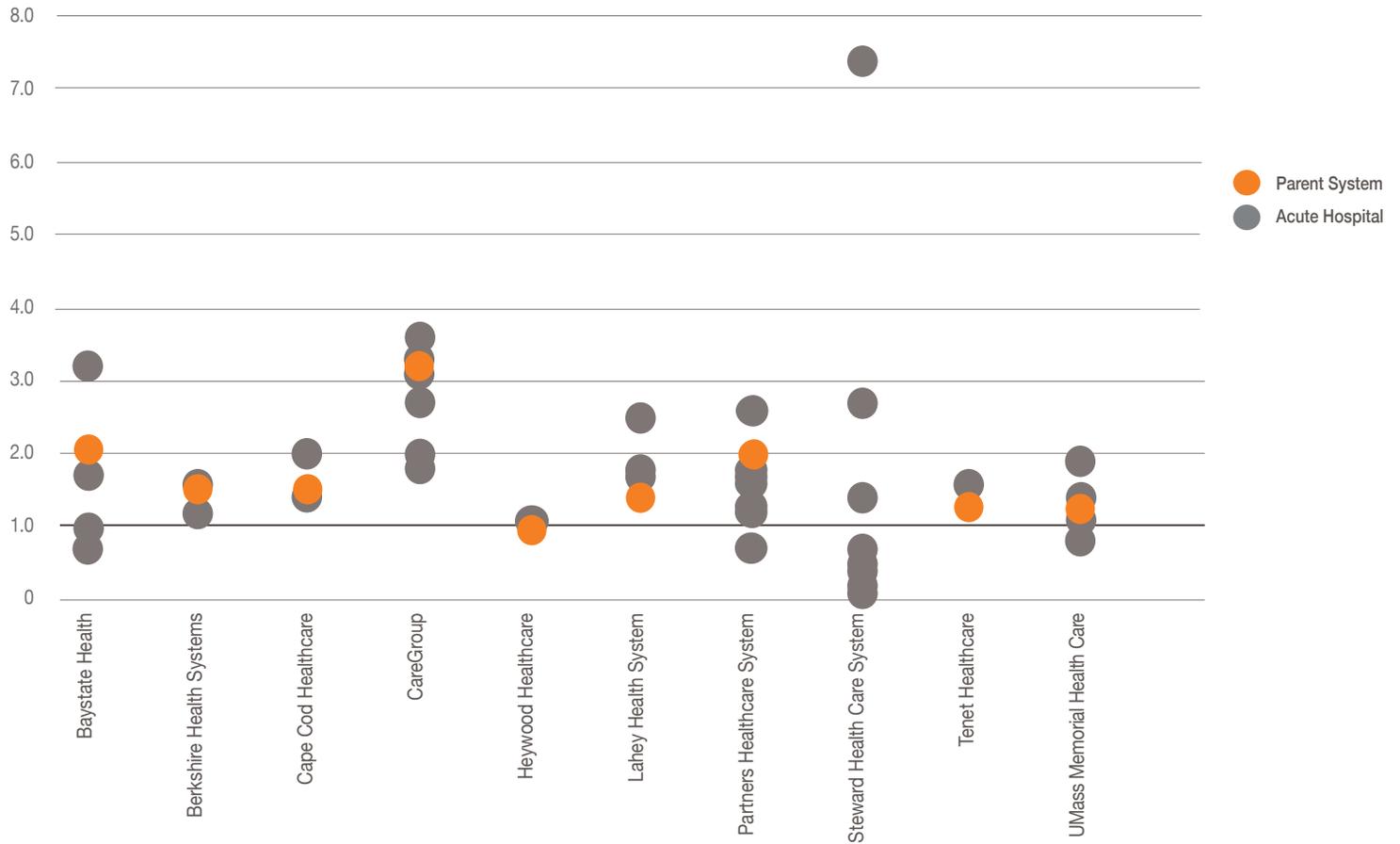
	2014	2015	2016	2017
BMC Health Plan (Boston Medical Center and Affiliates)	-2.7%	2.5%	-0.4%	0.5%
Health New England (Baystate Health)	1.1%	-3.9%	1.6%	2.2%
Neighborhood Health Plan (Partners HealthCare)	-12.1%	-0.5%	-4.5%	2.0%

LIQUIDITY

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 multi-acute hospital health systems reported a current ratio at 1.0 or above, indicating that these systems can meet current liabilities with current assets. Eight hospitals that are affiliated with multi-acute hospital health systems reported a current ratio below 1.0. Current ratio measures ranged from 0.1 at Steward Carney Hospital to Steward Saint Anne's Hospital at 7.4.

FY 2017 Current Ratio for Systems with Multiple Acute Hospitals



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

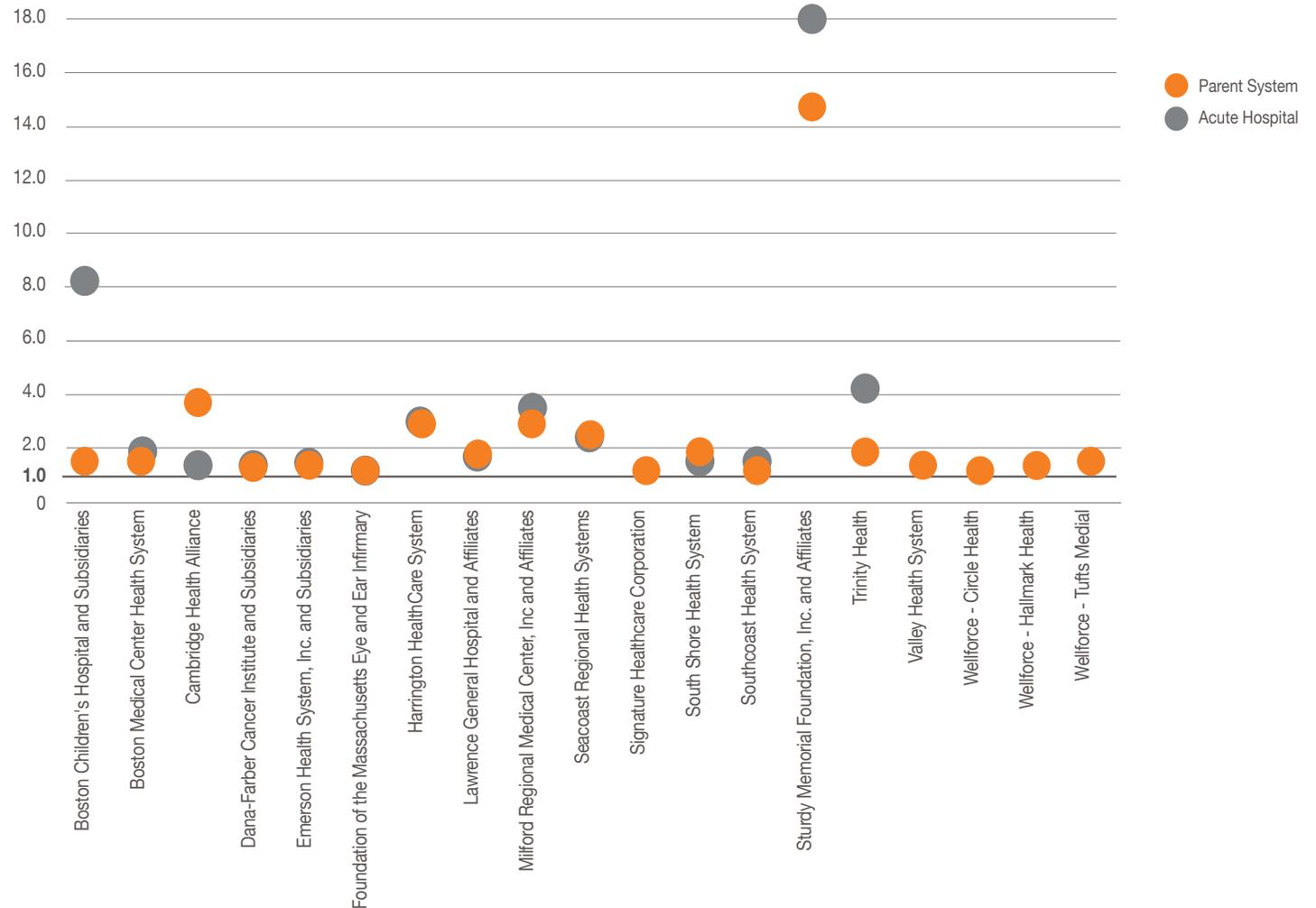
Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences.

LIQUIDITY

FY 2017 Current Ratio for Independent Health Systems

None of the independent hospital health systems reported a current ratio below 1.0, indicating that all independent hospital health systems can meet current liabilities with current assets.

None of the hospitals associated with independent hospital health systems reported a current ratio below 1.0. Hospital current ratio measures ranged from 1.1 at Signature Brockton Hospital and Massachusetts Eye and Ear Infirmary to 18.1 at Sturdy Memorial Hospital.

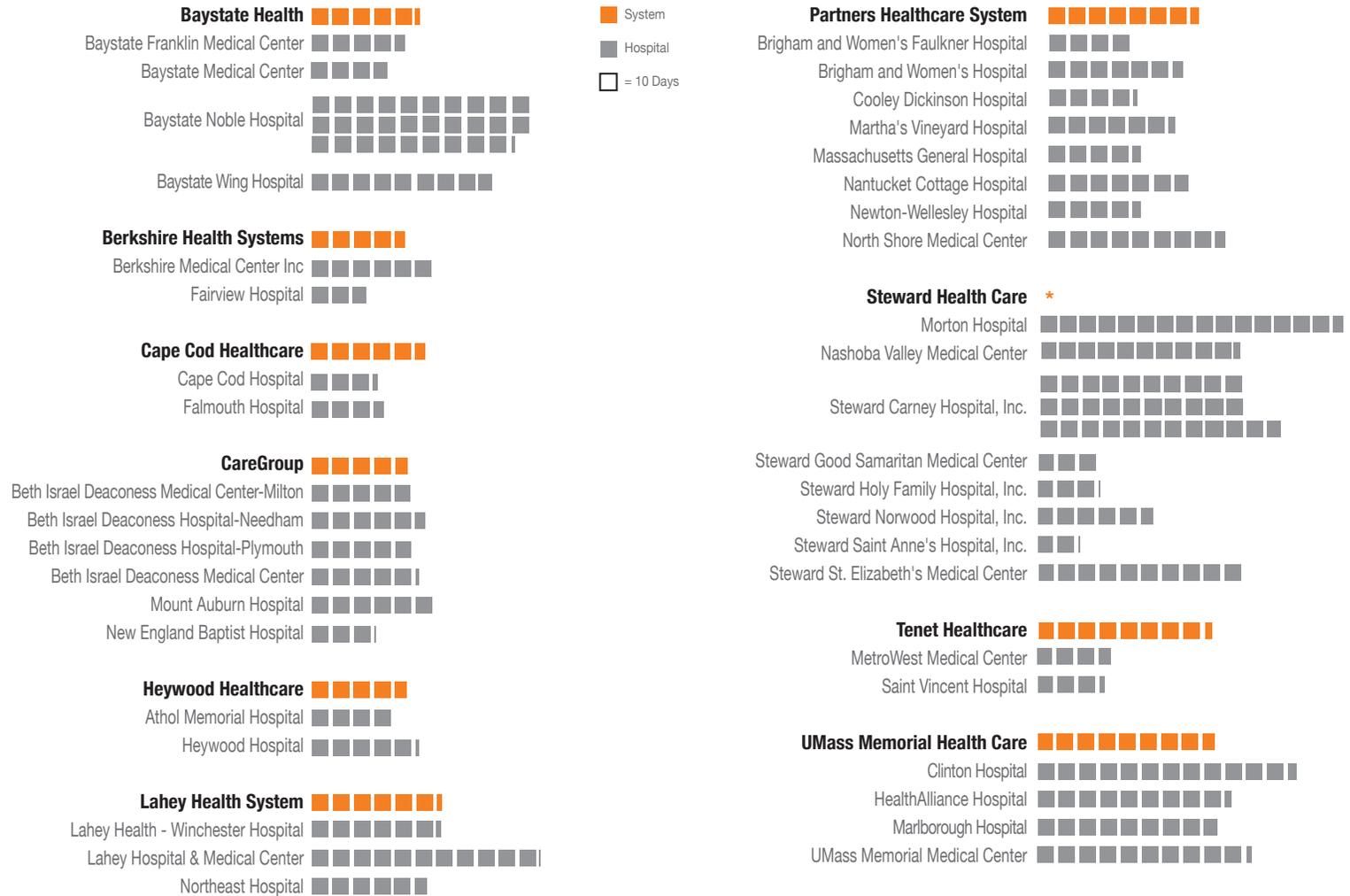


LIQUIDITY

FY 2017 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. The average payment period for multi-acute health systems ranged from 46 days at Berkshire Health Systems to 87 days at UMass Memorial Health Care.

Ranges for associated acute hospitals varied from 21 days at Steward Saint Anne's Hospital to 317 days at Steward Carney Hospital. Eight hospitals had an average payment period at or above 100 days, including Baystate Noble Hospital, Lahey Hospital, Morton Hospital, Nashoba Valley Medical Center, Steward St. Elizabeth's Medical Center, Steward Carney Hospital, Clinton Hospital, and UMass Memorial Medical Center.



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

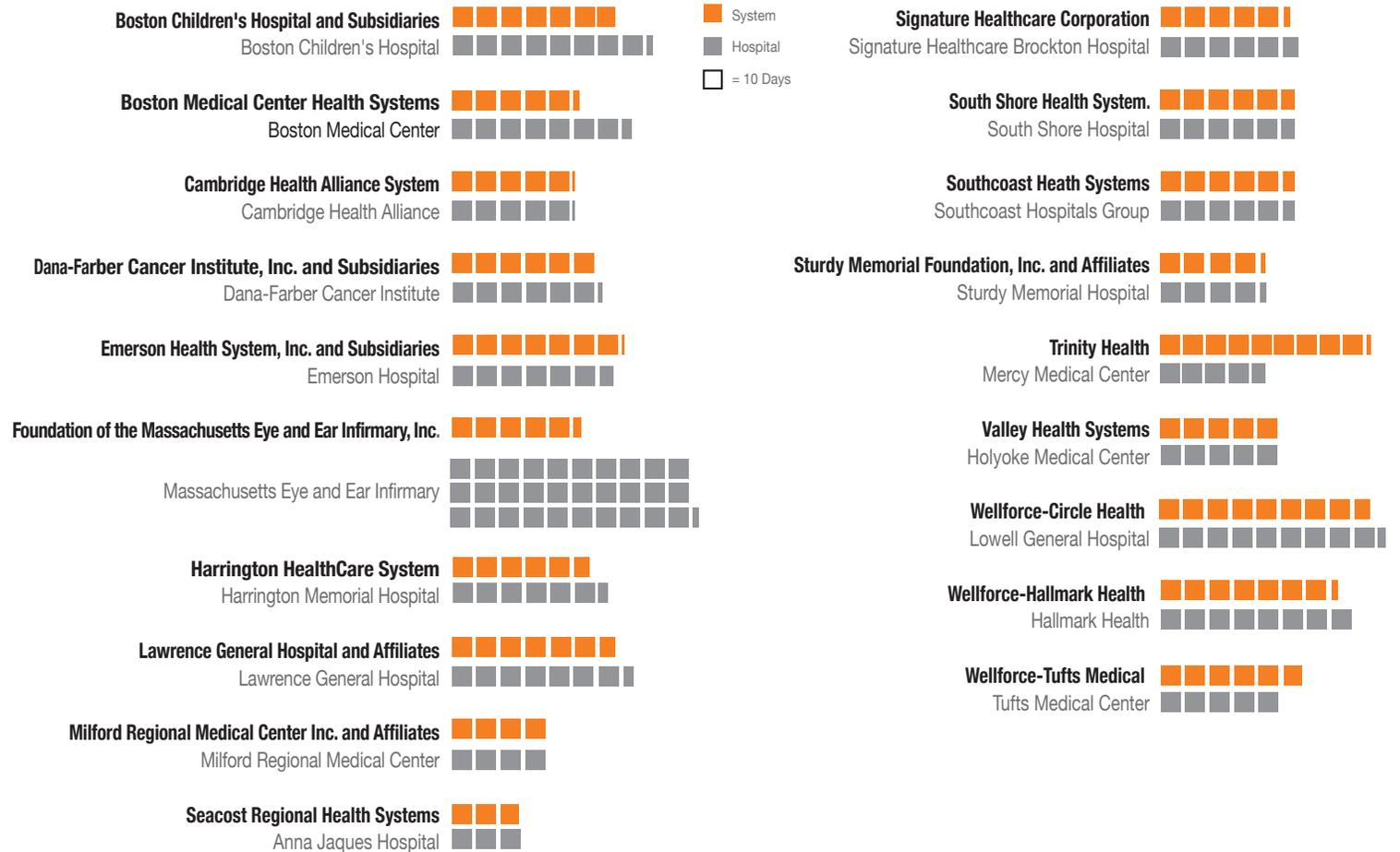
Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences.

LIQUIDITY

FY 2017 Average Payment Period for Independent Health Systems

Average payment period for independent health systems ranged from 29 days at Seacoast Regional Health Systems to 92 days at Trinity Health.

Ranges for associated acute hospitals varied from 30 days at Anna Jacques Hospital to 303 days at Massachusetts Eye and Ear Infirmary. With the exception of Massachusetts Eye and Ear Infirmary, no acute hospital that is part of an independent health system had an average payment period above 100 days.



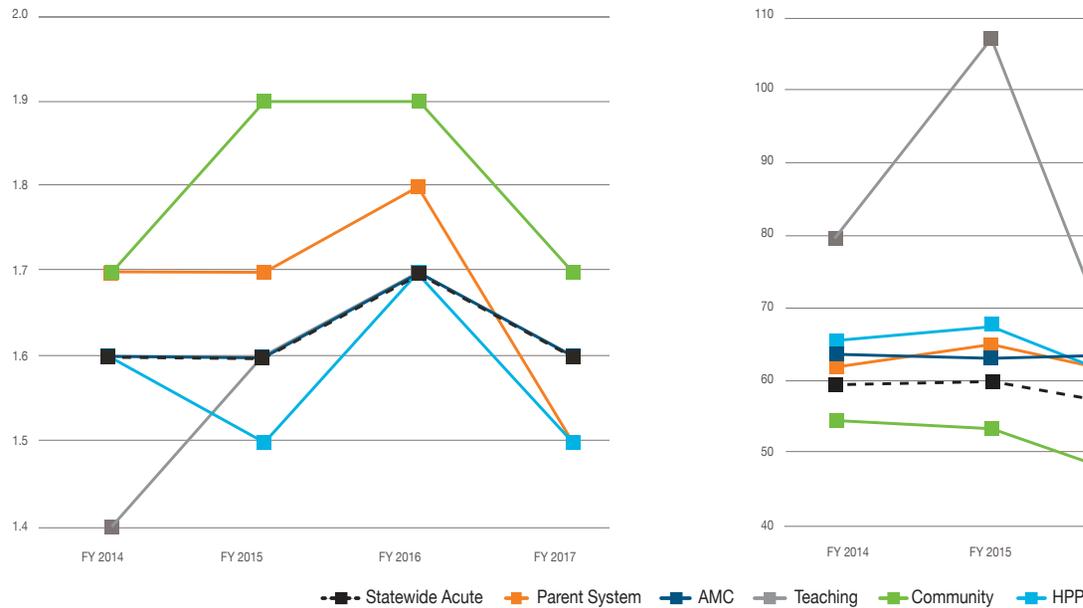
LIQUIDITY

FY 2014-FY 2017 Current Ratio and Average Payment Period Trends

The current ratio remained relatively stable over time. The statewide median current ratio decreased by 0.1 between 2016 and 2017. The Academic Medical Center and teaching cohorts decreased by 0.1 between 2016 and 2017. The community and community-HPP cohorts decreased by 0.2 between 2016 and 2017.

The statewide median for average payment period increased by one day. The Academic Medical Center and community-HPP cohorts had a decrease in average payment period, while the teaching and community hospital cohorts had an increase in average payment period.

Current Ratio Trends

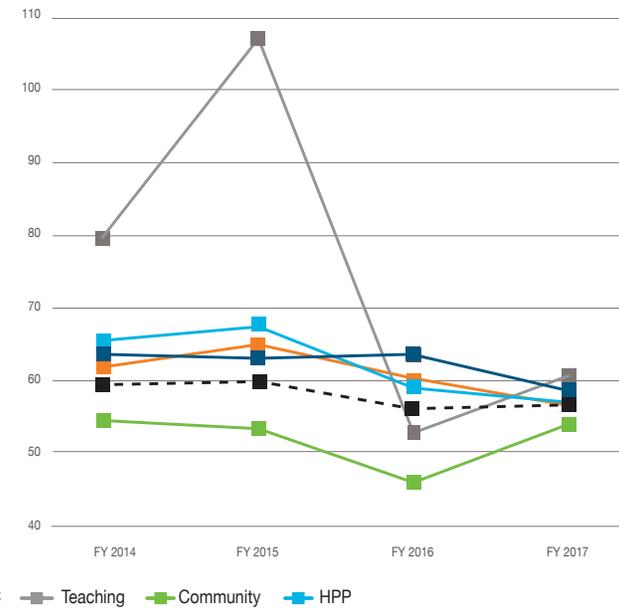


	2014	2015	2016	2017
Statewide Median*	1.6	1.6	1.7	1.6
Academic Medical Center	1.6	1.6	1.7	1.6
Teaching Hospital	1.4	1.6	1.7	1.6
Community Hospital	1.7	1.9	1.9	1.7
Community-High Public Payer	1.6	1.5	1.7	1.5
Health System	1.7	1.7	1.8	1.5

*Statewide median includes specialty hospitals.

Note: Steward Health Care's system level data are not included in 2016 and 2017 as they did not submit audited financial statements.

Average Payment Period Trends



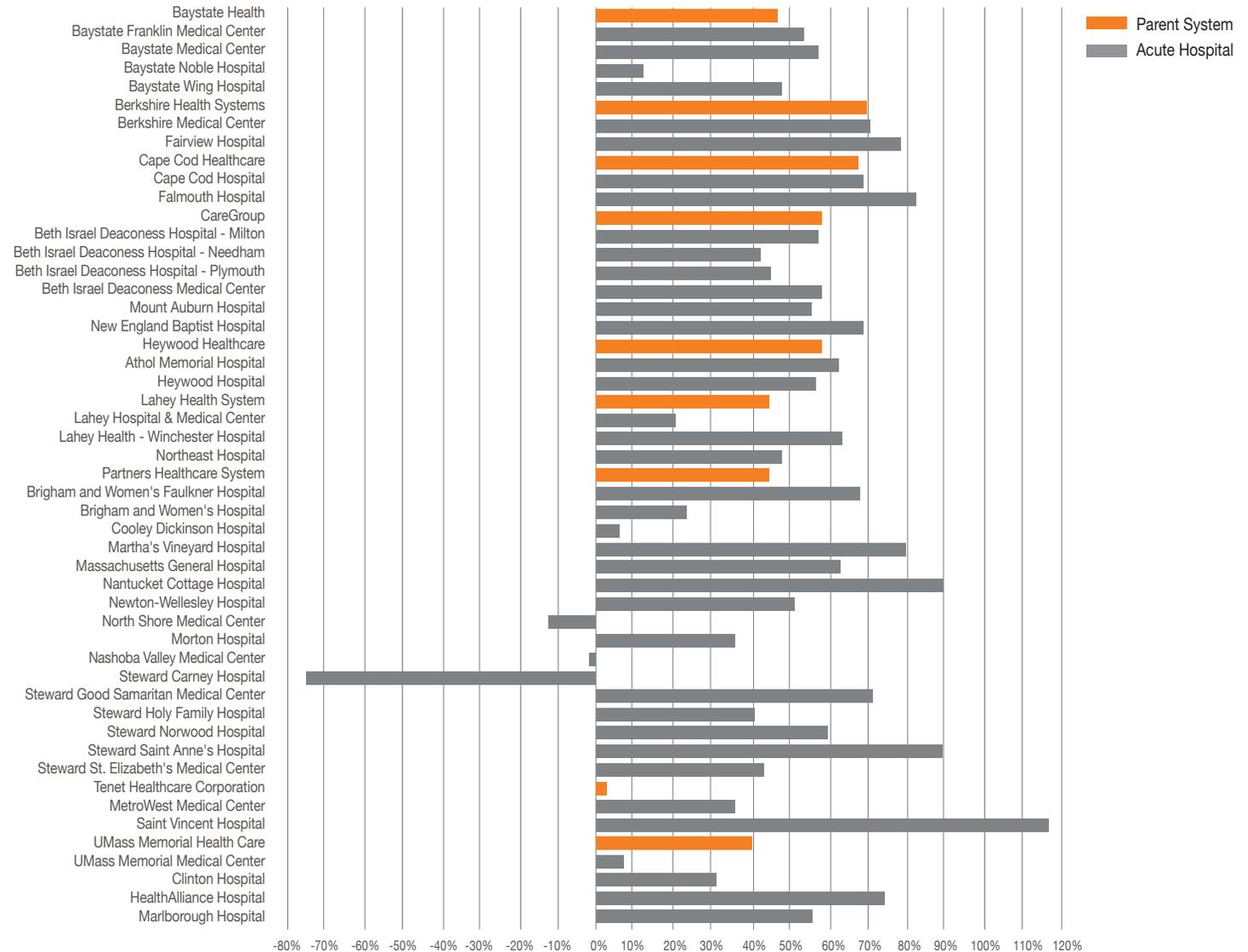
	2014	2015	2016	2017
Statewide Median*	59	60	56	57
Academic Medical Center	63	63	64	59
Teaching Hospital	80	107	53	60
Community Hospital	55	53	46	54
Community-High Public Payer	66	68	59	57
Health System	62	65	60	57

SOLVENCY

FY 2017 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.

Tenet Healthcare had the lowest equity financing ratio at 2.3% and Berkshire Health Systems had the highest at 69.6%. Three hospitals had negative equity financing ratio, including North Shore Medical Center at -12.4%, -1.9% at Nashoba Valley Medical Center, and Steward Carney Hospital at -74.9%. Saint Vincent Medical Center had the highest equity financing ratio at 116.2%.

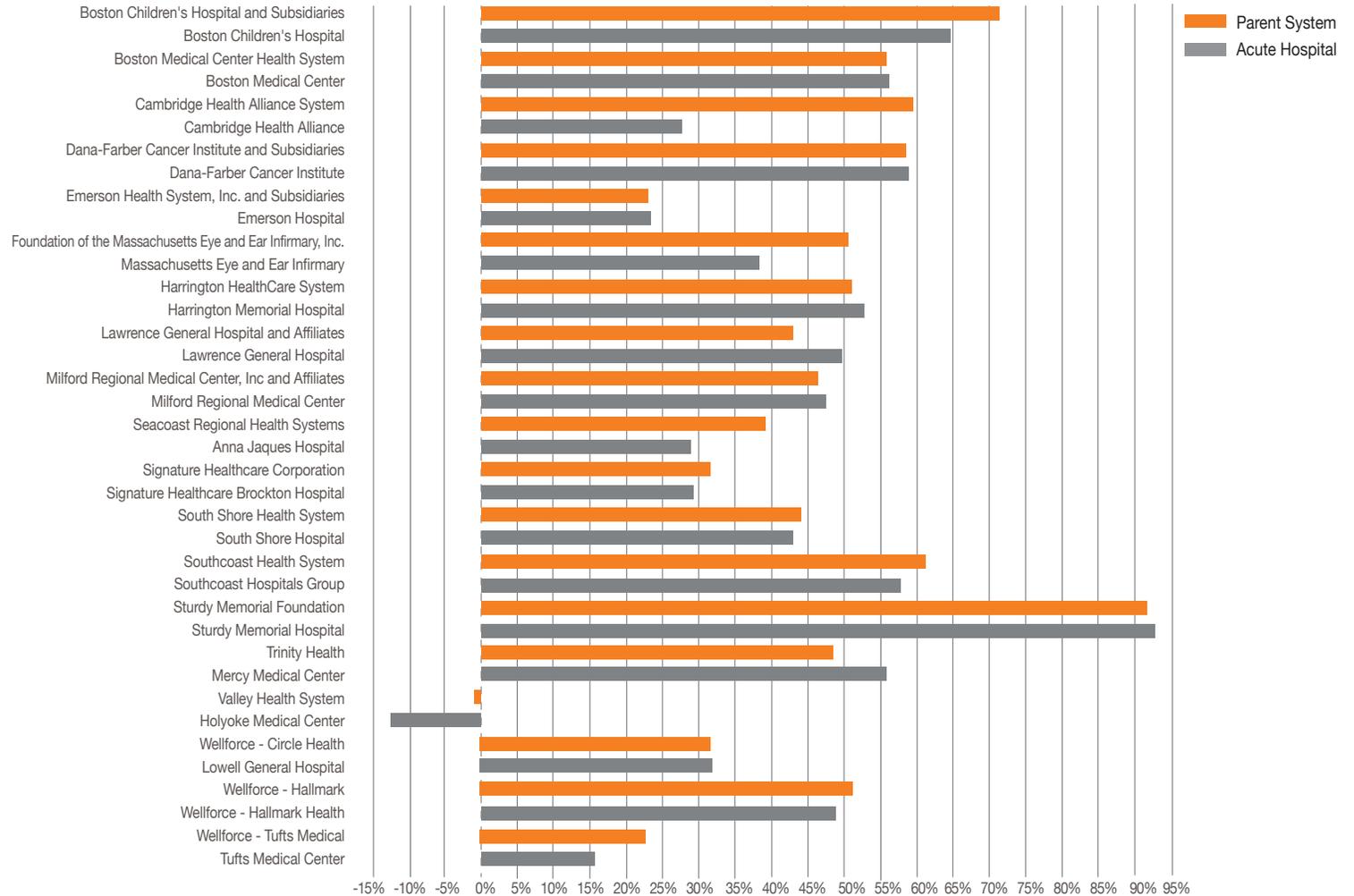


Notes: Steward Health Care's system level data are not included as they did not submit audited financial statements
Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences.

SOLVENCY

FY 2017 Equity Financing Ratio for Independent Health Systems

Equity financing values for hospitals in independent health systems ranged from -12.3% for Holyoke Medical Center and 92.7% 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 -0.6% while Sturdy Memorial Foundation reported 91.7%. 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.

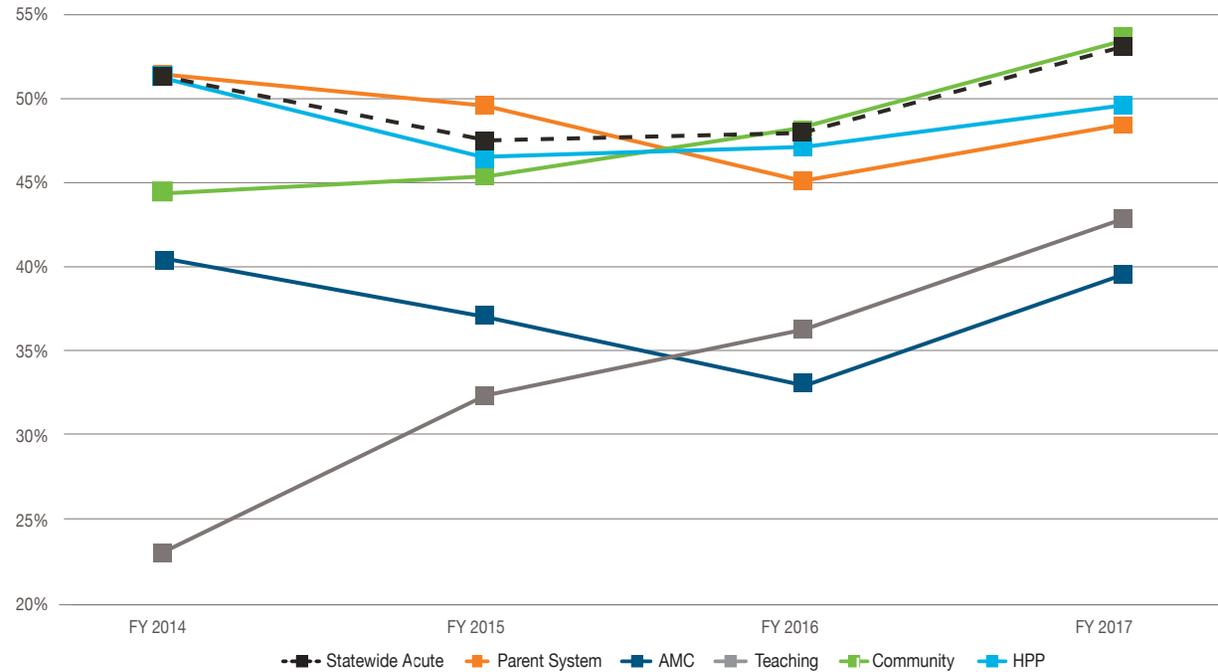


SOLVENCY

FY 2014-FY 2017 Equity Financing Ratio

The statewide median for equity financing increased in 2017. All cohorts also had an increase in equity financing between 2016 and 2017, indicating that hospitals are less leveraged by debt than they were in previous years. The Academic Medical Center cohort had the lowest median equity financing ratio, indicating that these hospitals are more leveraged by debt. The Academic Medical Center cohort had the largest increase in equity financing between 2016 and 2017, with an increase of 6.9 percentage points.

Equity Financing Trends



	2014	2015	2016	2017
Statewide Median*	51.4%	47.4%	47.7%	53.1%
Academic Medical Center	40.4%	37.2%	32.9%	39.8%
Teaching Hospital	23.2%	32.4%	36.5%	42.9%
Community Hospital	44.3%	45.6%	48.1%	53.7%
Community-High Public Payer	51.1%	46.5%	47.1%	49.7%
Health System	51.4%	49.7%	45.1%	48.4%

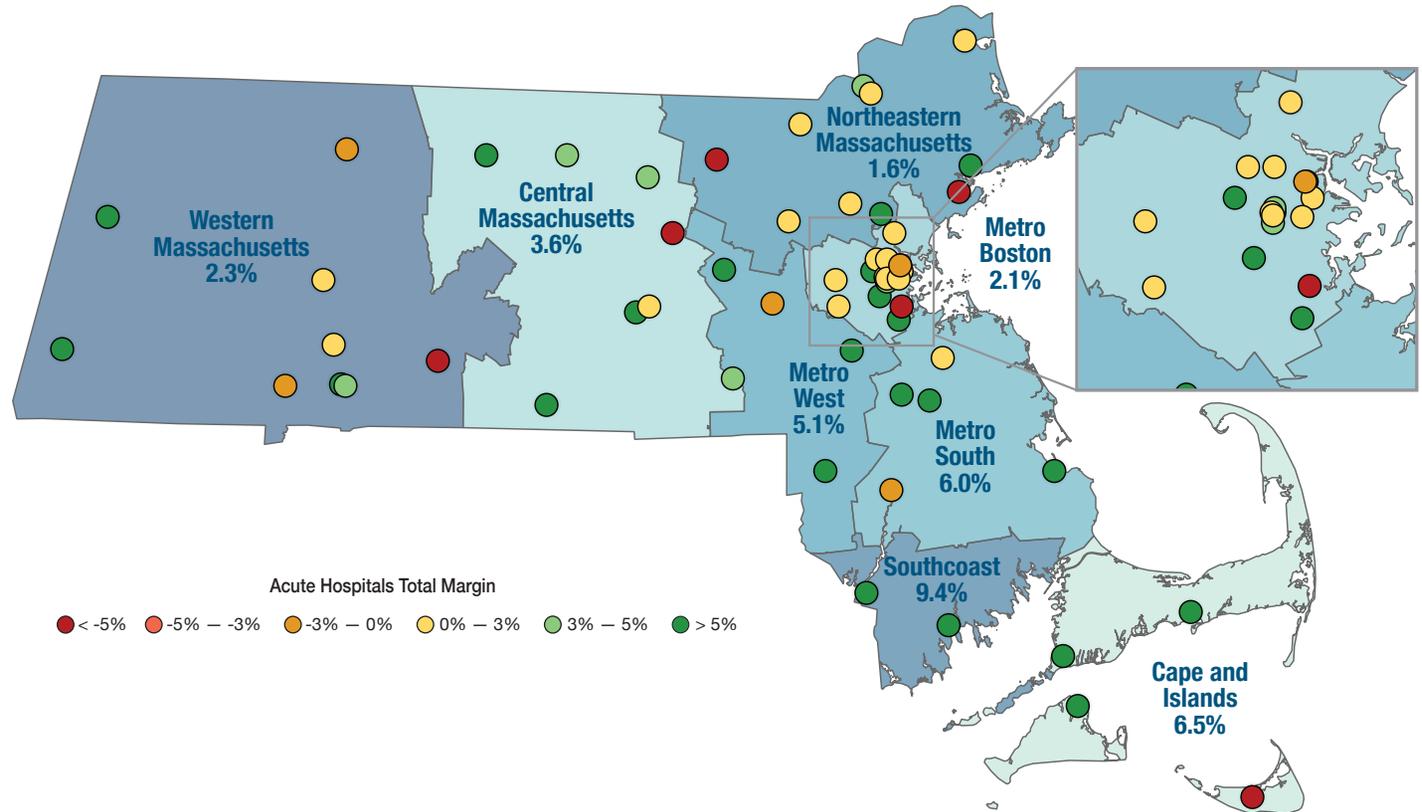
*Statewide median includes specialty hospitals.

Notes: Steward Health Care's system level data are not included in 2016 and 2017 as they did not submit audited financial statements.

PROFITABILITY

FY 2017 Acute Hospital Total Margin by Region

There are some noticeable differences in financial performance of acute hospitals across regions in Massachusetts. The Northeastern Massachusetts and Metro Boston region had the lowest median total margins, at 1.6% and 2.1%, respectively. The Southcoast and Cape and Islands region had the highest median total margin at 9.4% and 6.5%, respectively. 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.



Notes: Shriners Hospitals for Children are not included in the map due to differences in reporting. They are included in medians.

FY 2017 Health System, Hospital, Physician Organization, and Health Plan Metrics

Entity Name	Organization Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Equity Financing	Net Assets
Baystate Health			2.1	53	1.0%	2.9%	\$70.6	46.8%	\$998.6
Baystate Franklin	Community-High Public Payer	12	1.7	46	-1.2%	-0.2%	(\$0.2)	53.4%	\$52.1
Baystate Medical Center ^ε	Teaching Hospital	12	3.2	38	5.3%	8.6%	\$109.0	57.1%	\$764.7
Baystate Noble	Community-High Public Payer	12	0.7	292	-0.7%	-0.6%	(\$0.3)	11.8%	\$6.9
Baystate Wing	Community-High Public Payer	12	1.0	88	-11.7%	-10.3%	(\$9.1)	47.6%	\$50.8
Baystate Medical Practices	Physician Organization	12			-14.3%	-14.3%	(\$41.2)		(\$41.6)
Baystate Westfield Medical Corp.	Physician Organization	12			-53.4%	-53.4%	(\$5.8)		(\$2.9)
Health New England	Health Plan	12			1.9%	2.2%	\$20.5		\$70.0
Berkshire Health Systems			1.5	46	1.4%	3.1%	\$19.0	69.6%	\$447.5
Berkshire Medical Center	Community-High Public Payer	12	1.2	60	5.5%	7.3%	\$36.3	70.4%	\$408.5
Fairview Hospital	Community-High Public Payer	12	1.6	28	4.6%	6.3%	\$3.2	78.3%	\$33.9
Berkshire Faculty Services	Physician Organization	12			-45.5%	-45.5%	(\$18.9)		\$0.0
Williamstown Medical Associates	Physician Organization	12			-34.8%	-28.8%	(\$1.7)		(\$1.2)
Boston Children's Hospital and Subsidiaries			1.5	69	2.0%	13.8%	\$383.5	71.3%	\$5,489.0
Boston Children's Hospital	Specialty Hospital	12	8.3	83	1.2%	4.2%	\$72.8	64.8%	\$3,553.0
Physicians Organization at Children's Hospital, Inc. and Foundation	Physician Organization	12			-9.1%	1.9%	\$14.6		\$908.1
Boston Medical Center Health System			1.5	53	-0.4%	0.5%	\$15.6	55.8%	\$1,579.9
Boston Medical Center ^ε	Academic Medical Center	12	1.9	75	1.0%	2.1%	\$28.6	56.1%	\$1,262.3
Boston University Affiliated Physicians	Physician Organization	12			0.4%	0.4%	\$0.0		(\$1.6)
BMC Faculty Practice Foundation	Physician Organization	12			-1.1%	0.3%	\$1.1		\$66.9
BMC Health Plan (BMCHP)	Health Plan	12			0.3%	0.5%	\$7.5		\$235.0
Cambridge Health Alliance			3.6	51	-1.9%	1.2%	\$7.1	59.4%	\$315.0
Cambridge Health Alliance ^ε	Teaching Hospital	12	1.4	51	-1.9%	0.9%	\$5.5	27.6%	\$82.1
Cape Cod Healthcare			1.5	56	3.2%	4.6%	\$40.9	67.1%	\$708.7
Cape Cod Hospital	Community-High Public Payer	12	2.0	33	7.9%	8.7%	\$47.4	68.6%	\$402.6
Falmouth Hospital	Community-High Public Payer	12	1.4	36	2.3%	5.9%	\$9.6	82.4%	\$227.2
Medical Affiliates of Cape Cod, Inc	Physician Organization	12			-18.8%	-18.8%	(\$15.8)		\$9.1

Entity Name	Organization Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Equity Financing	Net Assets
CareGroup			3.2	47	-0.1%	1.9%	\$66.2	57.9%	\$1,824.5
Beth Israel Deaconess Hospital - Milton	Community Hospital	12	2.7	49	10.4%	11.9%	\$14.2	56.9%	\$81.8
Beth Israel Deaconess Hospital - Needham	Community Hospital	12	2.0	56	1.4%	2.5%	\$2.2	41.9%	\$46.3
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	12	1.8	49	4.6%	6.1%	\$16.2	45.1%	\$88.2
Beth Israel Deaconess Medical Center	Academic Medical Center	12	3.1	52	1.7%	4.3%	\$74.6	57.9%	\$959.5
Mt. Auburn Hospital	Teaching Hospital	12	3.3	60	-2.5%	1.2%	\$3.9	55.2%	\$251.9
New England Baptist Hospital	Specialty Hospital	12	3.6	31	2.0%	4.1%	\$10.1	69.0%	\$139.5
The Affiliated Physicians Group	Physician Organization	12			-30.0%	-30.0%	(\$25.6)		\$0.0
Harvard Medical Faculty Physicians	Physician Organization	12			0.5%	2.9%	\$17.3		\$206.3
Jordan Physicians Associates, Inc.	Physician Organization	12			-27.8%	-27.8%	(\$7.6)		\$1.5
Mount Auburn Professional Services	Physician Organization	12			-36.4%	-36.4%	(\$27.0)		\$17.5
New England Baptist Medical Associates	Physician Organization	12			-37.6%	-37.6%	(\$4.6)		\$1.6
Dana-Farber Cancer Institute and Subsidiaries			1.2	60	-2.3%	1.3%	\$21.2	58.6%	\$1,508.6
Dana-Farber Cancer Institute	Specialty Hospital	12	1.3	62	-7.1%	1.9%	\$29.9	58.9%	\$1,531.5
Dana-Farber Cancer Care Network, Inc	Physician Organization	12			-25.4%	-25.4%	(\$8.6)		(\$22.9)
Emerson Health System Inc. and Subsidiaries			1.5	71	0.0%	1.5%	\$3.6	23.1%	\$45.5
Emerson Hospital	Community Hospital	12	1.5	67	0.0%	1.5%	\$3.6	23.4%	\$46.1
Foundation of the Massachusetts Eye and Ear Infirmary			1.2	54	-0.2%	0.9%	\$4.0	50.5%	\$274.9
Massachusetts Eye & Ear Infirmary	Specialty Hospital	12	1.1	303	-2.1%	-0.4%	(\$1.1)	38.4%	\$256.2
Massachusetts Eye and Ear Associates, Inc	Physician Organization	12			1.3%	1.3%	\$1.6		\$18.6
Harrington HealthCare System			2.9	58	-5.1%	-2.2%	(\$3.7)	50.8%	\$75.3
Harrington Hospital	Community-High Public Payer	12	3.1	65	3.2%	6.5%	\$9.3	52.8%	\$74.2
Harrington Physician Services	Physician Organization	12			-56.4%	-56.4%	(\$12.9)		\$1.0
Heywood Healthcare			1.0	47	-0.9%	0.5%	\$0.9	57.9%	\$68.0
Athol Hospital	Community-High Public Payer	12	1.1	40	7.2%	7.1%	\$1.9	62.1%	\$8.4
Heywood Memorial Hospital	Community Hospital	12	1.1	52	1.6%	3.6%	\$4.2	56.5%	\$54.3
Heywood Medical Group	Physician Organization	12			-26.6%	-26.6%	(\$4.9)		(\$0.5)

Entity Name	Organization Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Equity Financing	Net Assets
Lahey Health System			1.4	63	-3.1%	-0.4%	(\$8.5)	43.0%	\$1,049.6
Lahey Hospital and Medical Center	Teaching Hospital	12	2.5	111	2.7%	2.0%	\$18.8	20.2%	\$156.7
Northeast Hospital	Community-High Public Payer	12	1.8	57	4.0%	9.0%	\$33.1	47.6%	\$205.4
Winchester Hospital	Community Hospital	12	1.7	63	-1.5%	5.4%	\$16.0	63.3%	\$281.5
Lahey Clinic	Physician Organization	12			-25.3%	-24.7%	(\$69.5)		(\$141.6)
Lahey Physician Community Org	Physician Organization	12			-96.1%	-97.5%	(\$3.5)		\$5.9
Northeast Medical Practice	Physician Organization	12			-39.5%	-39.5%	(\$9.9)		\$0.0
Winchester Physician Association	Physician Organization	12			-14.3%	-14.3%	(\$6.0)		(\$4.9)
Lawrence General Hospital and Affiliates			1.9	69	-1.6%	-0.5%	(\$1.2)	42.8%	\$115.2
Lawrence General Hospital	Community-High Public Payer	12	1.6	75	0.0%	1.2%	\$3.1	49.7%	\$114.9
Community Medical Associates, Inc.	Physician Organization	12			-87.2%	-87.7%	(\$3.7)		\$0.3
Milford Regional Medical Center, Inc. and Affiliates			2.9	40	0.1%	0.8%	\$2.2	46.4%	\$122.0
Milford Regional Medical Center	Community Hospital	12	3.5	39	3.8%	4.7%	\$10.2	47.6%	\$120.5
Tri-County Medical Associates	Physician Organization	12			-12.3%	-12.3%	(\$8.0)		\$1.5
Partners Healthcare			2.0	75	0.4%	4.7%	\$659.1	44.2%	\$7,464.1
Brigham & Women's Faulkner Hospital	Community Hospital	12	1.6	40	6.2%	6.2%	\$17.1	68.0%	\$101.2
Brigham & Women's Hospital	Academic Medical Center	12	1.3	66	1.8%	1.9%	\$55.9	23.4%	\$706.4
Cooley Dickinson Hospital	Community Hospital	12	0.8	43	0.3%	2.6%	\$4.9	5.7%	\$6.3
Martha's Vineyard Hospital	Community Hospital	12	1.8	64	1.8%	7.0%	\$6.3	79.5%	\$117.8
Massachusetts General Hospital	Academic Medical Center	12	1.7	45	5.5%	5.7%	\$223.5	62.5%	\$2,468.3
Nantucket Cottage Hospital	Community Hospital	12	1.2	68	-25.4%	-19.7%	(\$9.0)	89.2%	\$116.2
Newton-Wellesley Hospital	Community Hospital	12	1.7	45	-0.2%	0.4%	\$1.8	50.9%	\$239.5
North Shore Medical Center	Community-High Public Payer	12	2.6	86	-14.0%	-13.9%	(\$57.7)	-12.4%	(\$72.4)
Brigham and Women's Physicians Organization	Physician Organization	12			3.9%	3.9%	\$34.6		\$315.7
CD Practice Associates	Physician Organization	12			-29.4%	-29.4%	(\$10.1)		\$0.0
Massachusetts General Hospital Physicians Organization	Physician Organization	12			8.3%	8.3%	\$90.7		\$573.1
Newton-Wellesley Physician Hospital Group	Physician Organization	12			-0.1%	-0.1%	(\$0.1)		\$17.3
North Shore Physicians Group	Physician Organization	12			-7.7%	-7.7%	(\$10.7)		\$9.5
Partners Community Physician Organization	Physician Organization	12			-5.8%	-5.8%	(\$6.8)		\$30.9
Neighborhood Health Plan	Health Plan	12			2.0%	2.0%	\$50.0		\$299.6

Entity Name	Organization Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Equity Financing	Net Assets
Seacoast Regional Health System			2.6	29	-1.7%	-0.2%	(\$0.2)	39.2%	\$42.5
Anna Jaques Hospital	Community Hospital	12	2.5	30	0.4%	1.7%	\$2.2	28.7%	\$25.5
Seacoast Affiliated Group Practice	Physician Organization	12	0.0		-17.5%	-17.5%	(\$2.9)		(\$1.6)
Shriners Hospitals for Children			4.9	67	-11.5%	41.7%	\$647.6	90.7%	\$9,493.3
Shriners Hospital for Children - Boston*	Specialty Hospital	12							
Shriners Hospital for Children - Springfield*	Specialty Hospital	12							
Signature Healthcare Corporation			1.1	53	0.7%	1.1%	\$4.0	31.4%	\$85.6
Signature Healthcare Brockton Hospital	Community-High Public Payer	12	1.1	58	5.2%	6.0%	\$17.0	29.2%	\$70.3
Signature Healthcare Medical Group	Physician Organization	12			-17.4%	-17.4%	(\$13.2)		\$8.3
South Shore Health System Inc.			1.9	57	-0.7%	0.8%	\$5.3	44.0%	\$354.7
South Shore Hospital	Community Hospital	12	1.5	56	0.3%	1.6%	\$9.6	42.9%	\$288.7
Coastal Medical Associates, Inc.	Physician Organization	12			-9.6%	-9.6%	(\$7.6)		\$0.9
Southcoast Health Systems			1.3	56	-3.8%	-1.9%	(\$19.2)	61.2%	\$718.9
Southcoast Hospital Group	Community-High Public Payer	12	1.5	56	4.5%	6.2%	\$51.4	57.8%	\$548.3
Southcoast Physician Group	Physician Organization	12			-43.3%	-43.3%	(\$77.8)		\$5.7
Steward Health Care ^v									
Morton Hospital	Community-High Public Payer	12	0.2	156	-2.9%	-2.9%	(\$3.4)	35.7%	\$31.3
Nashoba Valley Medical Center	Community-High Public Payer	12	0.4	104	-6.6%	-6.6%	(\$3.6)	-1.9%	(\$0.6)
Steward Carney Hospital ^e	Teaching Hospital	12	0.1	317	-20.0%	-20.0%	(\$24.0)	-74.9%	(\$56.6)
Steward Good Samaritan Medical Center	Community-High Public Payer	12	2.7	30	9.3%	9.3%	\$25.8	71.0%	\$96.6
Steward Holy Family Hospital	Community-High Public Payer	12	1.4	31	3.4%	3.4%	\$8.0	40.6%	\$40.0
Steward Norwood Hospital	Community Hospital	12	0.7	57	5.0%	5.1%	\$9.6	59.4%	\$47.9
Steward Saint Anne's Hospital	Community-High Public Payer	12	7.4	21	12.4%	12.6%	\$33.2	89.0%	\$181.2
Steward St. Elizabeth's Medical Center ^e	Teaching Hospital	12	0.5	100	5.1%	5.0%	\$18.0	42.9%	\$86.9
Steward Medical Group ^v	Physician Organization								
Sturdy Memorial Foundation, Inc. and Affiliates			14.8	42	1.2%	6.0%	\$14.2	91.7%	\$443.5
Sturdy Memorial Hospital	Community-High Public Payer	12	18.1	43	4.4%	9.9%	\$18.6	92.7%	\$406.7
Sturdy Memorial Associates, Inc.	Physician Organization	12			-13.0%	-13.0%	(\$6.2)		(\$33.8)
Tenet Healthcare			1.3	84	-2.3%	-1.7%	(\$320.0)	2.3%	\$539.0
MetroWest Medical Center	Community-High Public Payer	12	1.6	37	-1.4%	-1.3%	(\$3.0)	35.6%	\$35.9
Saint Vincent Hospital ^e	Teaching Hospital	12	1.6	33	11.2%	11.3%	\$51.9	116.2%	\$415.4
Metrowest Physician Services	Physician Organization	12			-6.6%	-19.8%	(\$2.5)		\$1.0
Saint Vincent Medical Company	Physician Organization	12			-14.2%	-21.2%	(\$8.1)		\$3.7

Entity Name	Organization Type	Months Reported	Current Ratio	Average Payment Period	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Equity Financing	Net Assets
Trinity Health			1.8	92	-0.1%	7.1%	\$1,336.8	48.4%	\$11,985.4
Mercy Medical Center	Community-High Public Payer	12	4.3	47	2.9%	3.8%	\$11.3	55.8%	\$166.7
Mercy Specialist Physicians	Physician Organization	12			-34.8%	-34.8%	(\$2.8)		(\$15.2)
UMass Memorial Health Care			1.3	87	0.4%	2.5%	\$63.1	39.9%	\$988.8
Clinton Hospital	Community-High Public Payer	12	0.8	125	-18.2%	-17.1%	(\$4.4)	30.9%	\$10.7
HealthAlliance Hospital	Community-High Public Payer	12	1.4	94	1.6%	3.4%	\$6.6	74.1%	\$169.9
Marlborough Hospital	Community-High Public Payer	12	1.9	88	4.8%	7.5%	\$6.7	55.7%	\$49.5
UMass Memorial Medical Center ^ε	Academic Medical Center	12	1.1	103	0.3%	1.3%	\$21.9	7.0%	\$89.1
UMass Memorial Medical Group Inc.	Physician Organization	12			-6.4%	-5.8%	(\$30.7)		\$75.6
Valley Health System			1.4	50	-0.8%	0.1%	\$0.2	-0.6%	(\$0.7)
Holyoke Medical Center	Community-High Public Payer	12	1.4	50	0.9%	2.0%	\$3.0	-12.3%	(\$10.7)
Western Mass Physician Associates	Physician Organization	12			-33.1%	-33.1%	(\$2.9)		(\$1.3)
Wellforce-Circle Health			1.4	88	-1.5%	-1.1%	(\$5.7)	31.6%	\$170.5
Lowell General Hospital	Community-High Public Payer	12	1.2	94	0.9%	0.5%	\$2.3	32.1%	\$160.4
Circle Health Physicians Inc	Physician Organization	12			-26.1	-26.9	(\$10.1)		\$0.2
Wellforce-Hallmark			1.3	73	-6.9%	-2.5%	(\$7.6)	51.1%	\$197.2
Hallmark Health	Community-High Public Payer	12	1.3	80	-1.4%	2.9%	\$7.9	48.9%	\$155.9
Hallmark Health Medical Associates	Physician Organization	12			-55.0%	-55.0%	(\$15.8)		(\$10.1)
Wellforce-Tufts Medical			1.4	59	1.9%	2.1%	\$21.4	22.5%	\$202.5
Tufts Medical Center	Academic Medical Center	12	1.5	50	1.8%	1.6%	\$12.3	15.6%	\$110.0
Wellforce Tufts Medical Center	Physician Organization	12			0.4%	0.4%	\$1.1		\$24.7

All dollar values are in millions.

^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.

^{*} 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 2017 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; 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 2017 Data Period
Majority of Hospitals (49)	9/30	10/1/16 – 9/30/17
Cambridge Health Alliance Mercy Medical Center	6/30	7/1/16-6/30/17
MetroWest Medical Center Saint Vincent Hospital Shriners Hospitals for Children Boston Shriners Hospitals for Children Springfield Steward Health Care System Hospitals (8)	12/31	1/1/17-12/31/17

Data Caveats

Tufts Medical Center and Circle Health (Lowell General Hospital's parent) merged in FY 2015. In FY 2017, Hallmark Health joined Wellforce. They were not financially consolidated during FY 2015, FY 2016, or FY 2017, 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. For this report, FY 2016 data is used to determine cohorts.

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 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
	Massachusetts Eye and Ear Infirmary
	Massachusetts General Hospital
	Hallmark Health
	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 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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