

CENTER FOR HEALTH INFORMATION AND ANALYSIS

**MASSACHUSETTS
ACUTE HOSPITAL
AND HEALTH
SYSTEM FINANCIAL
PERFORMANCE: FY 2018**

SEPTEMBER 2019



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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) 2018, Massachusetts had 27 hospital health systems, which included 61 acute hospitals, 51 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.

Twelve out of 27 hospital health systems operate more than one acute hospital and are classified as multi-acute systems. The remaining 15 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 included in this report was obtained from a publicly available data source.

This report contains 12 months of fiscal year end data for FY 2018 for all systems and hospitals based on each hospital's year end date. 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.

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

KEY FINDINGS

19

Of the 27 hospital health systems, 19 reported a surplus.

47

Of the 61 acute hospitals, 47 reported a surplus.

1.6

The statewide median acute hospital current ratio was 1.6.

4.5%

The statewide median acute hospital total margin was 4.5%, a 1.3 percentage point increase from FY 2017.



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



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

2.7%

The statewide median acute hospital operating margin was 2.7%, a 1.1 percentage point increase from FY 2017.

56

Of the 61 acute hospitals that reported data, 56 had positive net assets.

PROFITABILITY

FY 2018 Total Margin for Systems with Multiple Acute Hospitals

by Component Entity

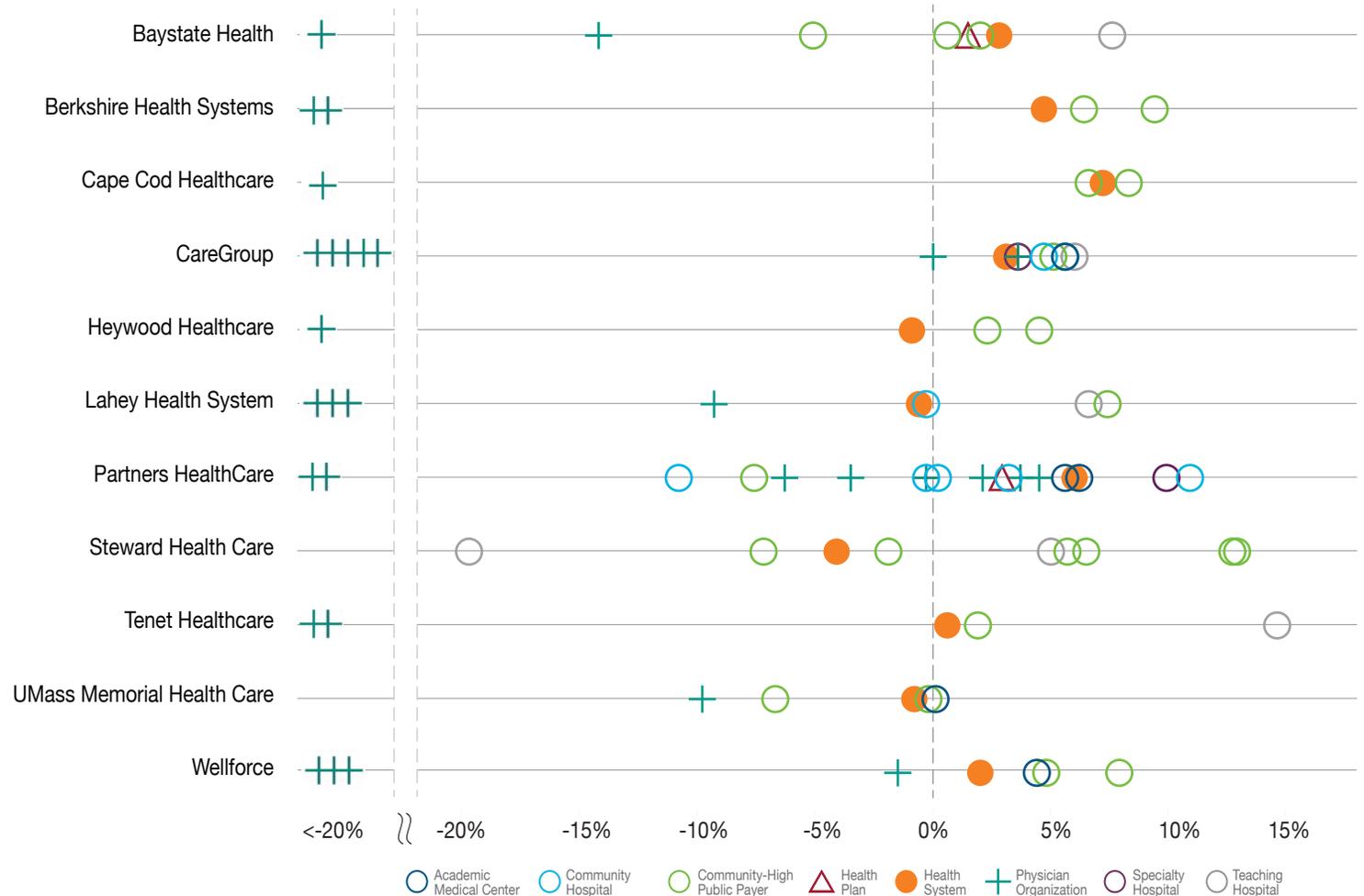
Total margin reflects the excess of total revenues over total expenses—including operating and non-operating activities—as a percentage of total revenue.

Seven of the 11 multi-acute health systems were profitable. The multi-acute health system that reported the lowest total margin was Steward Health Care at -4.1%, while the system that reported the highest total margin was Cape Cod Healthcare at 7.2%.

The acute care hospital that reported the lowest total margin was Steward Carney Hospital (part of Steward Health Care) at -19.7%, while the acute care hospital that reported the highest total margin was Saint Vincent Hospital (part of Tenet Healthcare) at 14.6%.

Most of the physician organizations associated with a multi-acute health system reported a loss, with the exception of three from Partners Healthcare (Massachusetts General Hospital Physicians Organization; Brigham and Women's Physicians Organizations; and Massachusetts Eye and Ear Associates) and two from CareGroup (Harvard Medical Faculty Physicians and New England Baptist Physician Group).

Health New England and Neighborhood Health Plan reported positive total margins.



Notes: Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences. Twenty physician organizations are outliers with margins <math><-20\%</math>. Detailed information is provided in the accompanying [datobook](#). For complete definitions of acute hospital types, please see page 24.

PROFITABILITY

FY 2018 Total Margin for Independent Health Systems

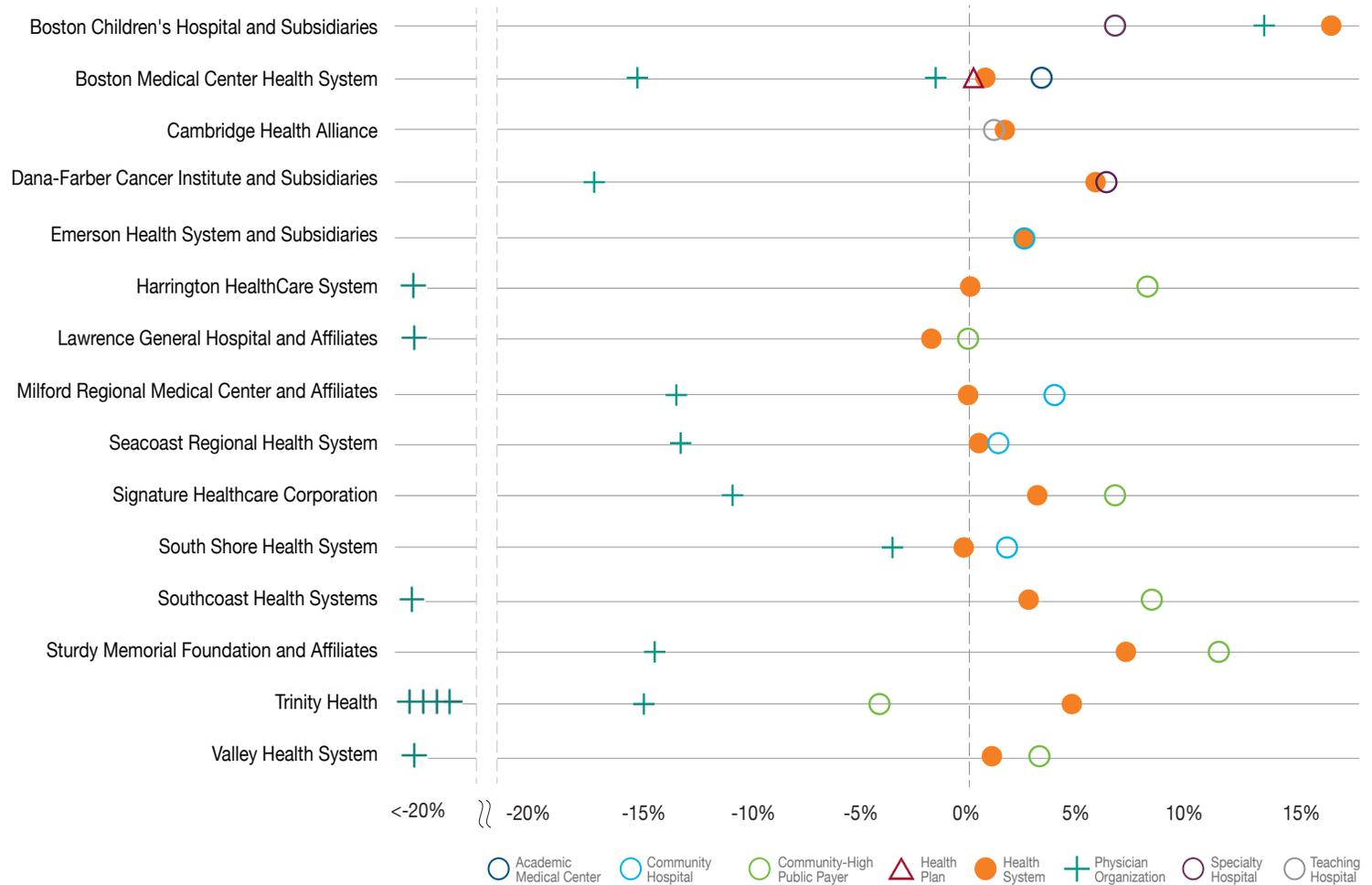
by Component Entity

Twelve of the 15 independent health systems reported positive total margins. The total margins for independent health systems ranged from -1.8% for Lawrence General Hospital and Affiliates to 16.7% 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 11.5% for Sturdy Memorial Hospital (part of Sturdy Memorial Foundation and Affiliates). Two of the 15 associated acute care hospitals reported negative total margins.

Only Physicians Organization at Children's Hospital and Foundation reported a positive total margin at 13.6%. The other 17 independent health system associated physician organizations reported negative total margins.

BMC Health Plan reported a positive total margin at 0.2%.



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

PROFITABILITY

FY 2018 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 operating revenue.

Seven of the 11 multi-acute systems reported a positive operating margin. Operating margins ranged from -4.2% for Steward Health Care to 2.2% for Partners HealthCare, Baystate Health, and Cape Cod Healthcare.

Associated acute hospital performance varied, with Steward Carney Hospital (part of Steward Health Care) reporting a -21.6% operating margin and Saint Vincent Hospital (part of Tenet Healthcare) reporting a 14.6% operating margin.

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

Neighborhood Health Plan and Health New England reported positive operating margins of 2.6% and 1.6%, respectively.



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

PROFITABILITY

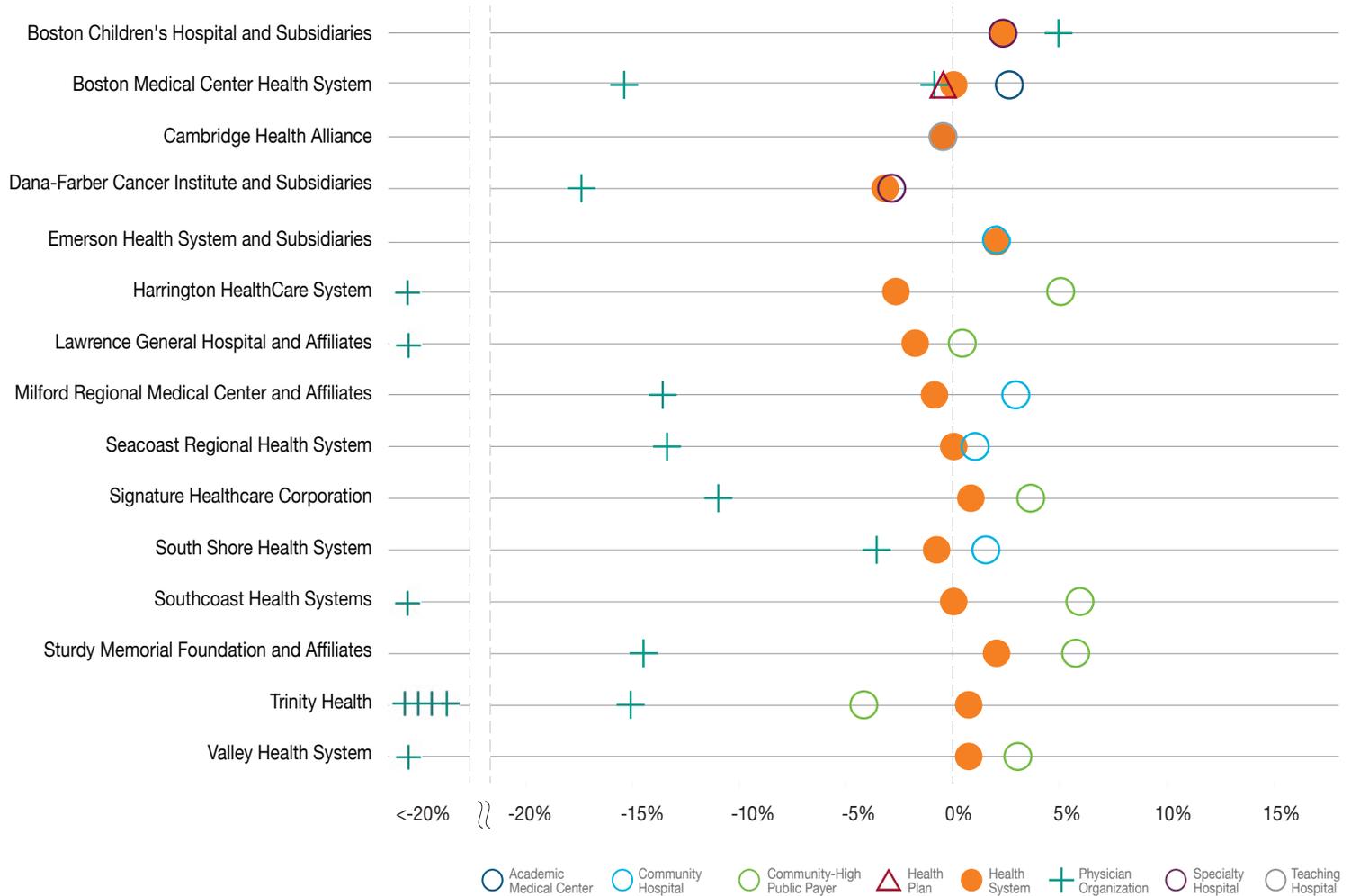
FY 2018 Operating Margin for Independent Health Systems by Component Entity

Nine of the 15 independent acute hospital health systems reported positive operating margins. Operating margins for the health systems ranged from -3.2% for Dana-Farber Cancer Institute and Subsidiaries to 2.3% for Boston Children's Hospitals and Subsidiaries.

Associated acute hospital performance ranged from an operating margin of -4.2% for Mercy Medical Center (part of Trinity Health) to 5.9% for Southcoast Hospitals Group (Southcoast Health Systems).

Only Physicians Organization at Children's Hospital and Foundation reported a positive operating margin at 4.9%, whereas the other 17 associated physician organizations reported negative operating margins.

BMC Health Plan reported a negative operating margin at -0.5%.



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

PROFITABILITY

FY 2014-FY 2018 Total and Operating Margin Trends

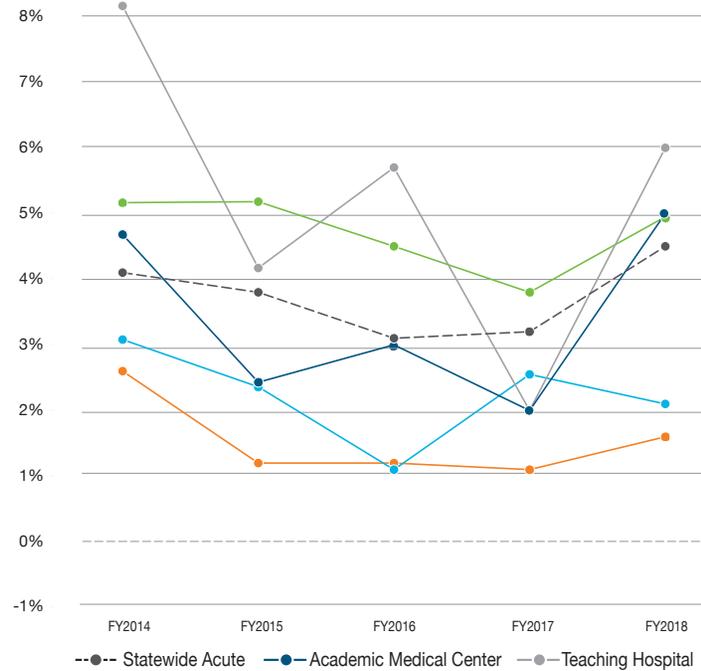
by Hospital Cohort

The statewide acute hospital median total margin increased by 1.3 percentage points, from 3.2% in 2017 to 4.5% in 2018. Of the four hospital cohorts, the Academic Medical Center, teaching, and community-High Public Payer cohorts saw increases in median total margin, while the community hospital cohort decreased by 0.5 percentage points during the same time period.

The statewide acute hospital median operating margin increased by 1.1 percentage points, from 1.6% in 2017 to 2.7% in 2018. All of the cohorts saw an increase in median operating margin year over year. The teaching cohort had the most significant increase between 2017 and 2018 (2.1 percentage points).

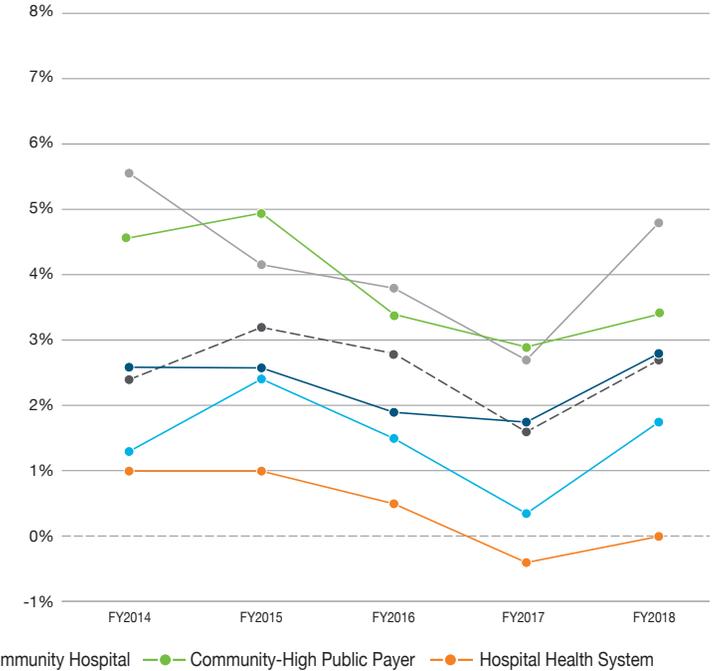
The median total and operating margins for hospital health systems both increased from the prior year, increasing by 0.5 and 0.4 percentage points, respectively.

Total Margin Trends



	2014	2015	2016	2017	2018
Statewide Acute Median	4.1%	3.8%	3.1%	3.2%	4.5%
Academic Medical Center	4.7%	2.4%	3.0%	2.0%	5.0%
Teaching Hospital	8.2%	4.2%	5.7%	2.0%	6.0%
Community Hospital	3.1%	2.4%	1.1%	2.6%	2.1%
Community-High Public Payer	5.2%	5.2%	4.5%	3.8%	5.0%
Health System	2.6%	1.2%	1.2%	1.1%	1.6%

Operating Margin Trends



	2014	2015	2016	2017	2018
Statewide Acute Median	2.4%	3.2%	2.8%	1.6%	2.7%
Academic Medical Center	2.6%	2.6%	1.9%	1.8%	2.8%
Teaching Hospital	5.6%	4.2%	3.8%	2.7%	4.8%
Community Hospital	1.3%	2.4%	1.5%	0.4%	1.8%
Community-High Public Payer	4.6%	5.0%	3.4%	2.9%	3.4%
Health System	1.0%	1.0%	0.5%	-0.4%	0.0%

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

PROFITABILITY

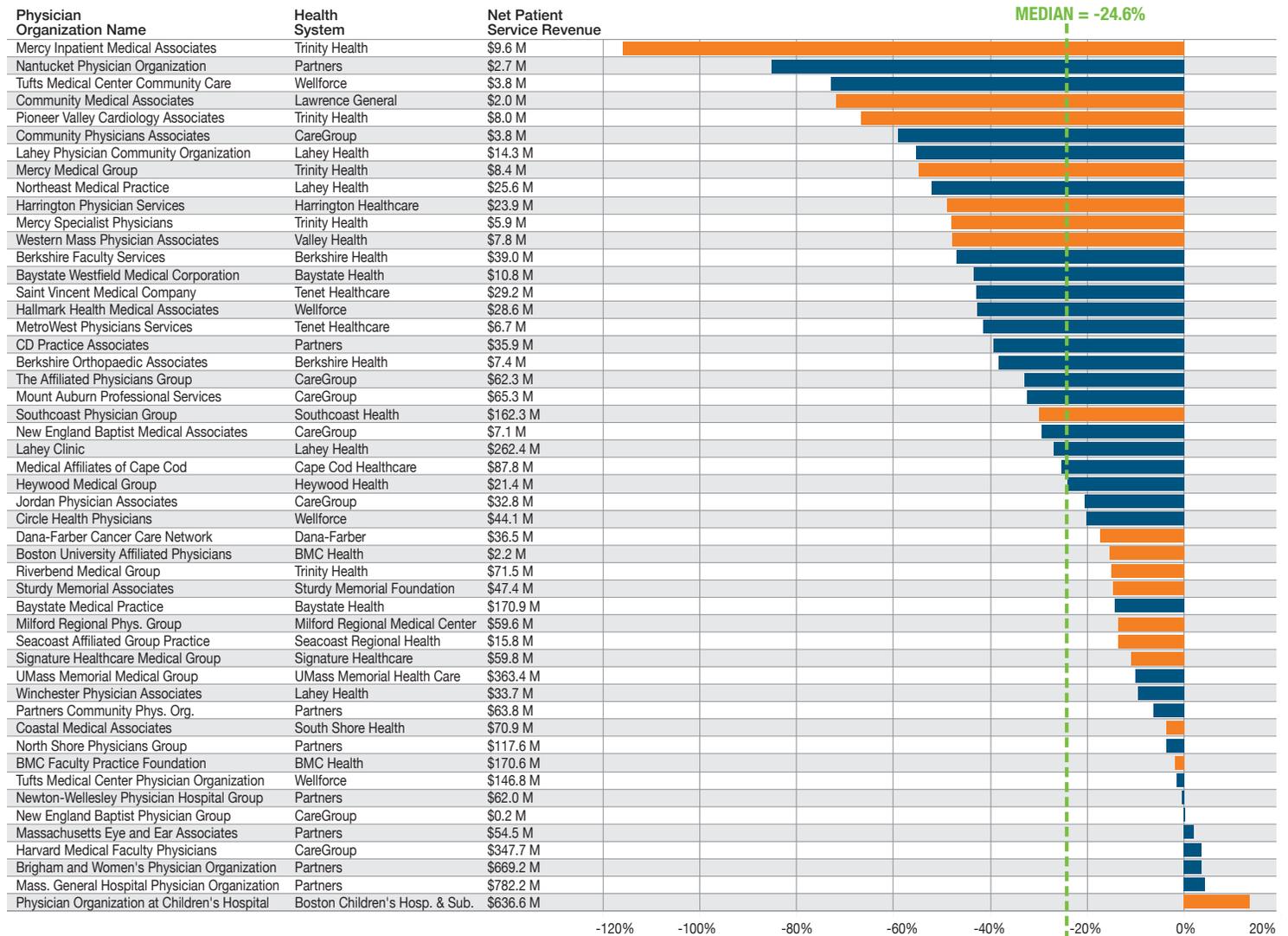
FY 2018 Hospital-Affiliated Physician Organization Total Margin

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

The reported total margin ranged from -116% to 14% and the reported net patient service revenue ranged from \$215,000 to \$780 million. The reported total revenue ranged from \$215,000 to \$1 billion.

Only five of 50 physician organizations reported a profit, which ranged from \$1.4 million to \$113 million. The losses ranged from \$261,000 to \$77 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 4.5%, 3.7%, and 13.6%, respectively.



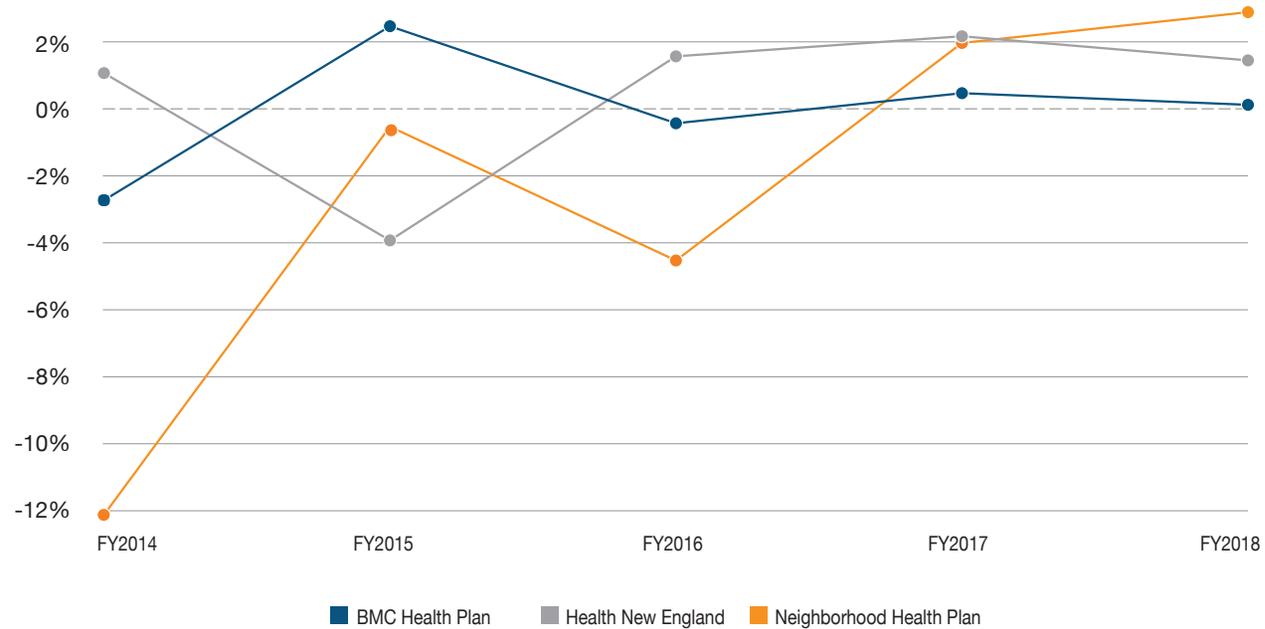
Notes: Steward Health Care's physician level data are not included as they did not submit audited financial statements. Cambridge Health Alliance reports its physician organization as an integrated component of the acute hospital.

PROFITABILITY

FY 2014-FY 2018 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 2018, all three health plans reported a profit. However, only Neighborhood Health Plan (affiliated with Partners Healthcare) saw an increase in total margin between FY 2017 and FY 2018.

The health plans' financial performances have varied during the last five fiscal years. Neighborhood Health Plan reported a profit in fiscal years 2017 and 2018 after reporting losses in the three previous years. Health New England reported a profit every year with the exception of FY 2015. BMC Health Plan reported profits in fiscal years 2015, 2017, and 2018.



	2014	2015	2016	2017	2018
BMC Health Plan (Boston Medical Center and Affiliates)	-2.7%	2.5%	-0.4%	0.5%	0.2%
Health New England (Baystate Health)	1.1%	-3.9%	1.6%	2.2%	1.5%
Neighborhood Health Plan (Partners HealthCare)	-12.1%	-0.5%	-4.5%	2.0%	2.9%

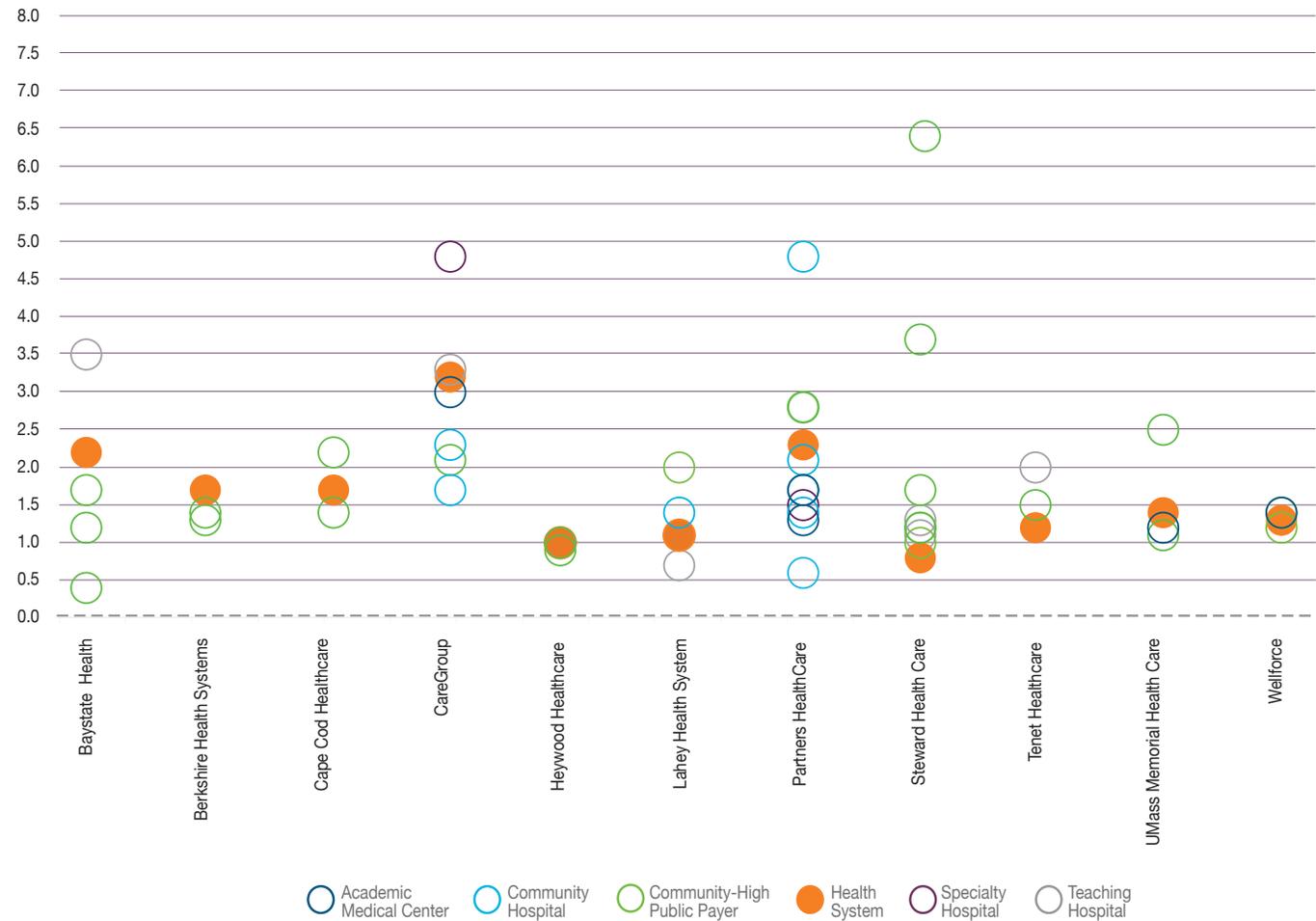
LIQUIDITY

FY 2018 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 means that current liabilities could be adequately covered by existing current assets and indicates financial stability.

Ten of the eleven hospital health systems with multiple acute hospitals reported a current ratio at or above 1.0, indicating that these systems can meet their current liabilities with their current assets.

Four of the 44 hospitals that are affiliated with multi-acute hospital health systems reported a current ratio below 1.0. The current ratio measures ranged from 0.4 (Baystate Noble Hospital) to 6.4 (Steward Saint Anne's Hospital).



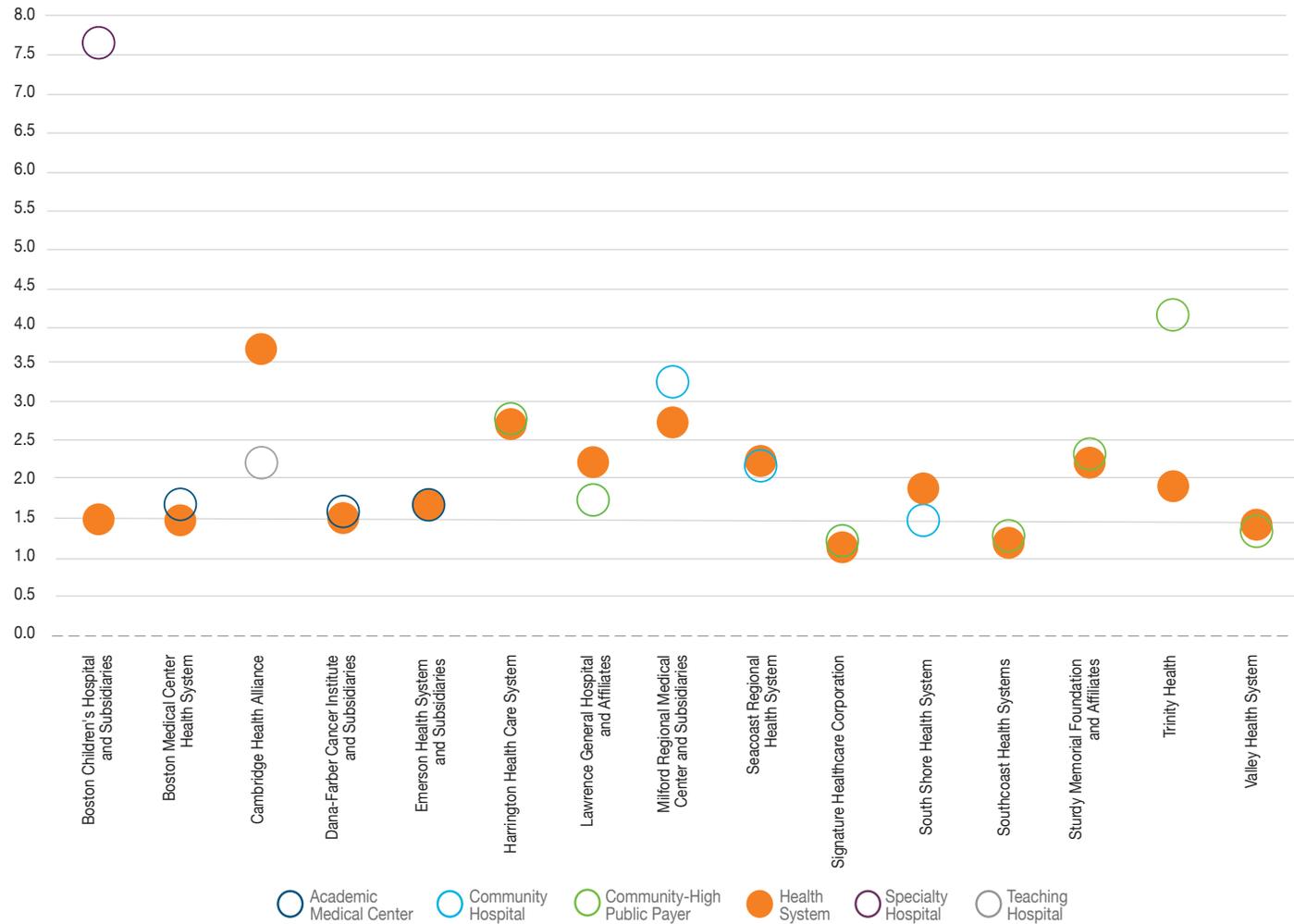
Notes: Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences.

LIQUIDITY

FY 2018 Current Ratio for Independent Health Systems

All of the independent hospital health systems reported a current ratio above 1.0 in FY 2018, indicating that all independent hospital health systems can meet current liabilities with current assets.

All of the hospitals associated with independent hospital health systems reported a current ratio above 1.0 in FY 2018. Current ratios for the hospitals ranged from 1.2 at Signature Healthcare Brockton Hospital to 7.6 at Boston Children's Hospital.



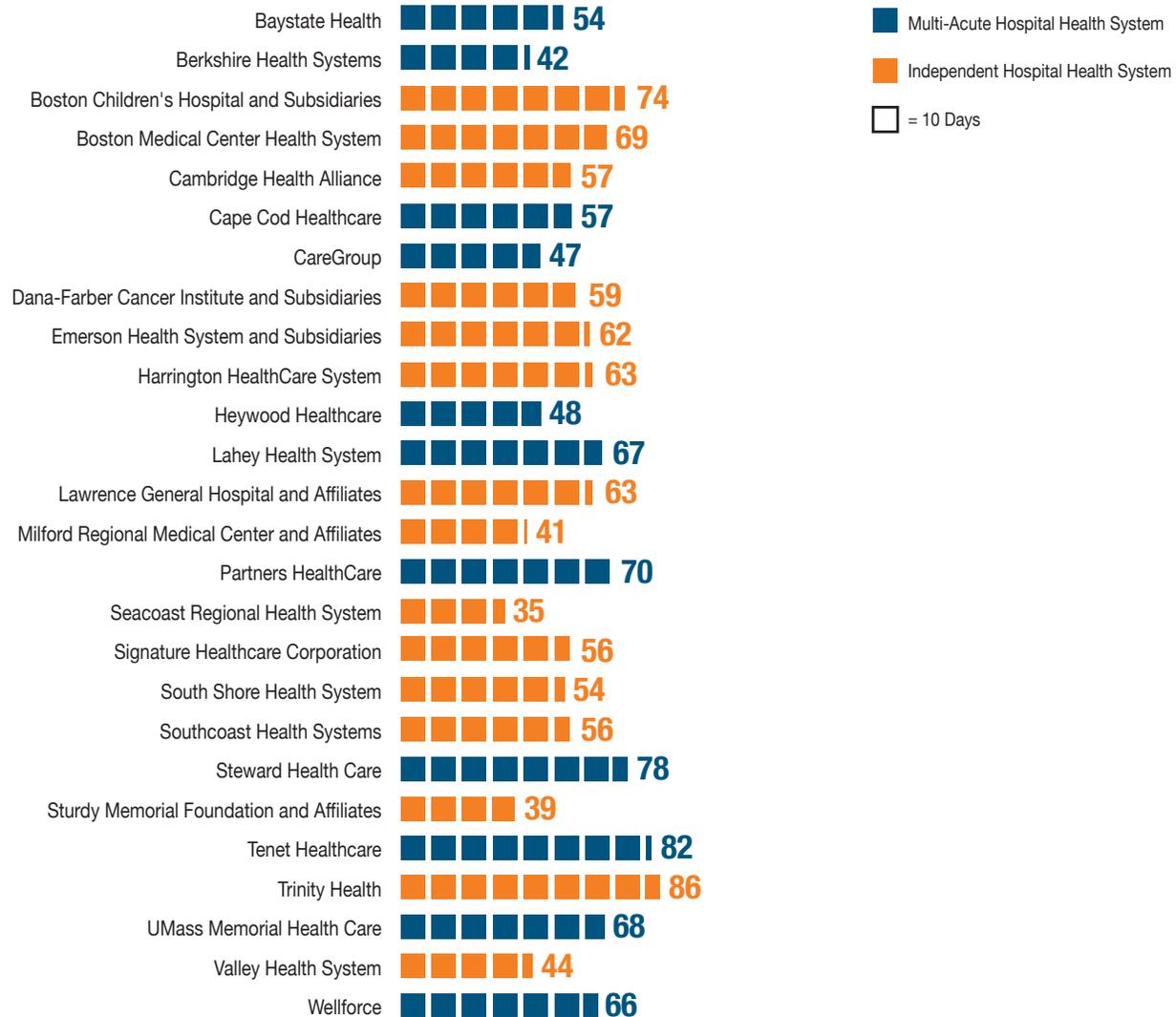
LIQUIDITY

FY 2018 Average Payment Period by Health System

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.

Among the 15 independent health systems, Seacoast Regional Health System reported the lowest average payment period with 35 days, while Trinity Health reported the highest average payment period with 86 days.

Among the 11 multi-acute systems, Berkshire Health Systems reported the lowest average payment period with 42 days, while Tenet Healthcare reported the highest average payment period with 82 days.



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

LIQUIDITY

FY 2014-FY 2018 Current Ratio and Average Payment Period Trends

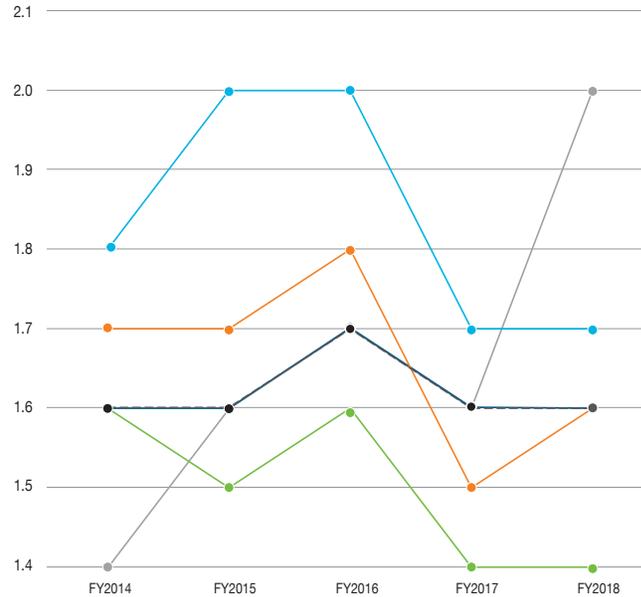
The statewide acute hospital median current ratio has remained relatively stable over time.

The current ratio of the Academic Medical Center, community, and community-High Public Payer cohorts remained stable year over year, while the teaching cohort saw an increase of 0.4.

The statewide acute hospital median for average payment period decreased by eight days between 2017 and 2018. Most hospital cohorts also saw a decrease in average payment period. Only the Academic Medical Center cohort had an increase in average payment period. The teaching hospital cohort had the largest decrease in average payment period, decreasing by 23 days.

The hospital health system median current ratio and average payment period both increased between 2017 and 2018. The current ratio increased by 0.1 and the average payment period increased by two days.

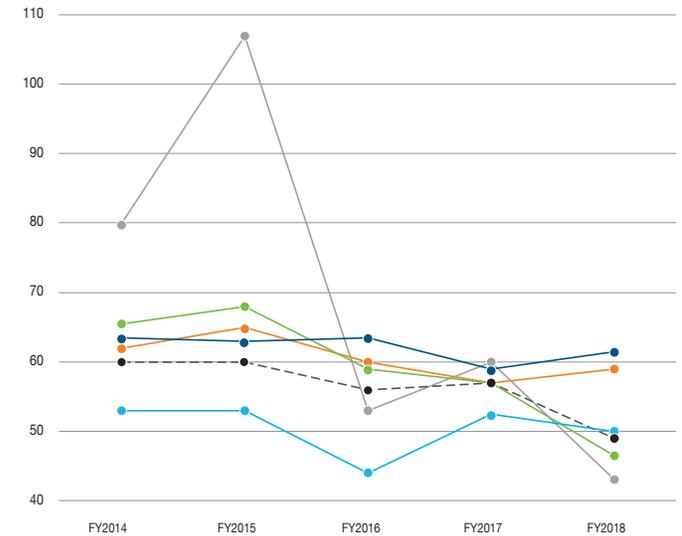
Current Ratio Trends



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

	2014	2015	2016	2017	2018
Statewide Acute Median	1.6	1.6	1.7	1.6	1.6
Academic Medical Center	1.6	1.6	1.7	1.6	1.6
Teaching Hospital	1.4	1.6	1.7	1.6	2.0
Community Hospital	1.8	2.0	2.0	1.7	1.7
Community-High Public Payer	1.6	1.5	1.6	1.4	1.4
Health System	1.7	1.7	1.8	1.5	1.6

Average Payment Period Trends



	2014	2015	2016	2017	2018
Statewide Acute Median	60	60	56	57	49
Academic Medical Center	64	63	64	59	62
Teaching Hospital	80	107	53	60	43
Community Hospital	53	53	44	53	50
Community-High Public Payer	66	68	59	57	47
Health System	62	65	60	57	59

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

SOLVENCY

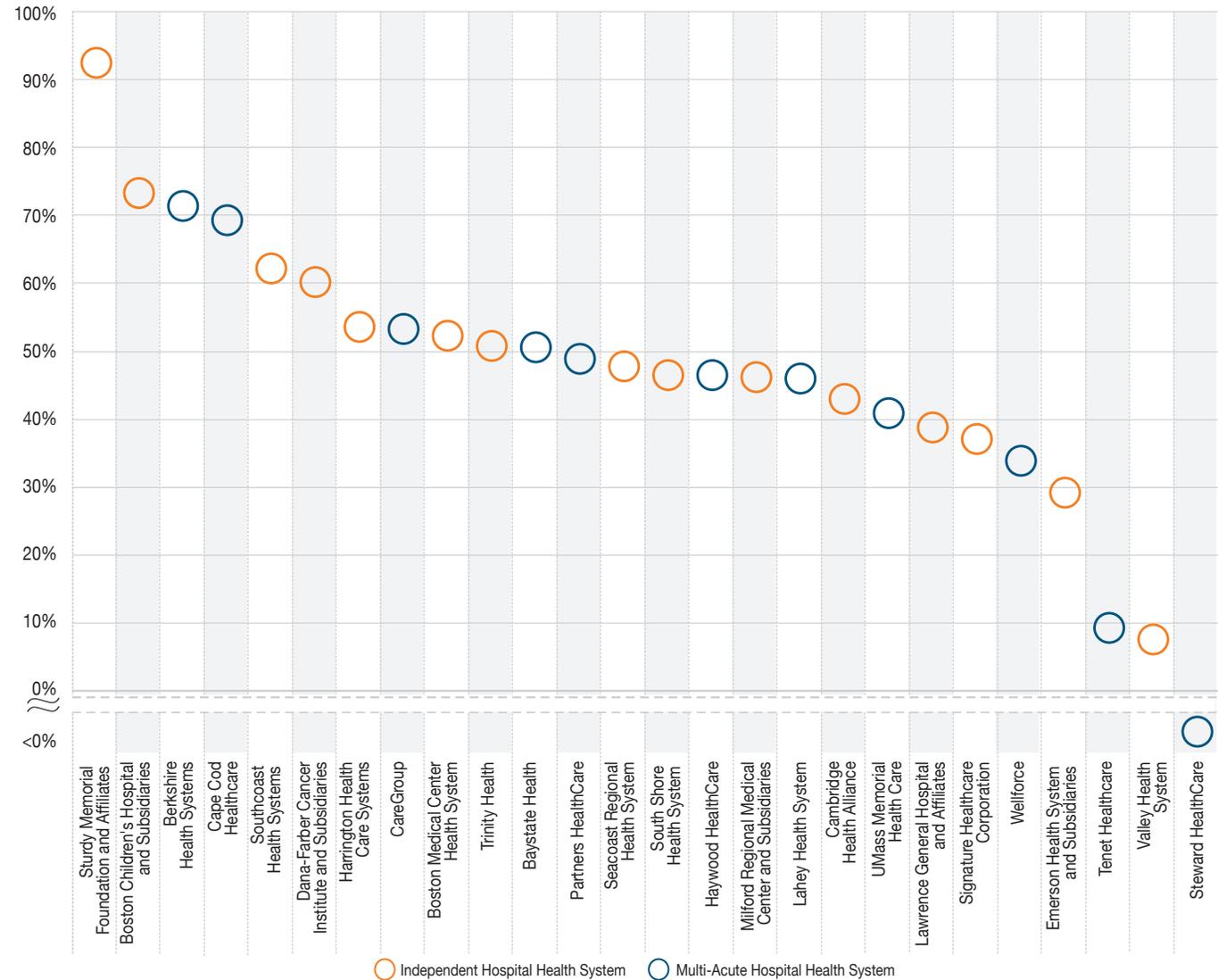
FY 2018 Equity Financing Ratio by Health System

The equity financing ratio measures the proportion of total net assets financed with the health system's equity. It reflects a health system's ability to take on more debt. High values indicate health systems with little or no long-term debt. Low values indicate health systems that are highly leveraged.

All but one of the health systems reported positive equity financing ratios. For all of the health systems, Sturdy Memorial Foundation and Affiliates reported the highest equity financing ratio at 92.4%, while Steward Health Care reported the lowest ratio at -37.6%.

Among the 15 independent health systems, Sturdy Memorial Foundation and Affiliates reported the highest equity financing ratio at 92.4%, while Valley Health System reported the lowest ratio at 7.7%.

Among the 11 health systems with multiple acute hospitals, Berkshire Health Systems reported the highest equity financing ratio at 71.5%, while Steward Health Care reported the lowest ratio at -37.6%.



Notes: Steward Health Care's system level data is an outlier with an equity financing ratio below 0%. Shriners Hospitals for Children are not included in the analysis or graph due to reporting differences.

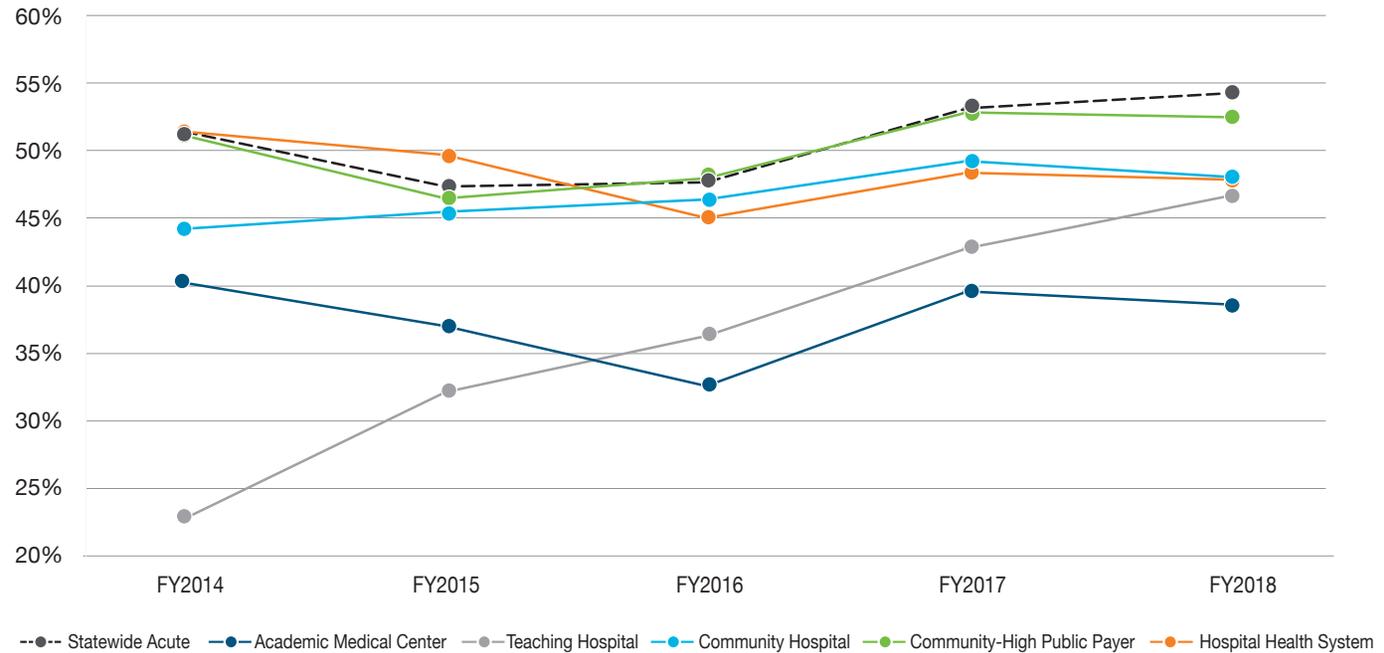
SOLVENCY

FY 2014-FY 2018 Equity Financing Ratio Trends

The statewide acute hospital median for equity financing increased by 0.9 percentage points in 2018 compared to the prior year, indicating that overall hospitals are less leveraged by debt than they were in the previous year.

Equity financing varied among the hospital cohorts in 2018. The teaching cohort had an increase in median equity financing ratio between 2017 and 2018, while the Academic Medical Center, community, and community-High Public Payer cohorts decreased.

The Academic Medical Center cohort had the lowest median equity financing ratio for the third consecutive year, indicating these hospitals are more leveraged by debt.



	2014	2015	2016	2017	2018
Statewide Acute Median	51.4%	47.4%	47.7%	53.1%	54.0%
Academic Medical Center	40.4%	37.2%	32.9%	39.8%	38.8%
Teaching Hospital	23.2%	32.4%	36.5%	42.9%	46.7%
Community Hospital	44.3%	45.6%	46.5%	49.3%	48.1%
Community-High Public Payer	51.1%	46.5%	48.0%	52.8%	52.5%
Health System	51.4%	49.7%	45.1%	48.4%	47.9%

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

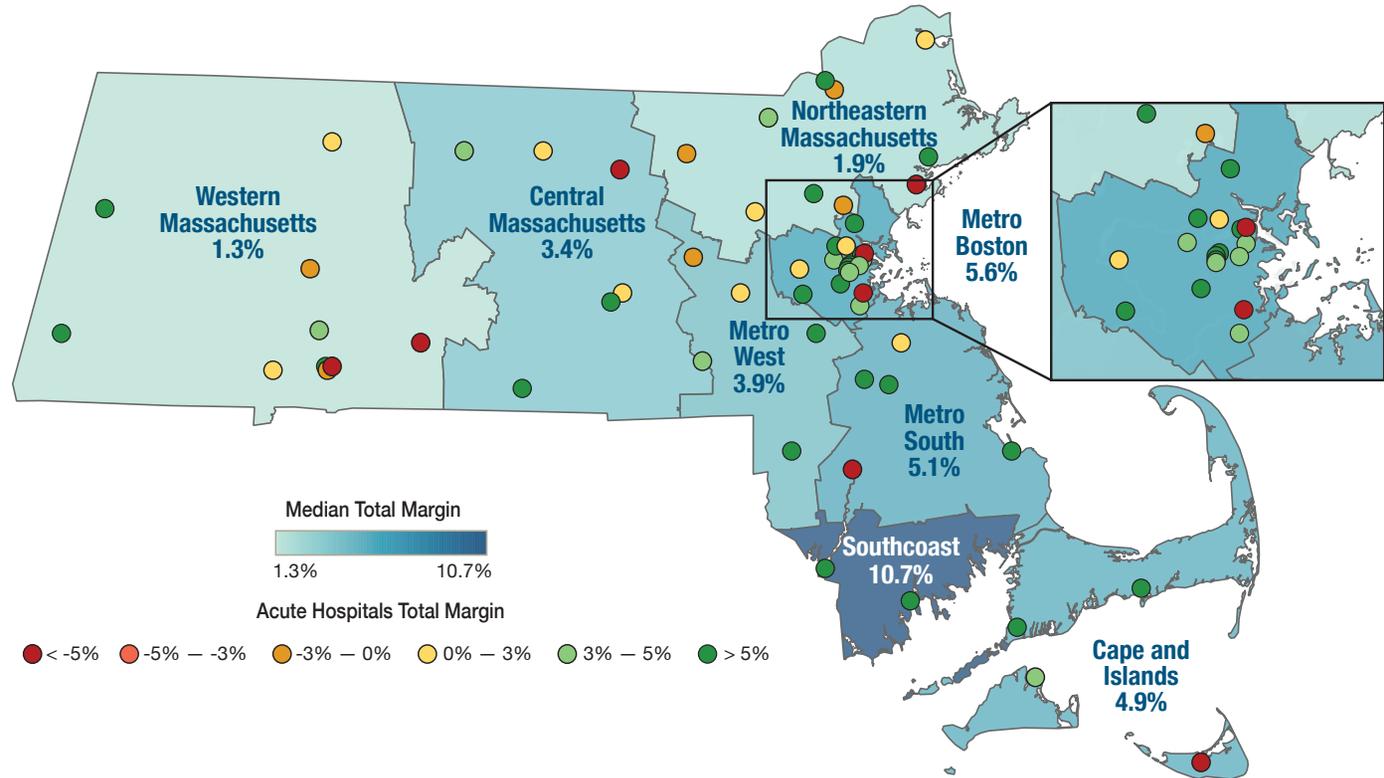
PROFITABILITY

FY 2018 Acute Hospital Total Margin by Region

The density of hospitals across the Massachusetts regions varies greatly; the Metro Boston region contains the most hospitals with 19, while the Southcoast region encompasses the least amount of hospitals with two.

The Western Massachusetts and Northeastern Massachusetts regions had the lowest median total margins at 1.3% and 1.9%, respectively. The Southcoast region had the highest median total margin at 10.7%.

The Metro Boston region contained the hospital with the lowest total margin at -19.7% for Steward Carney Hospital. The Central Massachusetts region contained the hospital with the highest total margin at 14.6% for Saint Vincent Hospital.



FY 2018 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		12	2.2	54	2.2%	2.8%	\$68.1	50.7%	\$1,101.8
Baystate Franklin	Community-High Public Payer	12	1.7	38	0.4%	0.6%	\$0.6	57.4%	\$53.2
Baystate Medical Center ^ε	Teaching Hospital	12	3.5	37	6.6%	7.6%	\$99.8	60.7%	\$827.7
Baystate Noble	Community-High Public Payer	12	0.4	109	2.0%	2.0%	\$1.2	40.9%	\$16.8
Baystate Wing	Community-High Public Payer	12	1.2	93	-5.7%	-5.1%	(\$4.4)	47.9%	\$50.2
Baystate Medical Practices	Physician Organization	12			-14.2%	-14.2%	(\$43.6)		
Baystate Westfield Medical Corp.	Physician Organization	12			-43.4%	-43.4%	(\$5.4)		
Health New England	Health Plan	12			1.6%	1.5%	\$12.3		
Berkshire Health Systems		12	1.7	42	1.4%	4.7%	\$30.4	71.5%	\$483.0
Berkshire Medical Center	Community-High Public Payer	12	1.4	55	5.7%	9.4%	\$49.4	72.6%	\$440.0
Fairview Hospital	Community-High Public Payer	12	1.3	28	2.8%	6.4%	\$3.6	73.9%	\$36.7
Berkshire Faculty Services	Physician Organization	12			-47.1%	-47.1%	(\$19.8)		
Berkshire Orthopaedic Associates	Physician Organization	12			-38.3%	-38.3%	(\$2.9)		
Boston Children's Hospital and Subsidiaries		12	1.5	74	2.3%	16.7%	\$500.0	73.4%	\$6,054.3
Boston Children's Hospital	Specialty Hospital	12	7.6	97	2.3%	6.7%	\$122.9	67.8%	\$4,047.8
Physicians Organization at Children's Hospital and Foundation	Physician Organization	12			4.9%	13.6%	\$113.4		
Boston Medical Center Health System		12	1.5	69	0.0%	0.7%	\$25.7	52.4%	\$1,633.2
Boston Medical Center ^ε	Academic Medical Center	12	1.7	100	2.6%	3.3%	\$49.4	54.2%	\$1,344.1
Boston University Affiliated Physicians	Physician Organization	12			-15.4%	-15.4%	(\$0.8)		
BMC Faculty Practice Foundation	Physician Organization	12			-0.9%	-1.6%	(\$5.8)		
BMC Health Plan (BMCHP)	Health Plan	12			-0.5%	0.2%	\$3.1		
Cambridge Health Alliance		12	3.6	57	-0.5%	1.6%	\$10.4	43.1%	\$241.8
Cambridge Health Alliance ^ε	Teaching Hospital	12	2.1	49	-0.5%	1.1%	\$7.5	7.2%	\$24.8
Cape Cod Healthcare		12	1.7	57	2.2%	7.2%	\$71.0	69.4%	\$788.1
Cape Cod Hospital	Community-High Public Payer	12	2.2	40	6.9%	8.3%	\$48.1	70.9%	\$450.1
Falmouth Hospital	Community-High Public Payer	12	1.4	40	3.9%	6.6%	\$11.1	82.8%	\$232.4
Medical Affiliates of Cape Cod, Inc	Physician Organization	12			-25.2%	-25.2%	(\$22.5)		

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
CareGroup		12	3.2	47	0.6%	3.1%	\$110.1	53.4%	\$2,021.1
Beth Israel Deaconess Hospital - Milton	Community Hospital	12	2.3	62	3.8%	4.7%	\$5.8	56.4%	\$91.3
Beth Israel Deaconess Hospital - Needham	Community Hospital	12	1.7	67	5.3%	5.6%	\$5.4	34.8%	\$54.2
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	12	2.1	45	4.0%	5.1%	\$14.2	48.7%	\$101.0
Beth Israel Deaconess Medical Center	Academic Medical Center	12	3.0	53	2.7%	5.6%	\$103.9	50.2%	\$1,105.7
Mt. Auburn Hospital	Teaching Hospital	12	3.3	55	3.5%	6.0%	\$21.0	56.7%	\$251.8
New England Baptist Hospital	Specialty Hospital	12	4.8	33	1.9%	3.6%	\$8.9	62.6%	\$148.3
The Affiliated Physicians Group	Physician Organization	12			-32.9%	-32.9%	(\$26.8)		
Community Physicians Associates	Physician Organization	12			-59.0%	-59.0%	(\$2.3)		
Harvard Medical Faculty Physicians	Physician Organization	12			2.3%	3.6%	\$22.8		
Jordan Physicians Associates, Inc.	Physician Organization	12			-20.3%	-20.3%	(\$7.3)		
Mount Auburn Professional Services	Physician Organization	12			-32.5%	-32.5%	(\$24.7)		
New England Baptist Medical Associates	Physician Organization	12			-29.5%	-29.5%	(\$3.7)		
New England Baptist Physicians Group	Physician Organization	12			0.0%	0.0%	\$0.0		
Dana-Farber Cancer Institute and Subsidiaries		12	1.5	59	-3.2%	5.8%	\$106.7	60.3%	\$1,725.5
Dana-Farber Cancer Institute	Specialty Hospital	12	1.6	61	-2.9%	6.3%	\$113.1	60.7%	\$1,754.9
Dana-Farber Cancer Care Network	Physician Organization	12			-17.4%	-17.4%	(\$6.4)		
Emerson Health System Inc. and Subsidiaries		12	1.6	62	2.0%	2.5%	\$6.3	29.3%	\$57.7
Emerson Hospital	Community Hospital	12	1.6	62	2.0%	2.5%	\$6.2	29.5%	\$58.2
Harrington HealthCare System		12	2.6	63	-2.7%	0.0%	\$0.0	53.7%	\$76.9
Harrington Hospital	Community-High Public Payer	12	2.8	72	5.0%	8.2%	\$12.1	54.7%	\$75.3
Harrington Physician Services	Physician Organization	12			-48.9%	-48.9%	(\$12.1)		
Heywood Healthcare		12	1.0	48	-1.9%	-0.9%	(\$1.5)	46.6%	\$68.6
Athol Hospital	Community-High Public Payer	12	0.9	65	4.4%	4.5%	\$1.2	34.4%	\$8.2
Heywood Hospital	Community-High Public Paye	12	1.0	50	0.9%	2.3%	\$2.9	56.6%	\$53.0
Heywood Medical Group	Physician Organization	12			-23.9%	-23.9%	(\$5.5)		

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		12	1.1	67	-1.4%	-0.6%	(\$13.2)	46.1%	\$1,118.1
Lahey Hospital and Medical Center	Teaching Hospital	12	0.7	83	6.4%	6.6%	\$66.4	-2.9%	(\$6.5)
Northeast Hospital	Community-High Public Payer	12	2.0	53	5.7%	7.4%	\$28.0	53.8%	\$234.5
Winchester Hospital	Community Hospital	12	1.4	62	-2.3%	-0.3%	(\$0.9)	65.4%	\$294.3
Lahey Clinic	Physician Organization	12			-24.5%	-26.9%	(\$77.2)		
Lahey Physician Community Org	Physician Organization	12			-55.0%	-55.3%	(\$8.3)		
Northeast Medical Practice	Physician Organization	12			-52.9%	-52.1%	(\$14.1)		
Winchester Physician Association	Physician Organization	12			-9.3%	-9.3%	(\$3.6)		
Lawrence General Hospital and Affiliates		12	2.1	63	-1.8%	-1.8%	(\$4.8)	38.9%	\$111.9
Lawrence General Hospital	Community-High Public Payer	12	1.7	66	0.4%	-0.1%	(\$0.2)	46.3%	\$115.4
Community Medical Associates.	Physician Organization	12			-71.9%	-72.0%	(\$2.8)		
Milford Regional Medical Center and Affiliates		12	2.7	41	-0.9%	-0.1%	(\$0.4)	46.3%	\$122.8
Milford Regional Medical Center	Community Hospital	12	3.2	41	2.9%	3.9%	\$8.5	48.1%	\$122.0
Milford Regional Physician Group	Physician Organization	12			-13.6%	-13.6%	(\$8.9)		
Partners HealthCare		12	2.3	70	2.2%	6.0%	\$826.6	49.0%	\$8,972.6
Brigham & Women's Faulkner Hospital	Community Hospital	12	1.4	47	10.8%	10.9%	\$30.2	67.9%	\$103.4
Brigham & Women's Hospital	Academic Medical Center	12	1.3	70	5.6%	5.6%	\$173.0	27.4%	\$833.2
Cooley Dickinson Hospital	Community Hospital	12	0.6	66	-1.8%	-0.3%	(\$0.6)	17.7%	\$23.7
Martha's Vineyard Hospital	Community Hospital	12	2.1	44	0.2%	3.2%	\$2.9	79.4%	\$120.1
Massachusetts Eye & Ear Infirmary	Specialty Hospital	12	1.5	142	2.7%	9.9%	\$15.9	58.1%	\$318.1
Massachusetts General Hospital	Academic Medical Center	12	1.7	42	6.2%	6.2%	\$250.6	63.0%	\$2,488.4
Nantucket Cottage Hospital	Community Hospital	12	4.8	34	-18.3%	-10.8%	(\$5.8)	94.1%	\$142.3
Newton-Wellesley Hospital	Community Hospital	12	1.7	43	2.7%	0.2%	\$1.0	48.1%	\$203.1
North Shore Medical Center	Community-High Public Payer	12	2.8	87	-7.7%	-7.6%	(\$32.2)	-13.7%	(\$91.0)
Brigham and Women's Physicians Organization	Physician Organization	12			1.7%	3.7%	\$32.7		
CD Practice Associates	Physician Organization	12			-39.4%	-39.4%	(\$14.4)		
Massachusetts Eye and Ear Associates	Physician Organization	12			2.0%	2.1%	\$1.4		
Massachusetts General Hospital Physicians Organization	Physician Organization	12			2.2%	4.5%	\$50.5		
Nantucket Physician Organization	Physician Organization	12			-85.3%	-85.3%	(\$2.4)		
Newton-Wellesley Physician Hospital Group	Physician Organization	12			0.0%	-0.3%	(\$0.3)		
North Shore Physicians Group	Physician Organization	12			-3.5%	-3.5%	(\$5.3)		
Partners Community Physician Organization	Physician Organization	12			-8.8%	-6.3%	(\$6.6)		
Neighborhood Health Plan	Health Plan	12			2.6%	2.9%	\$41.8		

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		12	2.2	35	0.0%	0.4%	\$0.7	47.9%	\$52.3
Anna Jaques Hospital	Community Hospital	12	2.1	36	1.0%	1.3%	\$1.8	38.1%	\$33.5
Seacoast Affiliated Group Practice	Physician Organization	12			-13.4%	-13.4%	(\$2.2)		
Shriners Hospitals for Children		12	0.8	194	-95.0%	-95.0%	(\$775.6)	91.1%	\$8,717.7
Shriners Hospital for Children - Boston*	Specialty Hospital								
Shriners Hospital for Children - Springfield*	Specialty Hospital								
Signature Healthcare Corporation		12	1.1	56	0.8%	3.1%	\$11.5	37.2%	\$102.7
Signature Healthcare Brockton Hospital	Community-High Public Payer	12	1.2	63	3.6%	6.7%	\$19.9	36.3%	\$88.8
Signature Healthcare Medical Group	Physician Organization	12			-11.0%	-11.0%	(\$8.5)		
South Shore Health System		12	1.9	54	-0.8%	-0.3%	(\$2.4)	46.6%	\$381.2
South Shore Hospital	Community Hospital	12	1.5	53	1.5%	1.7%	\$10.7	45.7%	\$304.6
Coastal Medical Associates	Physician Organization	12			-3.6%	-3.6%	(\$2.8)		
Southcoast Health Systems		12	1.3	56	0.0%	2.7%	\$28.6	62.3%	\$751.8
Southcoast Hospital Group	Community-High Public Payer	12	1.4	60	5.9%	8.4%	\$71.8	58.1%	\$556.4
Southcoast Physician Group	Physician Organization	12			-29.8%	-29.8%	(\$59.2)		
Steward Health Care		12	0.8	78	-4.2%	-4.1%	(\$271.1)	-37.6%	(\$1,209.6)
Morton Hospital	Community-High Public Payer	12	1.2	33	-7.5%	-7.2%	(\$8.6)	50.9%	\$16.6
Nashoba Valley Medical Center	Community-High Public Payer	12	1.7	28	-3.4%	-1.9%	(\$1.1)	18.8%	\$2.2
Steward Carney Hospital ^e	Teaching Hospital	12	1.3	37	-21.6%	-19.7%	(\$23.3)	29.6%	\$11.3
Steward Good Samaritan Medical Center	Community-High Public Payer	12	3.7	37	12.5%	12.7%	\$38.1	71.6%	\$86.7
Steward Holy Family Hospital	Community-High Public Payer	12	1.0	34	5.7%	6.5%	\$16.3	16.1%	\$5.8
Steward Norwood Hospital	Community-High Public Payer	12	1.2	36	4.9%	5.7%	\$11.2	41.1%	\$17.1
Steward Saint Anne's Hospital	Community-High Public Payer	12	6.4	32	12.6%	12.9%	\$35.6	84.4%	\$142.0
Steward St. Elizabeth's Medical Center ^e	Teaching Hospital	12	1.1	43	4.8%	5.0%	\$19.2	46.7%	\$44.7
Steward Medical Group ^v	Physician Organization								
Sturdy Memorial Foundation and Affiliates		12	2.2	39	2.0%	7.2%	\$18.2	92.4%	\$487.4
Sturdy Memorial Hospital	Community-High Public Payer	12	2.3	40	5.7%	11.5%	\$23.3	92.9%	\$434.7
Sturdy Memorial Associates	Physician Organization	12			-14.5%	-14.6%	(\$7.6)		
Tenet Healthcare		12	1.2	82	1.7%	0.6%	\$111.0	9.4%	\$2,107.0
MetroWest Medical Center	Community-High Public Payer	12	1.5	47	1.7%	1.9%	\$4.8	42.2%	\$48.1
Saint Vincent Hospital ^e	Teaching Hospital	12	2.0	36	14.6%	14.6%	\$72.2	128.8%	\$487.6
Metrowest Physician Services	Physician Organization	12			-41.4%	-41.4%	(\$4.5)		
Saint Vincent Medical Company	Physician Organization	12			-42.9%	-42.9%	(\$14.8)		

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		12	1.9	86	0.7%	4.7%	\$901.5	50.9%	\$13,344.0
Mercy Medical Center	Community-High Public Payer	12	4.1	41	-4.2%	-4.2%	(\$12.6)	54.5%	\$155.6
Mercy Inpatient Medical Associates	Physician Organization	12			-115.9%	-115.9%	(\$11.3)		
Mercy Medical Group	Physician Organization	12			-54.7%	-54.7%	(\$6.4)		
Mercy Specialist Physicians	Physician Organization	12			-48.1%	-48.1%	(\$3.0)		
Pioneer Valley Cardiology Associates	Physician Organization	12			-66.9%	-66.9%	(\$5.4)		
Riverbend Medical Group	Physician Organization	12			-15.1%	-15.1%	(\$14.5)		
UMass Memorial Health Care		12	1.4	68	-2.8%	-0.8%	(\$19.3)	41.0%	\$1,015.7
HealthAlliance - Clinton Hospital	Community-High Public Payer	12	1.1	121	-8.2%	-6.7%	(\$13.7)	59.6%	\$166.1
Marlborough Hospital	Community-High Public Payer	12	2.5	44	-3.0%	-0.2%	(\$0.1)	63.3%	\$48.6
UMass Memorial Medical Center ^ε	Academic Medical Center	12	1.2	74	-0.4%	0.1%	\$1.7	14.7%	\$177.3
UMass Memorial Medical Group	Physician Organization	12			-10.1%	-9.8%	(\$52.4)		
Valley Health System		12	1.5	44	0.7%	1.0%	\$1.9	7.7%	\$9.0
Holyoke Medical Center	Community-High Public Payer	12	1.4	46	3.0%	3.2%	\$5.4	-1.0%	(\$0.9)
Western Mass Physician Associates	Physician Organization	12			-47.8%	-47.8%	(\$4.1)		
Wellforce		12	1.3	66	0.2%	2.0%	\$38.5	34.0%	\$620.5
Lowell General Hospital	Community-High Public Payer	12	1.2	93	3.2%	4.8%	\$23.2	32.9%	\$161.0
MelroseWakefield Health	Community-High Public Payer	12	1.4	86	4.7%	7.9%	\$20.1	51.1%	\$150.3
Tufts Medical Center ^ε	Academic Medical Center	12	1.4	47	2.9%	4.4%	\$39.3	21.2%	\$155.4
Circle Health Physicians	Physician Organization	12			-20.2%	-20.2%	(\$8.9)		
Hallmark Health Medical Associates	Physician Organization	12			-42.8%	-42.8%	(\$14.3)		
Tufts Medical Center Community Care	Physician Organization	12			-72.8%	-72.8%	(\$3.9)		
Tufts Medical Center Physician Organization	Physician Organization	12			-1.5%	-1.5%	(\$3.8)		

All dollar values are in millions.

^ε Hospital meets the High Public Payer threshold.

^ν Steward Health Care's physician organization 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 2018 analysis is based on 12 months of financial data for all entities. 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 2018 Data Period
Majority of Hospitals (49)	9/30	10/1/17 – 9/30/18
Cambridge Health Alliance Mercy Medical Center	6/30	7/1/17-6/30/18
MetroWest Medical Center Saint Vincent Hospital Shriners Hospitals for Children Boston Shriners Hospitals for Children Springfield Steward Health Care System Hospitals (8)	12/31	1/1/18-12/31/18

Data Caveats

Wellforce (parent health system of Lowell General Hospital, MelroseWakefield Health, and Tufts Medical Center) became financially consolidated in FY 2018. This is the first annual report in which they are reported as a single health system and as a multi-acute health system. Steward Health Care system level data included in this report was derived from publicly available audited financial statements that were standardized by CHIA using the same method as the other health systems.

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 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 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 regions¹ 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

¹ For descriptions of the regions, see <https://www.mass.gov/files/documents/2016/07/uc/2013-cost-trends-report-technical-appendix-b3-regions-of-massachusetts.pdf> (last accessed September 24, 2019).

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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