

Massachusetts Acute Hospital Financial Performance Fiscal Year Data through March 31, 2015



June 2015

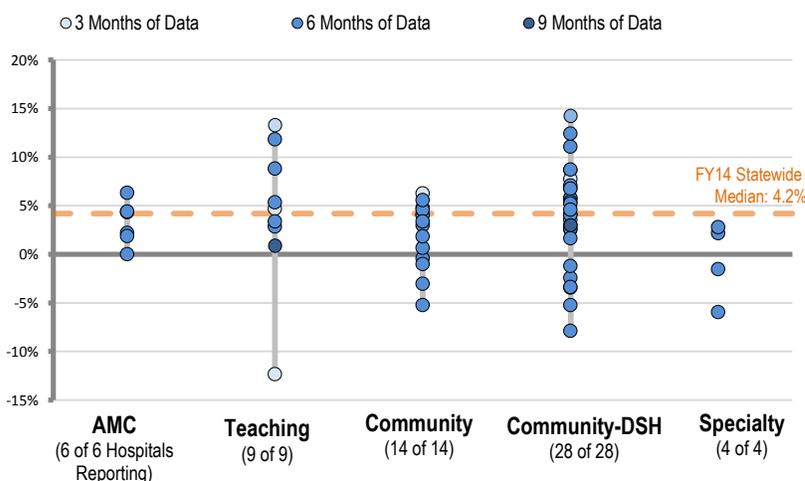
About this Report

This report provides an update on the profitability, liquidity, and solvency of acute hospitals for the fiscal period ending March 31, 2015 (Current Period). The Center reports on sixty one acute hospitals in Massachusetts, all of which are included in this publication. This report compares hospital financial performance in the current period to the same point in time in the prior year for the same group of hospitals, and to the prior year's statewide performance. Acute hospitals are grouped into the following cohorts: Academic Medical Centers (AMCs), teaching hospitals, community hospitals, and community-Disproportionate Share Hospitals (DSH). Specialty hospitals are not considered a cohort but are displayed and included in statewide medians.

Key Findings

- Profitability increased in the current period compared to the same period in the prior year (ending March 31, 2014). Forty eight hospitals were profitable, while thirteen hospitals reported negative total margins. The current period total margin of 3.5% is 0.7 percentage points lower than the FY14 statewide median total margin, but 0.8 percentage points higher than the prior year period.
- The statewide median current ratio increased slightly from the same period in the prior year. The median current ratios for the AMC and teaching hospital cohorts remained stable. Community-DSH hospitals had the most improved median current ratio.
- Eight acute hospitals reported negative net assets in the current period.

Acute Hospital Total Margins (Data as of 03/31/15)



Profitability

Acute hospital profitability, as measured by median total margin, increased for all cohorts except teaching hospitals during the current period. Statewide performance increased 0.8 percentage points from the same period in the prior year. The community-DSH and teaching hospital cohorts had the largest increase and decrease, respectively, in median total margin between periods. Teaching hospitals remained the most profitable of the four hospital cohorts.

Median Total Margin Trends by Cohort

	3/31/2013	3/31/2014	3/31/2015
Statewide Median (61 of 61 hospitals)	3.0%	2.7%	3.5%
AMC (6 of 6 hospitals)	3.3%	3.1%	3.3%
Teaching (9 of 9 hospitals)	5.5%	6.4%	4.7%
Community (14 of 14 hospitals)	2.3%	1.9%	3.2%
Community-DSH (28 of 28 hospitals)	2.5%	2.7%	4.4%

Liquidity

Acute hospital liquidity, as measured by the median current ratio, increased slightly from the same period in the prior year to 1.7. A current ratio above 1.0 is an indicator that a hospital has sufficient current assets to meet current liabilities. Nine hospitals reported a current ratio below 0.7. The majority of these hospitals are part of larger health systems.

Solvency

Net assets reflect the difference between a hospital's total assets and total liabilities and can be used to assess solvency. Eight hospitals reported negative net assets in the current period. Seven of those hospitals are part of larger health systems.

For additional information and descriptions of the metrics, please see Technical Appendix and Databook.

All hospitals were required to report data as of 3/31/15. Statewide medians include specialty hospitals.

Massachusetts Acute Hospital Financial Performance
Fiscal Year Data through March 31, 2015

Hospital Name	Cohort	System Affiliation	Months Reported	Profitability			Liquidity	Solvency	Profit (Loss) in Millions
				Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Net Assets in Millions	
These hospitals (10) have a 12/31/15 fiscal year end. This report contains 3 months of their data:									
Morton Hospital	D	Steward Health Care	3	5.8%	5.6%	0.1%	0.4	(\$19.8)	\$1.7
Nashoba Valley Medical Center	D	Steward Health Care	3	4.1%	4.1%	0.0%	0.5	(\$0.4)	\$0.5
Steward Carney Hospital^	T	Steward Health Care	3	-12.3%	-12.3%	0.0%	0.3	(\$42.8)	(\$3.4)
Steward Good Samaritan Medical Center	D	Steward Health Care	3	8.6%	8.6%	0.0%	0.5	\$16.4	\$5.7
Steward Holy Family Hospital	D	Steward Health Care	3	7.7%	7.7%	0.0%	0.6	(\$17.4)	\$4.7
Steward Norwood Hospital	D	Steward Health Care	3	3.5%	3.5%	0.0%	0.3	(\$39.8)	\$1.5
Steward Saint Anne's Hospital	D	Steward Health Care	3	6.8%	6.7%	0.1%	2.3	\$73.7	\$4.2
Steward St. Elizabeth's Medical Center^	T	Steward Health Care	3	4.7%	4.7%	0.0%	0.3	(\$43.7)	\$3.8
MetroWest Medical Center	C	Tenet Healthcare	3	6.3%	6.3%	0.0%	1.6	(\$49.2)	\$4.0
Saint Vincent Hospital^	T	Tenet Healthcare	3	13.3%	13.3%	0.0%	1.6	\$354.7	\$13.6
These hospitals (49) have a 9/30/15 fiscal year end. This report contains 6 months of their data:									
Baystate Franklin Medical Center	D	Baystate Health	6	5.8%	5.3%	0.4%	1.8	\$46.5	\$2.6
Baystate Mary Lane Hospital	C	Baystate Health	6	-3.0%	-5.5%	2.4%	1.7	\$18.7	(\$0.4)
Baystate Medical Center^	T	Baystate Health	6	5.3%	4.9%	0.4%	3.3	\$681.6	\$29.6
Baystate Wing Hospital	D	Baystate Health	6	-2.4%	-3.2%	0.8%	1.5	\$46.2	(\$0.9)
Berkshire Medical Center^	T	Berkshire Health	6	11.8%	6.9%	5.0%	1.2	\$331.6	\$26.9
Fairview Hospital	D	Berkshire Health	6	11.1%	6.8%	4.3%	1.1	\$25.7	\$2.8
Cape Cod Hospital	D	Cape Cod Healthcare	6	7.1%	4.6%	2.5%	1.4	\$287.3	\$16.4
Falmouth Hospital	D	Cape Cod Healthcare	6	8.7%	3.2%	5.6%	1.1	\$184.3	\$6.8
Beth Israel Deaconess Hospital - Milton	C	CareGroup	6	4.1%	3.3%	0.8%	1.9	\$75.0	\$1.9
Beth Israel Deaconess Hospital - Needham	C	CareGroup	6	3.0%	1.9%	1.1%	2.0	\$38.7	\$1.1
Beth Israel Deaconess Hospital - Plymouth	D	CareGroup	6	3.0%	1.2%	1.8%	1.8	\$82.8	\$3.1
Beth Israel Deaconess Medical Center	A	CareGroup	6	2.2%	0.9%	1.3%	3.3	\$913.7	\$16.2
Mount Auburn Hospital	T	CareGroup	6	8.8%	6.3%	2.5%	5.3	\$276.8	\$14.8
New England Baptist Hospital	S	CareGroup	6	2.8%	1.5%	1.3%	3.6	\$128.2	\$3.4
Athol Memorial Hospital	D	Heywood Healthcare	6	-5.2%	-5.4%	0.2%	0.6	\$3.8	(\$0.6)
Heywood Hospital	D	Heywood Healthcare	6	5.4%	4.7%	0.7%	1.1	\$54.5	\$2.9
Lahey Hospital & Medical Center	T	Lahey Health System	6	3.4%	3.5%	0.0%	2.3	\$172.2	\$13.9
Northeast Hospital	C	Lahey Health System	6	5.6%	3.5%	2.1%	2.4	\$215.4	\$9.6
Winchester Hospital	C	Lahey Health System	6	1.9%	1.4%	0.4%	1.2	\$254.9	\$2.5
Brigham and Women's Faulkner Hospital	T	Partners HealthCare	6	2.9%	2.9%	0.0%	1.1	\$76.7	\$3.1
Brigham and Women's Hospital	A	Partners HealthCare	6	4.3%	4.4%	0.0%	1.2	\$436.2	\$56.1
Cooley Dickinson Hospital	C	Partners HealthCare	6	0.7%	0.7%	0.0%	1.0	\$75.9	\$0.6
Martha's Vineyard Hospital	D	Partners HealthCare	6	-3.4%	-5.1%	1.8%	1.9	\$101.7	(\$1.2)
Massachusetts General Hospital	A	Partners HealthCare	6	4.4%	4.4%	0.0%	1.7	\$2,045.7	\$73.7
Nantucket Cottage Hospital	C	Partners HealthCare	6	-5.2%	-11.8%	6.5%	2.3	\$67.0	(\$0.9)
Newton-Wellesley Hospital	C	Partners HealthCare	6	4.6%	5.0%	-0.4%	1.3	\$190.2	\$10.2
North Shore Medical Center	D	Partners HealthCare	6	-7.9%	-7.7%	-0.1%	2.0	\$27.8	(\$16.3)
Lowell General Hospital	D	Wellforce	6	2.7%	2.2%	0.5%	1.6	\$172.0	\$5.5
Tufts Medical Center	A	Wellforce	6	0.0%	-2.3%	2.3%	1.3	\$134.9	\$0.0
Clinton Hospital	D	UMass Memorial HC	6	-3.4%	-5.0%	1.6%	2.0	\$18.2	(\$0.5)
HealthAlliance Hospital	D	UMass Memorial HC	6	4.0%	3.1%	1.0%	1.7	\$155.2	\$3.4
Marlborough Hospital	D	UMass Memorial HC	6	5.2%	3.1%	2.1%	1.5	\$30.8	\$2.2
UMass Memorial Medical Center^	A	UMass Memorial HC	6	1.9%	1.5%	0.4%	1.7	\$305.1	\$14.1
Anna Jaques Hospital	C	Individual	6	-0.4%	-0.9%	0.5%	2.9	\$26.1	(\$0.2)
Boston Children's Hospital	S	Individual	6	-5.9%	2.7%	-8.7%	9.4	\$3,114.7	(\$37.5)
Boston Medical Center^	A	Individual	6	6.3%	1.7%	4.7%	1.7	\$1,231.5	\$36.6
Dana-Farber Cancer Institute	S	Individual	6	2.2%	-4.3%	6.5%	1.1	\$1,351.2	\$12.2
Emerson Hospital	C	Individual	6	-1.0%	-0.4%	-0.6%	1.8	\$49.6	(\$1.0)
Hallmark Health	C	Individual	6	4.0%	-1.5%	5.6%	3.6	\$181.4	\$5.4
Harrington Memorial Hospital	D	Individual	6	6.8%	4.5%	2.2%	3.3	\$76.7	\$4.2
Holyoke Medical Center	D	Individual	6	2.5%	2.3%	0.2%	1.5	\$4.9	\$1.6
Lawrence General Hospital	D	Individual	6	-1.2%	-2.2%	1.0%	2.2	\$124.9	(\$1.3)
Massachusetts Eye and Ear Infirmary	S	Individual	6	-1.5%	-2.6%	1.0%	1.3	\$227.2	(\$1.8)
Milford Regional Medical Center	C	Individual	6	4.8%	3.7%	1.1%	3.8	\$119.3	\$4.7
Noble Hospital	D	Individual	6	1.6%	1.4%	0.2%	0.4	(\$6.5)	\$0.5
Signature Healthcare Brockton Hospital	D	Individual	6	4.6%	3.8%	0.9%	1.5	\$51.9	\$5.9
South Shore Hospital	C	Individual	6	3.4%	4.1%	-0.7%	2.1	\$238.3	\$8.8
Southcoast Hospitals Group	D	Individual	6	12.4%	8.2%	4.3%	1.8	\$508.7	\$51.0
Sturdy Memorial Hospital	D	Individual	6	14.2%	7.4%	6.9%	14.6	\$371.5	\$12.4
These hospitals (2) have a 6/30/15 fiscal year end. This report contains 9 months of their data:									
Cambridge Health Alliance^	T	Individual	9	0.9%	-0.4%	1.3%	1.1	\$60.1	\$3.8
Mercy Medical Center	D	Individual	9	3.0%	2.9%	0.1%	4.1	\$145.4	\$5.9

A: Academic Medical Center C: Community Hospital D: Community-DSH Hospital T: Teaching Hospital S: Specialty Hospital ^: Hospital meets DSH criteria.

Note: Profitability percentages may not add due to rounding.

For additional information and descriptions of the metrics, please see Technical Appendix and Databook.