

Multi-Acute Hospital Health System

Fiscal Year 2021

July 2023

Technical Appendix



Technical Appendix and Overview

The Center for Health Information and Analysis (CHIA) defines multi-acute health systems as systems with more than one acute care facility, while independent health systems are those with only one acute care hospital.

CHIA relies on the following data sources to present financial information: the Annual Massachusetts Hospital Cost Report (MA Hospital Cost Report), the Standardized Financial Statement Database, and Audited Financial Statements.

Unless otherwise noted, metrics included in this report are based on financial data reported by health systems, acute hospitals, and affiliated physician organizations from Hospital Fiscal Year (HFY) 2021.

Massachusetts Hospital Cost Report:

The Massachusetts Hospital Cost Report is submitted each year by acute and non-acute hospitals and contains data on costs, revenues, and utilization statistics. Hospitals are required to complete the MA Hospital Cost Report based on their respective fiscal year end.

Standardized Financial Statements:

The Standardized Financial Statements are submitted quarterly and annually by all health systems on behalf of the system and their affiliated acute hospitals and physician organizations. They contain information on the entity's assets, liabilities, revenues, expenses, and profits or losses. Required reporting for physician organizations is limited to information on revenues, expenses, and profits or losses.

Audited Financial Statements:

Audited Financial Statements are submitted annually by hospitals (or their parent health system, if applicable). In addition to the financial figures found in the Standardized Financial Statements, the Audited Financial Statements contain an opinion from an independent auditor and notes from the hospital or system management that elaborate on the financial performance and standing of the hospital or system during the fiscal year. Audited Financial Statements were used as the primary source for all affiliated health plan information.

Multi-Acute Hospital System Affiliation and Location

Massachusetts hospitals are generally affiliated with a larger health system. Some health systems may include multiple hospitals and/or provider organizations, while others may have only one hospital with associated providers or provider organizations. Health systems with more than one acute hospital are identified as multi-acute hospital systems. This classification is derived from Audited Financial Statements.

Acute Hospitals

Below is a list of Massachusetts multi-acute hospital systems and their acute hospitals as of the end of each system's fiscal year 2021:

Multi-Acute Hospital System	Acute Hospital Member	HFY Ending Date
Baystate Health	Baystate Franklin Medical Center Baystate Medical Center Baystate Noble Hospital Baystate Wing Hospital	September 30
Berkshire Health Systems	Berkshire Medical Center Fairview Hospital	September 30
Beth Israel Lahey Health	Anna Jaques Hospital Beth Israel Deaconess Hospital – Milton Beth Israel Deaconess Hospital – Needham Beth Israel Deaconess Hospital – Plymouth Beth Israel Deaconess Medical Center Lahey Hospital & Medical Center Mount Auburn Hospital New England Baptist Hospital Northeast Hospital Winchester Hospital	September 30
Cape Cod Healthcare	Cape Cod Hospital Falmouth Hospital	September 30
Heywood Healthcare	Athol Hospital Heywood Hospital	September 30
Mass General Brigham	Brigham and Women's Faulkner Hospital Brigham and Women's Hospital Cooley Dickinson Hospital Martha's Vineyard Hospital Massachusetts Eye and Ear Infirmary Massachusetts General Hospital Nantucket Cottage Hospital Newton-Wellesley Hospital North Shore Medical Center	September 30
Shriners Hospitals for Children[^]	Shriners Hospitals for Children – Boston Shriners Hospitals for Children – Springfield	December 31
Steward Health Care System[^]	Morton Hospital Nashoba Valley Medical Center Steward Carney Hospital Steward Good Samaritan Medical Center Steward Holy Family Hospital Steward Norwood Hospital Steward Saint Anne's Hospital Steward St. Elizabeth's Medical Center	December 31
Tenet Healthcare[^]	MetroWest Medical Center Saint Vincent Hospital	December 31
Tufts Medicine	Lowell General Hospital MelroseWakefield Healthcare Tufts Medical Center	September 30
UMass Memorial Health Care	HealthAlliance-Clinton Hospital Marlborough Hospital UMass Memorial Medical Center	September 30

[^] Tenet Healthcare Corporation, Steward Health Care System and Shriners Hospitals for Children are multi-state health systems with a large presence outside of Massachusetts

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Below is a list of Massachusetts independent hospital systems and each of their acute hospitals as of the end of each system's fiscal year 2021:

Independent Hospital System	Acute Hospital Member	HFY Ending Date
Boston Children's Hospital and Subsidiaries	Boston Children's Hospital	September 30
Boston Medical Center Health System	Boston Medical Center	September 30
Cambridge Health Alliance	Cambridge Health Alliance	June 30
Dana-Farber Cancer Institute and Subsidiaries	Dana-Farber Cancer Institute	September 30
Emerson Health System and Subsidiaries	Emerson Hospital	September 30
Lawrence General Hospital and Affiliates	Lawrence General Hospital	September 30
Milford Regional Medical Center and Affiliates	Milford Regional Medical Center	September 30
Signature Healthcare Corporation	Signature Healthcare Brockton Hospital	September 30
South Shore Health System	South Shore Hospital	September 30
Southcoast Health Systems	Southcoast Hospitals Group	September 30
Sturdy Memorial Foundation and Affiliates	Sturdy Memorial Hospital	September 30
Trinity Health[^]	Mercy Medical Center	June 30
Valley Health System	Holyoke Medical Center	September 30

[^] Trinity Health is a multi-state health system with a large presence outside of Massachusetts

This report contains individual information for each system that details its component organizations. Organizations within each system profile are grouped into the following categories:

- **Acute Hospitals:** hospitals licensed by the Massachusetts Department of Public Health containing a majority of medical-surgical, pediatric, obstetric, and maternity beds.
- **Physician Organizations:** medical practices comprised of two or more physicians organized to provide patient care services.
- **Health Plans:** organizations that contract or offer to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services.

Unless otherwise noted, metrics and descriptive information included in these profiles are based on financial data from HFY 2021.

All revenue and net asset information is sourced from each system's parent organization and affiliates' HFY 2021 Standardized Financial Statements or consolidated Audited Financial Statements.

Each system's total **Operating Revenue** and **Net Assets** may not equal the sum of the components displayed in the individual system profiles, due to other owned entities or intercompany eliminations that are not shown.

Organizations that are not displayed on the profiles may include:

- **Non-Acute Hospitals:** typically identified as psychiatric, rehabilitation, and chronic care facilities. CHIA defines non-acute hospitals in this publication using the Massachusetts Department of Public Health (DPH) and Department of Mental Health (DMH) license criteria.
- **Other Health Care Providers:** any organization within a system engaged in providing health care services and not categorized as an acute hospital, non-acute hospital, physician organization, or health plan.
- **Other Organizations:** all organizations that are not hospitals, physician organizations, health plans, or other health care providers. Operating revenue and net asset values are derived by adding up values for any organization in the financial statements not already categorized in the profile as a health care-related organization.
- **Consolidating Eliminations:** intercompany transactions eliminated during the financial consolidation process.

Operating Revenue is revenue earned from services associated with patient care, including academic research. It excludes revenue earned from non-operating activities, such as gains associated with the sale of property or income from investments. Of note, federal and state COVID-19 relief funds reported as operating revenue are included in the entity's operating income for HFY 2021.

Non-Operating Revenue reflects items that are not related to operations, such as investment income, contributions, gains from the sale of assets and other unrelated business activities.

Net Assets reflect the difference between total assets and total liabilities. It is the not-for-profit equivalent of Owner's Equity.

Total profit/loss (often presented in hospital financial statements as “Excess of revenues over expenses”), **operating margin**, **non-operating margin**, and **total margin** are measures of the system’s overall financial performance. Profit/loss is shown in dollars, and margins are shown as percentages. CHIA standardizes the calculation of operating, non-operating, and total margins to account for the variation in financial statement reporting among health systems.

- **Total profit/loss** is derived from “Excess of revenues over expenses” or “Net profit/loss” figures reported in each system’s Standardized Financial Statements.
- **System calculation:** Total Margin = Total Profit/Loss ÷ (Operating Revenue + Non-Operating Gains/Losses)

Acute Hospital Discharges is the total reported discharges from the system’s component acute hospitals, sourced from the MA Hospital Cost Report.

The system’s **Percentage of all Massachusetts Acute Hospitals** shows the proportion of total discharges, inpatient revenue, and outpatient revenue for each system in relation to all acute hospitals in Massachusetts. This percentage is calculated using data from the Annual Massachusetts Hospital Cost Reports.

Percent of Discharges is the number of inpatient discharges.

- **Data Source:** MA Hospital Cost Report
- **System Calculation:** Discharge Percent = Total discharges across all acute hospitals in a system divided by total statewide acute hospitals’ discharges multiplied by 100

Percent of Inpatient Revenue reflects each system’s inpatient net patient service revenue (NPSR) as a percentage of total inpatient NPSR reported by Massachusetts acute hospitals in HFY 2021.

- **Data Source:** MA Hospital Cost Report
- **System Calculation:** Inpatient NPSR Percent = Total inpatient NPSR across all acute hospitals in system divided by total statewide acute hospitals’ inpatient NPSR multiplied by 100

Percent of Outpatient Revenue reflects each system’s outpatient net patient service revenue (NPSR) as a percentage of total outpatient NPSR reported by Massachusetts acute hospitals in HFY 2021.

- **Data Source:** MA Hospital Cost Report
- **System Calculation:** Outpatient NPSR Percent = Total outpatient NPSR across all acute hospitals in system divided by total statewide acute hospitals’ outpatient NPSR multiplied by 100