

CENTER FOR HEALTH  
INFORMATION AND ANALYSIS

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# MASSACHUSETTS ACUTE HOSPITAL FINANCIAL PERFORMANCE

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FISCAL YEAR 2014

AUGUST 2015



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for health  
information  
and analysis



## Key Findings

This report examines hospital profitability, liquidity, and solvency in order to monitor and compare the financial status of acute care hospitals. Using standardized financial filings, the following metrics are examined: total margin, operating margin, non-operating margin, current ratio, days in accounts receivable, average payment period, debt service coverage, cash flow to total debt, and the equity financing ratio. Together, these metrics provide insight into each hospital's financial health.

Metrics included in this report are based on financial information from Fiscal Year (FY) 2012 to FY 2014. This reporting period reflects acute hospital financial data for the full 12 months of each fiscal year, regardless of each hospital's fiscal year-end date. FY 2014 data used to calculate these metrics is provided in the databook published on the Center for Health Information and Analysis (CHIA) website. Acute Hospital Financial Performance Trends factsheets for individual hospitals accompany this report on the website. For more information on hospital reporting periods and definitions of hospital cohorts and regions used in this report, see Report Notes.

### DIFFERENCES FROM LAST YEAR'S REPORT

Sixty-two hospitals are examined in this report, compared with sixty-four in last year's report. North Adams Medical Center, which closed in March 2014, and Merrimack Valley Hospital, which merged with Steward Holy Family Hospital in August 2014, are not displayed in this year's report, but are included in cohort and statewide median calculations for the applicable periods. In addition, at the end of its Fiscal Year 2014, Quincy Medical Center, a Steward Health Care System hospital, closed. It is also important to note that several hospitals previously grouped in the community hospital cohort are designated as community-Disproportionate Share Hospitals (DSH) in this report. See Report Notes for hospital cohort definitions.

### STATEWIDE PERFORMANCE

Profitability improved for acute hospitals statewide in FY 2014 relative to FY 2013. Eighty-seven percent, or 54 acute hospitals reported positive total margins in FY 2014, with the statewide median increasing slightly from 4.1% in FY 2013 to 4.2% in FY 2014. Similarly, operating margin improved overall; fewer hospitals reported a negative operating margin in FY14, and the statewide median operating margin rose from 2.3% in FY 2013 to 2.6% in FY 2014. Overall, liquidity remained consistent with FY 2013 across for all three measures. In terms of solvency, the statewide cash flow to total debt, debt service coverage, and equity financing medians improved relative to FY 2013.

It is important to examine financial performance trends within the context of utilization trends. Overall, inpatient discharges decreased 2.6% at Massachusetts acute hospitals between FY 2013 and FY 2014. Median outpatient visits decreased by 1.0%, and Emergency Department visits decreased by 0.9%.

There were regional differences in financial performance across Massachusetts. Metro South, South Coast, and the Cape and Islands regions had higher total margins than the statewide median total margin of 4.2%. Metro Boston, the region with the largest number of hospitals, had a total margin below the statewide median, as did Central and Western Massachusetts.

### ACADEMIC MEDICAL CENTERS

In FY 2014, there were six academic medical centers (AMCs) in Massachusetts, consistent with the prior fiscal year. All hospitals in the AMC cohort had positive total and operating margins, and the cohort had the highest median non-operating margin of any cohort at 1.2%. The AMC median current ratio was equal to that of the median statewide. AMCs had the highest median days in accounts receivable of any cohort, consistent with the two years prior. The AMC cohort's median average payment period was higher than the median statewide. All hospitals in the AMC cohort had a positive cash flow to total debt and debt service coverage ratios, though the cohort's medians were lower than those statewide for both measures. The AMC median equity financing ratio was the lowest among all cohorts.

### TEACHING HOSPITALS

In FY 2014, there were nine hospitals assigned to the teaching hospital cohort in Massachusetts, consistent with the prior fiscal year. Teaching hospitals had the highest median total margin of all cohorts at 8.2%, and the highest median operating margin of all cohorts at 5.6%, though its median non-operating margin was the lowest of all cohorts at 0.1%. The median current ratio at teaching hospitals remained the same as in FY 2013, at 1.1, and was the lowest of all cohorts. The median average payment period increased from 53 days in FY 2013 to 57 days in FY 2014, lower than the median average payment period statewide. It had the highest median cash flow to total debt ratio of all cohorts at 30.1%, higher than its prior year ratio of 26.3%. Its median debt service coverage ratio was higher than the statewide median, and its median equity financing ratio was slightly lower than the statewide median.

### COMMUNITY HOSPITALS

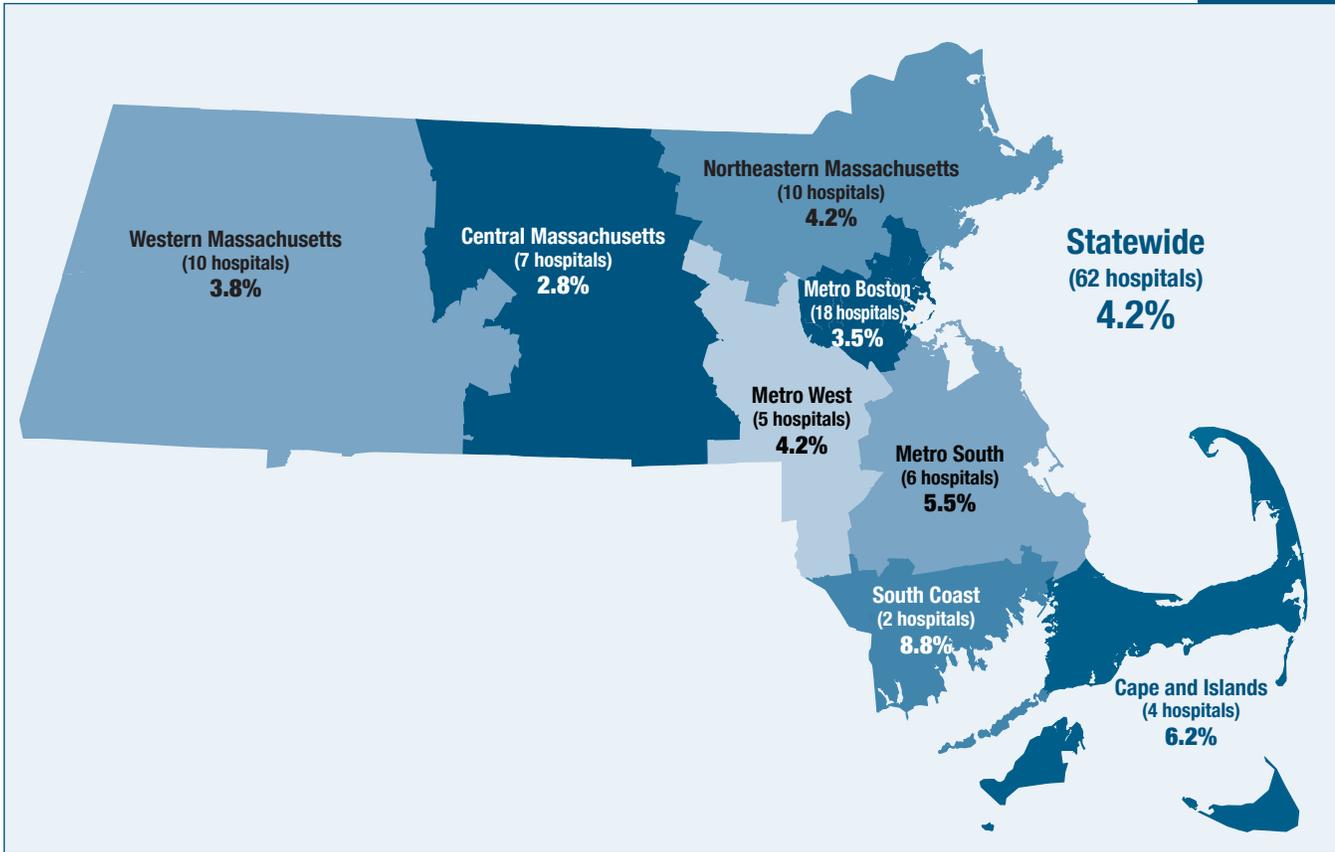
In FY 2014, there were 14 hospitals assigned to the community hospital cohort in Massachusetts. The community hospital cohort was the only cohort that showed decreases in all three profitability metrics between FY 2013 and FY 2014, and it had the lowest median total and operating margins of all cohorts in FY 2014. In addition, it had the lowest median debt service coverage and cash flow to total debt ratios of any cohort. Community hospitals had the highest median current ratio and lowest average payment period of any cohort.

### COMMUNITY-DSH HOSPITALS

The community-Disproportionate Share Hospital cohort, comprised of 29 hospitals in FY 2014, showed the most improvement across many financial performance measures. This cohort had the largest increases in median total and operating margin from the prior year. The median current ratio also increased the most of any cohort, from 1.2 in FY 2013 to 1.5 in FY 2014, while the median days in accounts receivable decreased the most of any cohort, from 40 days in FY 2013 to 36 days in FY 2014. Consistent with FY 2013, community-DSH hospitals had the highest median average payment period, at 68 days. It had the highest median debt service coverage in FY 2014 at 7.1, compared to 4.8 in the year prior.

# Key Findings (Continued)

## FY14 MEDIAN TOTAL MARGIN BY REGION



# Profitability

# Liquidity

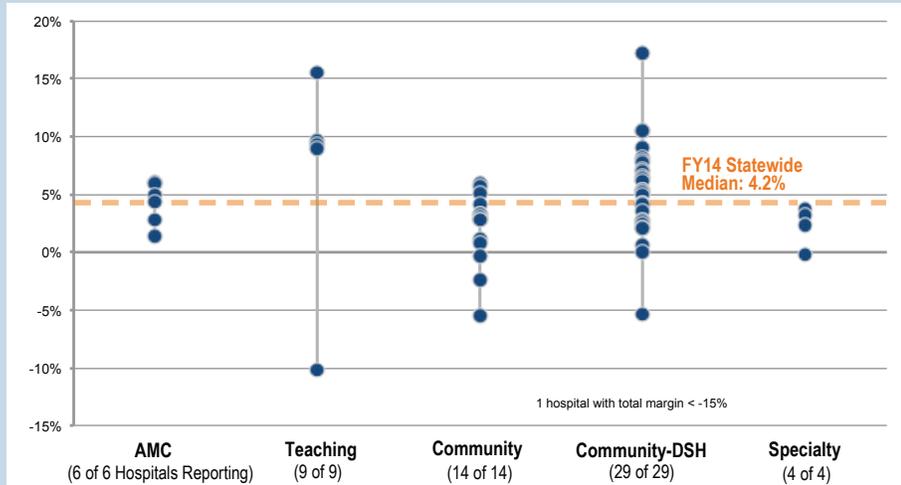
# Solvency

**Profitability** measures a hospital's ability to generate earnings as compared to its revenues. Three profitability ratios are reported: total margin, operating margin, and non-operating margin.

## Total Margin

**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.

### Total Margin Median and Range by Cohort



Benchmark: FY13 Northeast US median: 3.8%  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- Eighty-seven percent, or 54 acute hospitals reported positive total margins in FY 2014.
- The median statewide total margin has increased consistently from FY 2012 to FY 2014.
- The median total margin by cohort varied from the highest at 8.2% for teaching hospitals to the lowest at 2.9% for community hospitals.
- The community-DSH hospital cohort had the greatest variation in total margin, ranging from 17.3% to -57.0%.
- The Community hospital cohort was the only cohort with a decrease in total margin from FY 2013 to FY 2014.

### Median Total Margin Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	3.8%	4.1%	<b>4.2%</b>
<b>AMC</b>	3.6%	4.6%	<b>4.7%</b>
<b>Teaching</b>	8.4%	7.6%	<b>8.2%</b>
<b>Community</b>	3.2%	3.6%	<b>2.9%</b>
<b>Community-DSH</b>	3.0%	3.7%	<b>5.3%</b>

\*Statewide median includes specialty hospitals.

## Massachusetts Acute Hospital Total Margin in FY14

Hospital Name	Total Margin
<b>Academic Medical Centers</b>	<b>4.7%</b>
Massachusetts General Hospital	6.0%
Brigham and Women's Hospital	6.0%
Boston Medical Center^	5.0%
Beth Israel Deaconess Medical Center	4.4%
Tufts Medical Center	2.8%
UMass Memorial Medical Center^	1.3%
<b>Teaching Hospitals</b>	<b>8.2%</b>
Saint Vincent Hospital^	15.6%
Berkshire Medical Center^	9.7%
Mount Auburn Hospital	9.2%
Baystate Medical Center^	8.9%
Lahey Hospital & Medical Center	8.2%
Steward St. Elizabeth's Medical Center^	5.5%
Brigham and Women's Faulkner Hospital	4.4%
Cambridge Health Alliance^	-3.6%
Steward Carney Hospital^	-10.2%
<b>Community Hospitals</b>	<b>2.9%</b>
Nantucket Cottage Hospital	5.9%
Northeast Hospital	5.7%
Hallmark Health	5.1%
Milford Regional Medical Center	4.2%
South Shore Hospital	3.3%
Beth Israel Deaconess Hospital - Needham	3.3%
Winchester Hospital	3.1%
Beth Israel Deaconess Hospital - Milton	2.8%
Newton-Wellesley Hospital	2.8%
Emerson Hospital	1.1%
Anna Jaques Hospital	0.8%
Cooley Dickinson Hospital	-0.3%
MetroWest Medical Center	-2.4%
Baystate Mary Lane Hospital	-5.5%
<b>Community-DSH Hospitals ^</b>	<b>5.3%</b>
Sturdy Memorial Hospital	17.3%
Steward Saint Anne's Hospital	10.5%
Signature Healthcare Brockton Hospital	10.4%
Falmouth Hospital	9.1%
Fairview Hospital	8.2%
Steward Good Samaritan Medical Center	8.0%
Morton Hospital	7.7%
Southcoast Hospitals Group	7.2%
Mercy Medical Center	7.0%
Cape Cod Hospital	6.5%
Nashoba Valley Medical Center	6.4%
Athol Hospital	6.2%
Martha's Vineyard Hospital	5.3%
Steward Holy Family Hospital	5.3%
Steward Norwood Hospital	5.3%
Holyoke Medical Center	5.0%
Lawrence General Hospital	4.2%
Lowell General Hospital	4.1%
Heywood Hospital	4.1%
Marlborough Hospital	3.6%
Harrington Memorial Hospital	2.8%
Noble Hospital	2.6%
HealthAlliance Hospital	2.4%
Baystate Wing Hospital	2.1%
Baystate Franklin Medical Center	2.1%
Clinton Hospital	0.6%
Beth Israel Deaconess Hospital - Plymouth	0.0%
North Shore Medical Center	-5.3%
Quincy Medical Center	-57.0%
<b>Specialty Hospitals</b>	
Boston Children's Hospital	3.7%
Dana-Farber Cancer Institute	3.1%
New England Baptist Hospital	2.3%
Massachusetts Eye and Ear Infirmary	-0.2%

^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

# Profitability

# Liquidity

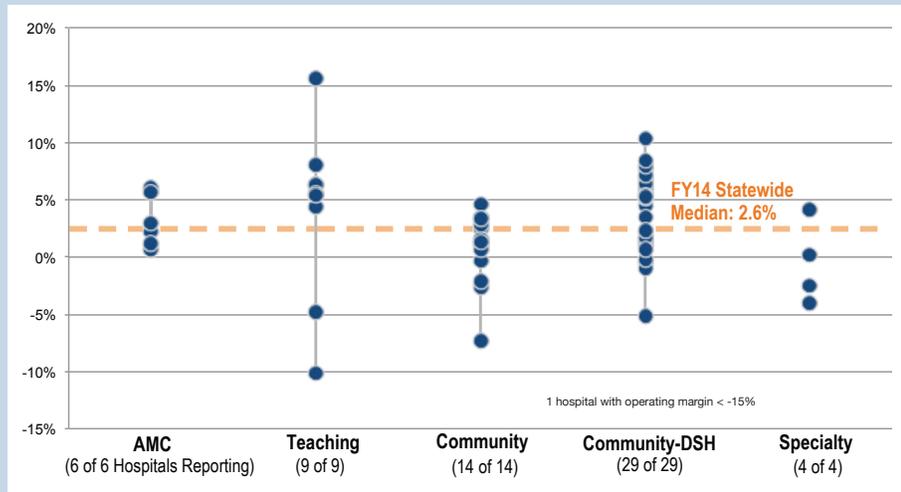
# Solvency

**Profitability** measures a hospital's ability to generate earnings as compared to its revenues. Three profitability ratios are reported: total margin, operating margin, and non-operating margin.

## Operating Margin

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

### Operating Margin Median and Range by Cohort



Benchmark: FY13 Northeast US median: 2.9%  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- Seventy-nine percent, or 49 acute hospitals reported positive operating margins in FY 2014.
- The median operating margin by cohort ranged from a high of 5.6% for teaching hospitals to a low of 1.3% for community hospitals.
- Community-DSH hospitals had the greatest variation in operating margin, ranging from 10.4% to -57.0%, as well as the greatest increase from FY2013 to FY2014.
- Teaching hospitals and community-DSH hospitals had the greatest increases from FY 2013 to FY 2014.

### Median Operating Margin Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	2.2%	2.3%	<b>2.6%</b>
<b>AMC</b>	2.0%	2.2%	<b>2.6%</b>
<b>Teaching</b>	5.7%	3.6%	<b>5.6%</b>
<b>Community</b>	2.1%	2.0%	<b>1.3%</b>
<b>Community-DSH</b>	2.2%	2.0%	<b>4.5%</b>

\*Statewide median includes specialty hospitals.

## Massachusetts Acute Hospital Operating Margin in FY14

Hospital Name	Operating Margin
<b>Academic Medical Centers</b>	<b>2.6%</b>
Brigham and Women's Hospital	6.0%
Massachusetts General Hospital	5.6%
Boston Medical Center^	3.0%
Beth Israel Deaconess Medical Center	2.2%
UMass Memorial Medical Center^	1.1%
Tufts Medical Center	0.6%
<b>Teaching Hospitals</b>	<b>5.6%</b>
Saint Vincent Hospital^	15.6%
Lahey Hospital & Medical Center	8.1%
Baystate Medical Center^	6.3%
Berkshire Medical Center^	6.3%
Mount Auburn Hospital	5.6%
Steward St. Elizabeth's Medical Center^	5.3%
Brigham and Women's Faulkner Hospital	4.4%
Cambridge Health Alliance^	-4.8%
Steward Carney Hospital^	-10.2%
<b>Community Hospitals</b>	<b>1.3%</b>
Northeast Hospital	4.7%
Milford Regional Medical Center	3.4%
South Shore Hospital	3.4%
Newton-Wellesley Hospital	2.9%
Beth Israel Deaconess Hospital - Needham	2.4%
Hallmark Health	1.6%
Winchester Hospital	1.4%
Beth Israel Deaconess Hospital - Milton	1.3%
Anna Jaques Hospital	1.0%
Emerson Hospital	0.6%
Cooley Dickinson Hospital	-0.3%
Nantucket Cottage Hospital	-2.2%
MetroWest Medical Center	-2.6%
Baystate Mary Lane Hospital	-7.4%
<b>Community-DSH Hospitals ^</b>	<b>4.5%</b>
Steward Saint Anne's Hospital	10.4%
Sturdy Memorial Hospital	8.5%
Steward Good Samaritan Medical Center	8.0%
Morton Hospital	7.7%
Signature Healthcare Brockton Hospital	7.1%
Falmouth Hospital	7.0%
Mercy Medical Center	6.7%
Nashoba Valley Medical Center	6.4%
Fairview Hospital	6.0%
Athol Hospital	5.9%
Cape Cod Hospital	5.5%
Steward Holy Family Hospital	5.4%
Steward Norwood Hospital	5.2%
Southcoast Hospitals Group	5.1%
Holyoke Medical Center	4.5%
Lawrence General Hospital	3.5%
Noble Hospital	2.4%
Heywood Hospital	2.4%
Baystate Franklin Medical Center	1.7%
Marlborough Hospital	1.7%
Lowell General Hospital	1.5%
Baystate Wing Hospital	1.3%
HealthAlliance Hospital	1.0%
Martha's Vineyard Hospital	0.7%
Harrington Memorial Hospital	-0.2%
Beth Israel Deaconess Hospital - Plymouth	-0.5%
Clinton Hospital	-1.0%
North Shore Medical Center	-5.2%
Quincy Medical Center	-57.0%
<b>Specialty Hospitals</b>	
Boston Children's Hospital	4.1%
New England Baptist Hospital	0.1%
Massachusetts Eye and Ear Infirmary	-2.6%
Dana-Farber Cancer Institute	-4.0%

^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

## Profitability

## Liquidity

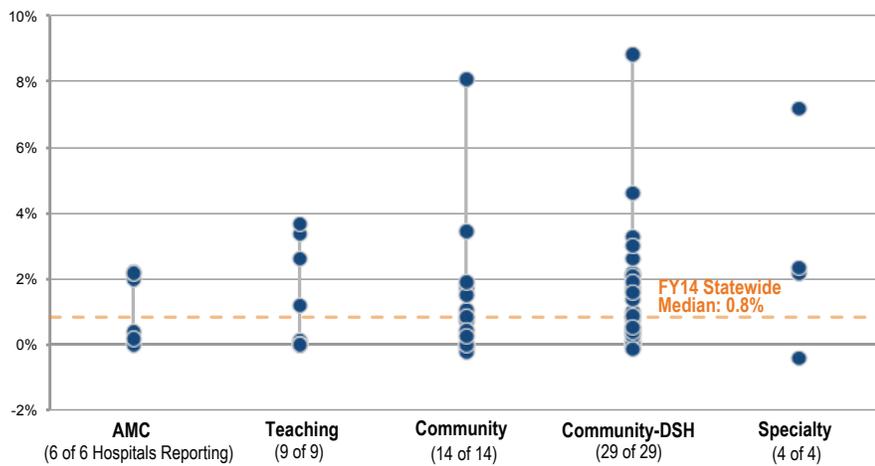
## Solvency

**Profitability** measures a hospital's ability to generate earnings as compared to its revenues. Three profitability ratios are reported: total margin, operating margin, and non-operating margin.

## Non-Operating Margin

**Non-Operating Margin** is the ratio of non-operating income to total revenue. It includes items that are not related to operations such as investment income, contributions, gains or losses from the sale of assets, and other unrelated business activities.

### Non-Operating Margin Median and Range by Cohort



Benchmark: FY13 Northeast US median: 0.1%  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- Most hospitals continued to be profitable from non-operating activities, with the statewide median non-operating margin remaining relatively stable over the past three years.
- In FY 2014, teaching hospitals had the lowest median non-operating margin at 0.1%. The AMC cohort had the highest non-operating margin at 1.2%.
- Twenty-seven hospitals had non-operating margins between 0.0% and 1.0%.
- Twenty-nine hospitals had non-operating margins exceeding 1.0%, while only five had slight non-operating losses.
- Five hospitals generated sufficient non-operating gains to make up for operating losses, resulting in positive total margins. These hospitals were: Dana-Farber Cancer Institute, Clinton Hospital, Harrington Memorial Hospital, Beth Israel Deaconess Hospital – Plymouth, and Nantucket Cottage Hospital.

### Median Non-Operating Margin Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	0.8%	1.1%	<b>0.8%</b>
<b>AMC</b>	0.8%	1.0%	<b>1.2%</b>
<b>Teaching</b>	0.1%	0.0%	<b>0.1%</b>
<b>Community</b>	0.8%	1.1%	<b>0.8%</b>
<b>Community-DSH</b>	0.8%	1.0%	<b>0.8%</b>

\*Statewide median includes specialty hospitals.

## Massachusetts Acute Hospital Non-Operating Margin in FY14

Hospital Name	Non-Operating Margin
<b>Academic Medical Centers</b>	<b>1.2%</b>
Beth Israel Deaconess Medical Center	2.2%
Tufts Medical Center	2.2%
Boston Medical Center <sup>^</sup>	2.0%
Massachusetts General Hospital	0.4%
UMass Memorial Medical Center <sup>^</sup>	0.2%
Brigham and Women's Hospital	0.0%
<b>Teaching Hospitals</b>	<b>0.1%</b>
Mount Auburn Hospital	3.7%
Berkshire Medical Center <sup>^</sup>	3.4%
Baystate Medical Center <sup>^</sup>	2.6%
Cambridge Health Alliance <sup>^</sup>	1.2%
Lahey Hospital & Medical Center	0.1%
Steward St. Elizabeth's Medical Center <sup>^</sup>	0.1%
Saint Vincent Hospital <sup>^</sup>	0.0%
Brigham and Women's Faulkner Hospital	0.0%
Steward Carney Hospital <sup>^</sup>	0.0%
<b>Community Hospitals</b>	<b>0.8%</b>
Nantucket Cottage Hospital	8.1%
Hallmark Health	3.5%
Baystate Mary Lane Hospital	1.9%
Winchester Hospital	1.7%
Beth Israel Deaconess Hospital - Milton	1.5%
Northeast Hospital	1.0%
Beth Israel Deaconess Hospital - Needham	0.8%
Milford Regional Medical Center	0.7%
Emerson Hospital	0.4%
MetroWest Medical Center	0.2%
Cooley Dickinson Hospital	0.0%
South Shore Hospital	0.0%
Newton-Wellesley Hospital	-0.1%
Anna Jaques Hospital	-0.2%
<b>Community-DSH Hospitals <sup>^</sup></b>	<b>0.8%</b>
Sturdy Memorial Hospital	8.8%
Martha's Vineyard Hospital	4.6%
Signature Healthcare Brockton Hospital	3.3%
Harrington Memorial Hospital	3.0%
Lowell General Hospital	2.6%
Fairview Hospital	2.2%
Falmouth Hospital	2.1%
Southcoast Hospitals Group	2.1%
Marlborough Hospital	1.9%
Heywood Hospital	1.7%
Clinton Hospital	1.6%
HealthAlliance Hospital	1.3%
Cape Cod Hospital	1.0%
Baystate Wing Hospital	0.9%
Lawrence General Hospital	0.8%
Holyoke Medical Center	0.5%
Beth Israel Deaconess Hospital - Plymouth	0.5%
Baystate Franklin Medical Center	0.4%
Mercy Medical Center	0.4%
Athol Hospital	0.3%
Noble Hospital <sup>^</sup>	0.2%
Steward Saint Anne's Hospital	0.1%
Steward Good Samaritan Medical Center	0.1%
Steward Norwood Hospital	0.0%
Morton Hospital	0.0%
Nashoba Valley Medical Center	0.0%
Quincy Medical Center	0.0%
Steward Holy Family Hospital	0.0%
North Shore Medical Center	-0.2%
<b>Specialty Hospitals</b>	
Dana-Farber Cancer Institute	7.2%
Massachusetts Eye and Ear Infirmary	2.3%
New England Baptist Hospital	2.2%
Boston Children's Hospital	-0.4%

<sup>^</sup> Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

## Profitability

## Liquidity

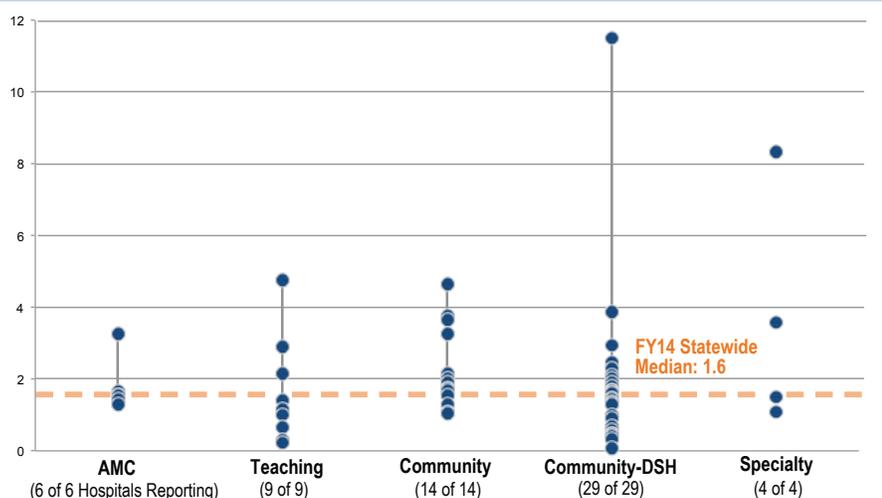
## Solvency

**Liquidity** refers to assets readily convertible into cash. It is a measure of how quickly assets can be converted into cash to meet current liabilities. Three liquidity ratios are reported: current ratio, days in accounts receivable, and average payment period.

## Current Ratio

**Current Ratio** measures short-term financial health and indicates whether a hospital is able to meet current liabilities with current assets. The higher the current ratio, the more financially stable a hospital is in the short-term. A ratio of 1.0 or higher indicates that current assets are sufficient to cover current liabilities.

### Current Ratio Median and Range by Cohort



Benchmark: FY13 Northeast US median: 1.6  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- Median current ratios for all hospital cohorts remained fairly consistent between FY 2012 and FY 2014.
- Eighty-one percent, or 50 acute hospitals reported current ratios of 1.0 or higher in FY 2014.
- The community-DSH hospital cohort had the greatest variation in current ratios, ranging from 11.5 at the highest hospital to 0.1 at the lowest hospital.
- Twelve hospitals had current ratios of less than 1.0. Nine of the twelve hospitals were in the community-DSH cohort. Eleven of the twelve are part of a larger health system and may have access to other current assets through their parent organizations.

### Median Current Ratio Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	1.5	1.5	1.6
<b>AMC</b>	1.6	1.7	1.6
<b>Teaching</b>	1.3	1.1	1.1
<b>Community</b>	1.6	1.7	1.8
<b>Community-DSH</b>	1.3	1.2	1.5

\*Statewide median includes specialty hospitals.

## Massachusetts Acute Hospital Current Ratio in FY14

Hospital Name	Current Ratio
<b>Academic Medical Centers</b>	<b>1.6</b>
Beth Israel Deaconess Medical Center	3.2
Boston Medical Center <sup>^</sup>	1.6
UMass Memorial Medical Center <sup>^</sup>	1.6
Massachusetts General Hospital	1.6
Tufts Medical Center	1.4
Brigham and Women's Hospital	1.3
<b>Teaching Hospitals</b>	<b>1.1</b>
Mount Auburn Hospital	4.8
Baystate Medical Center <sup>^</sup>	2.9
Lahey Hospital & Medical Center	2.1
Saint Vincent Hospital <sup>^</sup>	1.4
Berkshire Medical Center <sup>^</sup>	1.1
Brigham and Women's Faulkner Hospital	1.0
Cambridge Health Alliance <sup>^</sup>	0.7
Steward St. Elizabeth's Medical Center <sup>^</sup>	0.3
Steward Carney Hospital <sup>^</sup>	0.2
<b>Community Hospitals</b>	<b>1.8</b>
Nantucket Cottage Hospital	4.7
Milford Regional Medical Center	3.7
Hallmark Health	3.7
Anna Jaques Hospital	3.3
Beth Israel Deaconess Hospital - Milton	2.1
Northeast Hospital	2.0
Beth Israel Deaconess Hospital - Needham	1.9
Baystate Mary Lane Hospital	1.8
South Shore Hospital	1.7
Emerson Hospital	1.7
MetroWest Medical Center	1.6
Newton-Wellesley Hospital	1.3
Cooley Dickinson Hospital	1.1
Winchester Hospital	1.0
<b>Community-DSH Hospitals <sup>^</sup></b>	<b>1.5</b>
Sturdy Memorial Hospital	11.5
Mercy Medical Center	3.9
Harrington Memorial Hospital	2.9
Lawrence General Hospital	2.5
Clinton Hospital	2.3
Steward Saint Anne's Hospital	2.1
North Shore Medical Center	2.0
Martha's Vineyard Hospital	1.9
Beth Israel Deaconess Hospital - Plymouth	1.8
Cape Cod Hospital	1.7
Baystate Franklin Medical Center	1.7
HealthAlliance Hospital	1.7
Baystate Wing Hospital	1.6
Lowell General Hospital	1.6
Holyoke Medical Center	1.5
Marlborough Hospital	1.4
Falmouth Hospital	1.3
Signature Healthcare Brockton Hospital	1.3
Southcoast Hospitals Group	1.3
Fairview Hospital	1.0
Heywood Hospital	0.9
Athol Hospital	0.7
Steward Holy Family Hospital	0.6
Morton Hospital	0.5
Nashoba Valley Medical Center	0.5
Steward Good Samaritan Medical Center	0.4
Noble Hospital	0.4
Steward Norwood Hospital	0.3
Quincy Medical Center	0.1
<b>Specialty Hospitals</b>	
Boston Children's Hospital	8.3
New England Baptist Hospital	3.6
Massachusetts Eye and Ear Infirmary	1.5
Dana-Farber Cancer Institute	1.1

<sup>^</sup> Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

## Profitability

## Liquidity

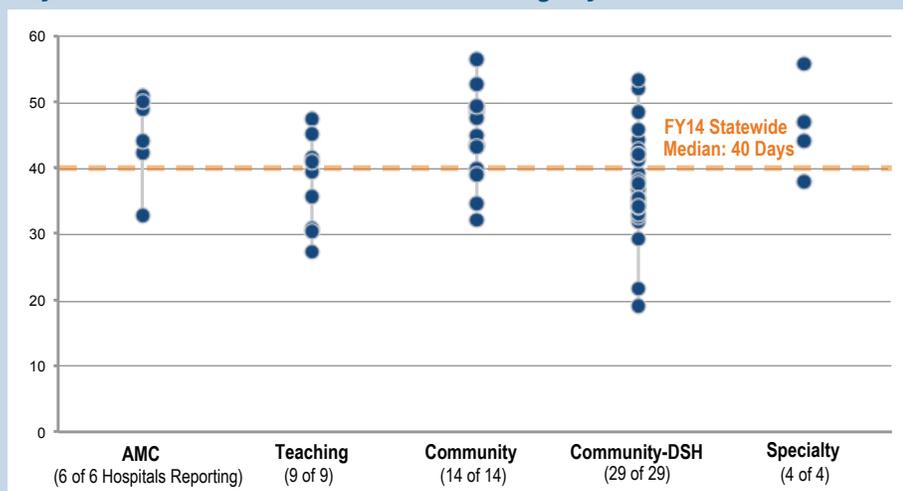
## Solvency

**Liquidity** refers to assets readily convertible into cash. It is a measure of how quickly assets can be converted into cash to meet current liabilities. Three liquidity ratios are reported: current ratio, days in accounts receivable, and average payment period.

## Days in Accounts Receivable

**Days in Accounts Receivable** measures the average number of days hospitals take to collect patient and health insurance payments. The amount the hospital expects to receive is viewed as an asset and represents a significant portion of the hospital's balance sheet. Patient receivables that are outstanding denote cash that is unavailable for use in facility operations or investments.

### Days in Accounts Receivable Median and Range by Cohort



Benchmark: FY13 Northeast US median: 49 days  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- Overall, the statewide median days in accounts receivable remained consistent from FY 2013 to FY 2014.
- The biggest change in median days in accounts receivable was seen in the community-DSH hospital cohort, with a decrease from 40 days in FY 2013 to 36 days in FY 2014.
- Three of the four hospitals with less than 30 days in accounts receivable were community-DSH hospitals.
- Seven hospitals had days in accounts receivable that were equal to or higher than 50 days. This group included hospitals from every cohort with the exception of the teaching hospital cohort.

### Median Days in Accounts Receivable Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	38	40	40
<b>AMC</b>	45	46	46
<b>Teaching</b>	36	37	39
<b>Community</b>	38	43	44
<b>Community-DSH</b>	37	40	36

\*Statewide median includes specialty hospitals.

## Massachusetts Acute Hospital Days in Accounts Receivable in FY14

Hospital Name	Days in Accounts Receivable
<b>Academic Medical Centers</b>	<b>46</b>
Massachusetts General Hospital	51
Beth Israel Deaconess Medical Center	50
Brigham and Women's Hospital	49
UMass Memorial Medical Center^	44
Tufts Medical Center	42
Boston Medical Center^	33
<b>Teaching Hospitals</b>	<b>39</b>
Berkshire Medical Center^	47
Mount Auburn Hospital	45
Saint Vincent Hospital^	42
Lahey Hospital & Medical Center	41
Baystate Medical Center^	39
Steward Carney Hospital^	36
Steward St. Elizabeth's Medical Center^	31
Brigham and Women's Faulkner Hospital	30
Cambridge Health Alliance^	27
<b>Community Hospitals</b>	<b>44</b>
Nantucket Cottage Hospital	56
South Shore Hospital	53
Anna Jaques Hospital	49
Beth Israel Deaconess Hospital - Milton	49
Milford Regional Medical Center	48
Emerson Hospital	48
MetroWest Medical Center	45
Northeast Hospital	44
Hallmark Health	43
Baystate Mary Lane Hospital	43
Beth Israel Deaconess Hospital - Needham	40
Winchester Hospital	39
Cooley Dickinson Hospital	35
Newton-Wellesley Hospital	32
<b>Community-DSH Hospitals ^</b>	<b>36</b>
Lawrence General Hospital	53
Martha's Vineyard Hospital	52
Harrington Memorial Hospital	49
Clinton Hospital	46
Steward Holy Family Hospital	44
Lowell General Hospital	43
Baystate Franklin Medical Center	42
Beth Israel Deaconess Hospital - Plymouth	42
Southcoast Hospitals Group	41
Falmouth Hospital	39
Fairview Hospital	38
Heywood Hospital	38
Athol Hospital	37
Signature Healthcare Brockton Hospital	37
Sturdy Memorial Hospital	36
Baystate Wing Hospital	36
Cape Cod Hospital	35
Mercy Medical Center	35
Holyoke Medical Center	35
HealthAlliance Hospital	34
North Shore Medical Center	34
Steward Good Samaritan Medical Center	34
Steward Saint Anne's Hospital	34
Steward Norwood Hospital	33
Nashoba Valley Medical Center	33
Morton Hospital	32
Noble Hospital ^	29
Marlborough Hospital	22
Quincy Medical Center	19
<b>Specialty Hospitals</b>	
Boston Children's Hospital	55
Dana-Farber Cancer Institute	47
Massachusetts Eye and Ear Infirmary	44
New England Baptist Hospital	38

^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

## Profitability

## Liquidity

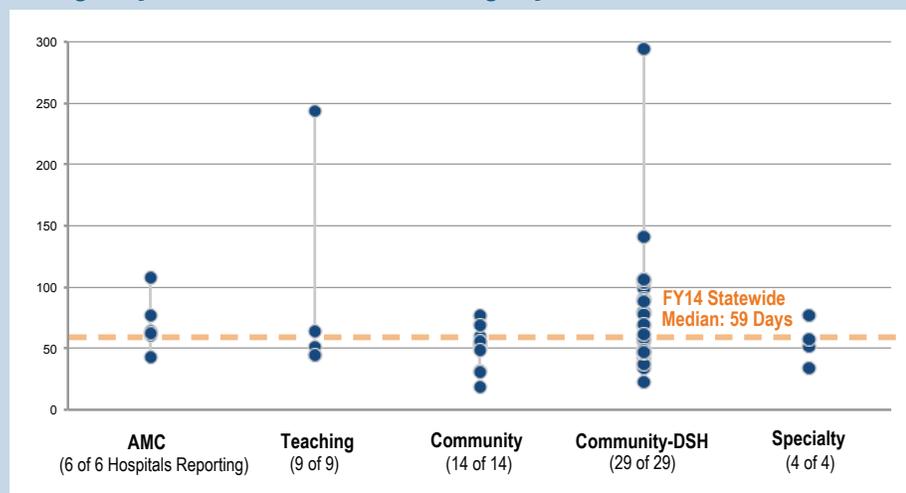
## Solvency

**Liquidity** refers to assets readily convertible into cash. It is a measure of how quickly assets can be converted into cash to meet current liabilities. Three liquidity ratios are reported: current ratio, days in accounts receivable, and average payment period.

### Average Payment Period

**Average Payment Period** measures the time it takes hospitals to pay current liabilities. Higher values may indicate potential liquidity problems and an inability to pay current obligations.

#### Average Payment Period Median and Range by Cohort



Benchmark: FY13 Northeast US median: 65 days  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- The median average payment period for all cohorts in FY 2014 was 59 days, less than the FY 2013 Northeast US benchmark of 65 days.
- All cohorts except community-DSH had increasing median average payment periods in FY 2014 relative to FY 2013; the median average payment period for community-DSH hospitals remained the same.
- Lahey Hospital & Medical Center, Steward Carney Hospital, and Quincy Medical Center experienced notable increases in average payment period from FY 2013 to FY 2014.
- In FY 2014 Clinton Hospital and Marlborough Hospital, subsidiaries of UMass Memorial Health Care system, displayed notable decreases in average payment period from FY 2013.

#### Median Average Payment Period Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	57	59	59
<b>AMC</b>	59	62	63
<b>Teaching</b>	53	53	57
<b>Community</b>	58	53	54
<b>Community-DSH</b>	55	68	68

\*Statewide median includes specialty hospitals.

### Massachusetts Acute Hospital Average Payment Period in FY14

Hospital Name	Average Payment Period
<b>Academic Medical Centers</b>	<b>63</b>
Boston Medical Center <sup>^</sup>	108
UMass Memorial Medical Center <sup>^</sup>	78
Brigham and Women's Hospital	64
Tufts Medical Center	63
Beth Israel Deaconess Medical Center	61
Massachusetts General Hospital	44
<b>Teaching Hospitals</b>	<b>57</b>
Steward Carney Hospital <sup>^</sup>	243
Steward St. Elizabeth's Medical Center <sup>^</sup>	153
Lahey Hospital & Medical Center	148
Berkshire Medical Center <sup>^</sup>	63
Cambridge Health Alliance <sup>^</sup>	57
Mount Auburn Hospital	51
Baystate Medical Center <sup>^</sup>	45
Saint Vincent Hospital <sup>^</sup>	45
Brigham and Women's Faulkner Hospital	43
<b>Community Hospitals</b>	<b>54</b>
Emerson Hospital	77
Winchester Hospital	76
Hallmark Health	70
Cooley Dickinson Hospital	69
Beth Israel Deaconess Hospital - Needham	60
Newton-Wellesley Hospital	55
Beth Israel Deaconess Hospital - Milton	55
South Shore Hospital	53
Northeast Hospital	53
Milford Regional Medical Center	52
Baystate Mary Lane Hospital	49
Anna Jaques Hospital	32
MetroWest Medical Center	31
Nantucket Cottage Hospital	19
<b>Community-DSH Hospitals <sup>^</sup></b>	<b>68</b>
Quincy Medical Center	293
Steward Norwood Hospital	140
Athol Hospital	105
Steward Holy Family Hospital	105
Steward Good Samaritan Medical Center	105
Nashoba Valley Medical Center	104
Morton Hospital	99
Lowell General Hospital	91
Marlborough Hospital	90
North Shore Medical Center	88
Noble Hospital	81
Harrington Memorial Hospital	79
HealthAlliance Hospital	78
Clinton Hospital	70
Southcoast Hospitals Group	68
Beth Israel Deaconess Hospital - Plymouth	62
Heywood Hospital	59
Lawrence General Hospital	55
Falmouth Hospital	50
Baystate Wing Hospital	48
Baystate Franklin Medical Center	48
Signature Healthcare Brockton Hospital	47
Cape Cod Hospital	47
Holyoke Medical Center	46
Sturdy Memorial Hospital	42
Fairview Hospital	37
Martha's Vineyard Hospital	37
Mercy Medical Center	34
Steward Saint Anne's Hospital	22
<b>Specialty Hospitals</b>	
Boston Children's Hospital	77
Massachusetts Eye and Ear Infirmary	58
Dana-Farber Cancer Institute	51
New England Baptist Hospital	34

<sup>^</sup> Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

## Profitability

## Liquidity

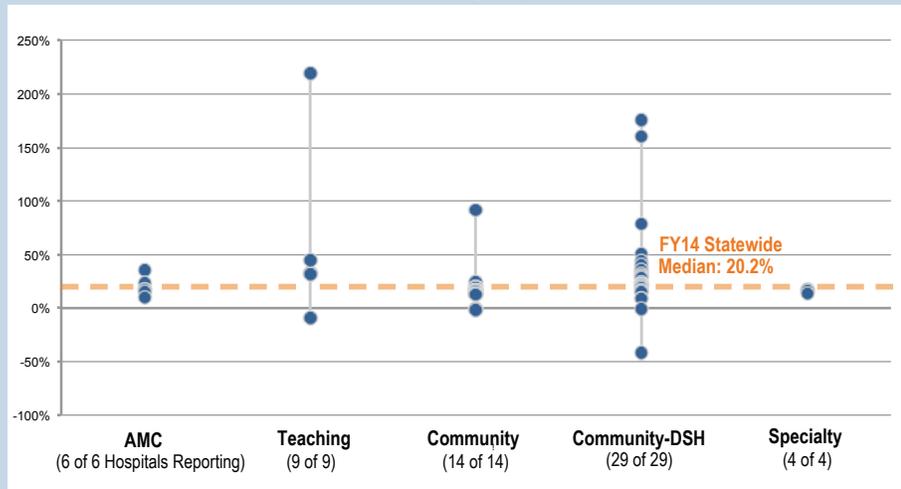
## Solvency

**Solvency** measures the ability of a hospital to meet its total debt obligations and is generally an indicator of long-term financial health. Three solvency ratios are reported: cash flow to total debt, debt service coverage, and equity financing.

### Cash Flow to Total Debt

**Cash Flow to Total Debt** is the ratio of current cash flow to total long-term debt. The lower the ratio, the more likely a hospital may find it difficult to meet current and long-term financing needs.

#### Cash Flow to Total Debt Median and Range by Cohort



Benchmark: FY13 Northeast US median: 13.6%  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- The statewide median cash flow to total debt ratio increased from 19.5% in FY 2013 to 20.2% in FY 2014.
- Cash flow to total debt ratios varied considerably across acute hospital cohorts, ranging from a high of 219.6% in the teaching hospital cohort to a low of -41.9% in the community-DSH hospital cohort.
- The median cash flow to total debt ratios of the teaching hospital and community-DSH hospital cohorts improved. These two cohorts also had the largest spread of cash flow to total debt ratios among their respective hospitals.
- The community hospital cohort's cash flow to total debt ratio had the largest decline, from 20.0% in FY 2013 to 15.8% in FY 2014.

#### Median Cash Flow to Total Debt Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	23.0%	19.5%	20.2%
<b>AMC</b>	18.3%	19.5%	17.5%
<b>Teaching</b>	29.1%	26.3%	30.1%
<b>Community</b>	22.0%	20.0%	15.8%
<b>Community-DSH</b>	26.5%	17.6%	23.3%

\*Statewide median includes specialty hospitals.

### Massachusetts Acute Hospital Cash Flow to Total Debt in FY14

Hospital Name	Cash Flow to Total Debt
<b>Academic Medical Centers</b>	<b>17.5%</b>
Massachusetts General Hospital	35.3%
Beth Israel Deaconess Medical Center	23.7%
Boston Medical Center^	17.6%
Brigham and Women's Hospital	17.4%
UMass Memorial Medical Center^	14.5%
Tufts Medical Center	9.6%
<b>Teaching Hospitals</b>	<b>30.1%</b>
Saint Vincent Hospital^	219.6%
Brigham and Women's Faulkner Hospital	45.2%
Berkshire Medical Center^	32.9%
Mount Auburn Hospital	32.0%
Lahey Hospital & Medical Center	30.1%
Baystate Medical Center^	25.5%
Steward St. Elizabeth's Medical Center^	20.1%
Cambridge Health Alliance^	8.1%
Steward Carney Hospital^	-8.8%
<b>Community Hospitals</b>	<b>15.8%</b>
Nantucket Cottage Hospital	92.1%
Northeast Hospital	24.5%
Hallmark Health	20.2%
South Shore Hospital	18.7%
Newton-Wellesley Hospital	16.4%
Beth Israel Deaconess Hospital - Milton	16.0%
Anna Jaques Hospital	15.8%
Beth Israel Deaconess Hospital - Needham	15.8%
Winchester Hospital	14.5%
Cooley Dickinson Hospital	14.2%
Emerson Hospital	12.8%
Milford Regional Medical Center	12.7%
MetroWest Medical Center	-1.0%
Baystate Mary Lane Hospital	-1.7%
<b>Community-DSH Hospitals ^</b>	<b>23.3%</b>
Steward Saint Anne's Hospital	176.6%
Sturdy Memorial Hospital	160.8%
Martha's Vineyard Hospital	78.2%
Fairview Hospital	51.1%
Morton Hospital	43.2%
Holyoke Medical Center	40.0%
Steward Good Samaritan Medical Center	36.2%
Mercy Medical Center	34.9%
Signature Healthcare Brockton Hospital	33.6%
Falmouth Hospital	32.9%
Baystate Franklin Medical Center	32.3%
HealthAlliance Hospital	30.2%
Southcoast Hospitals Group	29.9%
Steward Holy Family Hospital	28.6%
Athol Hospital	23.3%
Nashoba Valley Medical Center	23.0%
Harrington Memorial Hospital	22.7%
Cape Cod Hospital	22.4%
Steward Norwood Hospital	21.9%
Heywood Hospital	21.5%
Lawrence General Hospital	20.1%
Baystate Wing Hospital	19.1%
Noble Hospital	16.2%
Lowell General Hospital	15.6%
Marlborough Hospital	15.3%
Clinton Hospital	9.2%
Beth Israel Deaconess Hospital - Plymouth	8.6%
North Shore Medical Center	-1.2%
Quincy Medical Center	-41.9%
<b>Specialty Hospitals</b>	
New England Baptist Hospital	17.0%
Dana-Farber Cancer Institute	16.9%
Massachusetts Eye and Ear Infirmary	16.0%
Boston Children's Hospital	13.4%

^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

## Profitability

## Liquidity

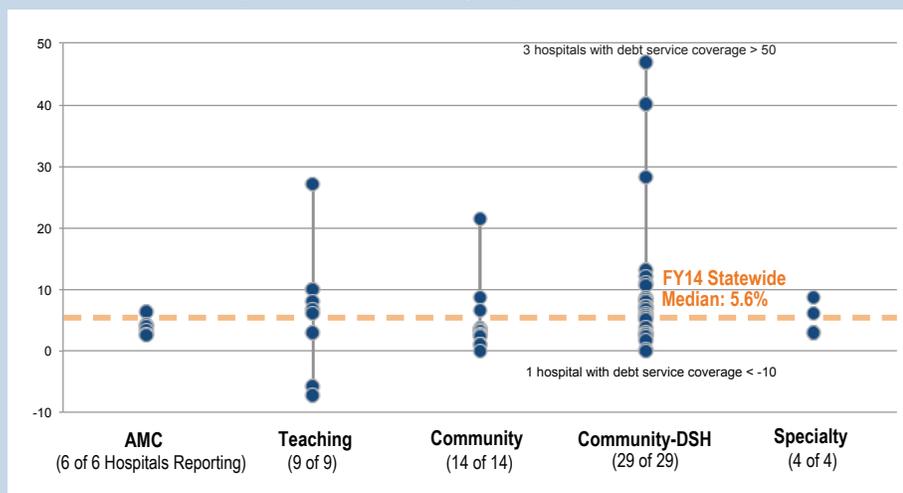
## Solvency

*Solvency measures the ability of a hospital to meet its total debt obligations and is generally an indicator of long-term financial health. Three solvency ratios are reported: cash flow to total debt, debt service coverage, and equity financing.*

### Debt Service Coverage

**Debt Service Coverage** measures the ability of a hospital to cover current debt obligations with funds derived from operating and non-operating activities. Higher ratios indicate greater ability to meet financing commitments. A ratio of 1.0 indicates that average income would just cover current interest and principal payments on long-term debt.

#### Debt Service Coverage Median and Range by Cohort



Benchmark: FY13 Northeast US median: 4.0  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- The statewide median debt service coverage ratio increased from 4.2 in FY 2013 to 5.6 in FY 2014.
- The community-DSH hospital cohort had the highest median debt service coverage ratio at 7.1, increasing from 4.8 in FY 2013.
- Two hospitals did not report current long term debt or interest expenses. An additional four hospitals reported interest expenses, but no current portion of long term debt in FY 2014.
- Five hospitals, Saint Vincent, Steward Carney, North Shore Medical Center, MetroWest Medical Center, and Quincy Medical Center, had debt service coverage ratios below the 1.0 threshold.

#### Median Debt Service Coverage Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	4.3	4.2	<b>5.6</b>
<b>AMC</b>	3.4	3.2	<b>3.6</b>
<b>Teaching</b>	5.8	5.9	<b>6.8</b>
<b>Community</b>	3.3	3.0	<b>3.3</b>
<b>Community-DSH</b>	4.7	4.8	<b>7.1</b>

\*Statewide median includes specialty hospitals.

### Massachusetts Acute Hospital Debt Service Coverage in FY14

Hospital Name	Debt Service Coverage
<b>Academic Medical Centers</b>	<b>3.6</b>
Massachusetts General Hospital	6.4
Boston Medical Center^	4.1
Beth Israel Deaconess Medical Center	4.0
Brigham and Women's Hospital	3.3
UMass Memorial Medical Center^	2.7
Tufts Medical Center	2.4
<b>Teaching Hospitals</b>	<b>6.8</b>
Steward St. Elizabeth's Medical Center^	27.2
Lahey Hospital & Medical Center	10.0
Brigham and Women's Faulkner Hospital	9.8
Baystate Medical Center^	7.9
Berkshire Medical Center^	6.8
Mount Auburn Hospital	6.1
Cambridge Health Alliance^	3.0
Saint Vincent Hospital^	-5.8
Steward Carney Hospital^	-7.2
<b>Community Hospitals</b>	<b>3.3</b>
Nantucket Cottage Hospital	21.3
Northeast Hospital	8.6
Anna Jaques Hospital	6.5
Beth Israel Deaconess Hospital - Needham	3.6
Winchester Hospital	3.6
South Shore Hospital	3.5
Milford Regional Medical Center	3.3
Beth Israel Deaconess Hospital - Milton	3.1
Hallmark Health	2.7
Cooley Dickinson Hospital	2.5
Newton-Wellesley Hospital	2.3
Emerson Hospital	1.1
MetroWest Medical Center	1.0
Baystate Mary Lane Hospital †	—
<b>Community-DSH Hospitals ^</b>	<b>7.1</b>
Morton Hospital	685.2
Steward Saint Anne's Hospital	364.4
Steward Norwood Hospital	88.8
Steward Holy Family Hospital	46.9
Steward Good Samaritan Medical Center	40.2
Martha's Vineyard Hospital	28.2
HealthAlliance Hospital	13.2
Fairview Hospital	12.2
Mercy Medical Center	11.0
Baystate Franklin Medical Center	10.6
Lawrence General Hospital	8.6
Holyoke Medical Center	8.3
Signature Healthcare Brockton Hospital	8.1
Southcoast Hospitals Group	7.2
Falmouth Hospital	7.1
Heywood Hospital	6.8
Athol Hospital	6.1
Nashoba Valley Medical Center	5.7
Baystate Wing Hospital	5.6
Marlborough Hospital	5.1
Cape Cod Hospital	3.9
Lowell General Hospital	2.8
Clinton Hospital	2.8
Harrington Memorial Hospital	2.7
Beth Israel Deaconess Hospital - Plymouth	2.3
Noble Hospital	1.6
North Shore Medical Center	0.1
Quincy Medical Center	-2236.1
Sturdy Memorial Hospital †	—
<b>Specialty Hospitals</b>	
Dana-Farber Cancer Institute	8.6
Boston Children's Hospital	6.1
New England Baptist Hospital	3.0
Massachusetts Eye and Ear Infirmary	2.9

^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

† Indicates a hospital with no current portion of long-term debt or interest expenses.

Note: Values are rounded. Refer to databook for full numbers.

## Profitability

## Liquidity

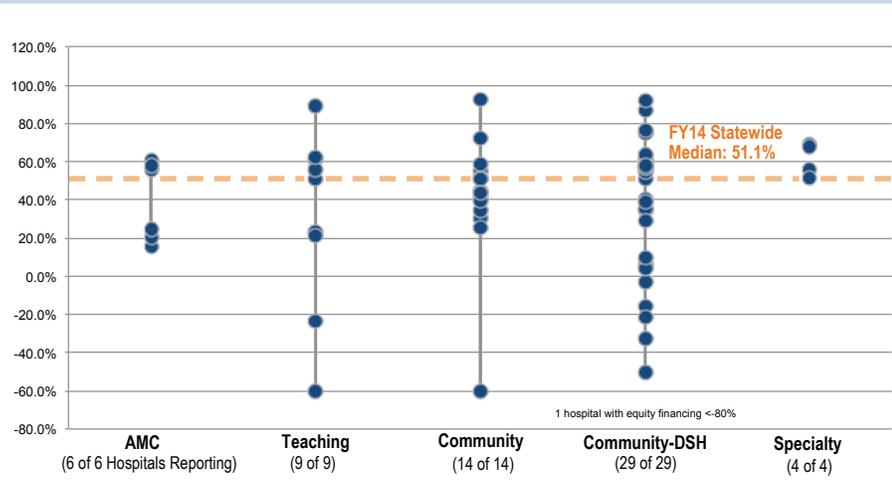
## Solvency

**Solvency** measures the ability of a hospital to meet its total debt obligations and is generally an indicator of long-term financial health. Three solvency ratios are reported: cash flow to total debt, debt service coverage, and equity financing.

## Equity Financing

**Equity Financing** 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.

### Equity Financing Median and Range by Cohort



Benchmark: FY13 Northeast US median: 46.6%  
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2015)

- In FY 2014, Massachusetts acute hospitals' median equity financing ratio increased to 51.1% from 49.3% in FY 2013.
- The median equity financing ratio for the AMC, teaching, and community-DSH hospital cohorts increased between FY 2013 and FY 2014, while the community hospital cohort median decreased.
- Nine hospitals had a negative equity financing ratio, eight of which were for-profit hospitals.
- Saint Vincent Hospital showed the largest decrease in equity financing from FY 2013 to FY 2014, but still remained among the highest of all acute hospitals.

### Median Equity Financing Trend by Cohort

	FY12	FY13	FY14
<b>Statewide Median*</b>	42.0%	49.3%	<b>51.1%</b>
<b>AMC</b>	28.3%	40.2%	<b>40.4%</b>
<b>Teaching</b>	40.6%	49.5%	<b>50.7%</b>
<b>Community</b>	39.6%	46.8%	<b>44.2%</b>
<b>Community-DSH</b>	34.8%	47.7%	<b>51.1%</b>

\*Statewide median includes specialty hospitals.

## Massachusetts Acute Hospital Equity Financing in FY14

Hospital Name	Equity Financing
<b>Academic Medical Centers</b>	<b>40.4%</b>
Boston Medical Center^	60.5%
Massachusetts General Hospital	57.8%
Beth Israel Deaconess Medical Center	56.2%
UMass Memorial Medical Center^	24.6%
Tufts Medical Center	20.5%
Brigham and Women's Hospital	15.7%
<b>Teaching Hospitals</b>	<b>50.7%</b>
Saint Vincent Hospital^	89.3%
Mount Auburn Hospital	62.1%
Berkshire Medical Center^	61.0%
Brigham and Women's Faulkner Hospital	56.1%
Baystate Medical Center^	50.7%
Cambridge Health Alliance^	23.2%
Lahey Hospital & Medical Center	21.4%
Steward St. Elizabeth's Medical Center^	-23.4%
Steward Carney Hospital^	-60.2%
<b>Community Hospitals</b>	<b>44.2%</b>
Nantucket Cottage Hospital	92.9%
Baystate Mary Lane Hospital	72.1%
Winchester Hospital	59.0%
Beth Israel Deaconess Hospital - Milton	55.3%
Hallmark Health	51.9%
Northeast Hospital	51.2%
Milford Regional Medical Center	44.3%
South Shore Hospital	44.1%
Cooley Dickinson Hospital	40.7%
Newton-Wellesley Hospital	39.9%
Beth Israel Deaconess Hospital - Needham	34.9%
Anna Jaques Hospital	30.7%
Emerson Hospital	25.7%
MetroWest Medical Center	-60.1%
<b>Community-DSH Hospitals ^</b>	<b>51.1%</b>
Sturdy Memorial Hospital	91.8%
Martha's Vineyard Hospital	87.4%
HealthAlliance Hospital	76.3%
Falmouth Hospital	74.8%
Mercy Medical Center	63.5%
Fairview Hospital	61.0%
Baystate Franklin Medical Center	60.9%
Baystate Wing Hospital	60.3%
Harrington Memorial Hospital	58.4%
Steward Saint Anne's Hospital	57.7%
Lawrence General Hospital	57.1%
Cape Cod Hospital	56.7%
Southcoast Hospitals Group	56.4%
Heywood Hospital	54.2%
Clinton Hospital	51.1%
Beth Israel Deaconess Hospital - Plymouth	40.0%
Marlborough Hospital	39.2%
Lowell General Hospital	35.3%
Athol Hospital	34.8%
Signature Healthcare Brockton Hospital	28.8%
Steward Good Samaritan Medical Center	10.0%
Holyoke Medical Center	6.1%
North Shore Medical Center	4.0%
Nashoba Valley Medical Center	-3.2%
Noble Hospital	-15.7%
Steward Holy Family Hospital	-21.2%
Morton Hospital	-32.4%
Steward Norwood Hospital	-50.5%
Quincy Medical Center	-225.1%
<b>Specialty Hospitals</b>	
Boston Children's Hospital	69.2%
Dana-Farber Cancer Institute	67.6%
Massachusetts Eye and Ear Infirmary	55.6%
New England Baptist Hospital	51.7%

^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes.

Note: Values are rounded. Refer to databook for full numbers.

# Acute Hospital Financial Performance, By Hospital System: FY14



Multi-Hospital Systems								
Hospital Name	Cohort	Months Reported	Current Ratio	Net Assets in Millions	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss) in Millions
<b>Baystate Health</b>								
Baystate Franklin Medical Center	D	12	1.7	\$43.7	1.7%	0.4%	2.1%	\$1.8
Baystate Mary Lane Hospital	C	12	1.8	\$18.7	-7.4%	1.9%	-5.5%	(\$1.5)
Baystate Medical Center^	T	12	2.9	\$672.9	6.3%	2.6%	8.9%	\$96.3
Baystate Wing Hospital	D	12	1.6	\$47.1	1.3%	0.9%	2.1%	\$1.9
<b>Berkshire Health</b>								
Berkshire Medical Center^	T	12	1.1	\$313.2	6.3%	3.4%	9.7%	\$38.8
Fairview Hospital	D	12	1.0	\$23.5	6.0%	2.2%	8.2%	\$3.9
<b>Cape Cod Healthcare</b>								
Cape Cod Hospital	D	12	1.7	\$278.5	5.5%	1.0%	6.5%	\$29.5
Falmouth Hospital	D	12	1.3	\$181.5	7.0%	2.1%	9.1%	\$14.4
<b>CareGroup</b>								
Beth Israel Deaconess Hospital - Milton	C	12	2.1	\$74.9	1.3%	1.5%	2.8%	\$2.4
Beth Israel Deaconess Hospital - Needham	C	12	1.9	\$37.6	2.4%	0.8%	3.3%	\$2.3
Beth Israel Deaconess Hospital - Plymouth	D	12	1.8	\$78.9	-0.5%	0.5%	0.0%	\$0.1
Beth Israel Deaconess Medical Center	A	12	3.2	\$908.0	2.2%	2.2%	4.4%	\$63.3
Mount Auburn Hospital	T	12	4.8	\$268.1	5.6%	3.7%	9.2%	\$30.7
New England Baptist Hospital	S	12	3.6	\$125.6	0.1%	2.2%	2.3%	\$5.5
<b>Heywood Healthcare</b>								
Athol Hospital	D	12	0.7	\$4.3	5.9%	0.3%	6.2%	\$1.4
Heywood Hospital	D	12	0.9	\$52.7	2.4%	1.7%	4.1%	\$4.3
<b>Lahey Health System</b>								
Lahey Hospital & Medical Center	T	12	2.1	\$158.3	8.1%	0.1%	8.2%	\$67.2
Northeast Hospital	C	12	2.0	\$208.5	4.7%	1.0%	5.7%	\$19.2
Winchester Hospital	C	12	1.0	\$252.7	1.4%	1.7%	3.1%	\$8.4
<b>Partners HealthCare</b>								
Brigham and Women's Faulkner Hospital	T	12	1.0	\$65.1	4.4%	0.0%	4.4%	\$9.2
Brigham and Women's Hospital	A	12	1.3	\$350.1	6.0%	0.0%	6.0%	\$151.7
Cooley Dickinson Hospital	C	12	1.1	\$81.4	-0.3%	0.0%	-0.3%	(\$0.4)
Martha's Vineyard Hospital	D	12	1.9	\$102.3	0.7%	4.6%	5.3%	\$3.8
Massachusetts General Hospital	A	12	1.6	\$1,891.8	5.6%	0.4%	6.0%	\$200.1
Nantucket Cottage Hospital	C	12	4.7	\$65.0	-2.2%	8.1%	5.9%	\$2.3
Newton-Wellesley Hospital	C	12	1.3	\$172.0	2.9%	-0.1%	2.8%	\$11.8
North Shore Medical Center	D	12	2.0	\$18.2	-5.2%	-0.2%	-5.3%	(\$22.2)
<b>Steward Health Care</b>								
Morton Hospital	D	12	0.5	(\$21.5)	7.7%	0.0%	7.7%	\$8.9
Nashoba Valley Medical Center	D	12	0.5	(\$0.9)	6.4%	0.0%	6.4%	\$3.2
Quincy Medical Center	D	12	0.1	(\$87.5)	-57.0%	0.0%	-57.0%	(\$39.1)
Steward Carney Hospital^	T	12	0.2	(\$39.4)	-10.2%	0.0%	-10.2%	(\$9.3)
Steward Good Samaritan Medical Center	D	12	0.4	\$10.7	8.0%	0.1%	8.0%	\$19.8
Steward Holy Family Hospital	D	12	0.6	(\$22.1)	5.4%	0.0%	5.3%	\$10.7
Steward Norwood Hospital	D	12	0.3	(\$41.4)	5.2%	0.0%	5.3%	\$9.2
Steward Saint Anne's Hospital	D	12	2.1	\$69.6	10.4%	0.1%	10.5%	\$24.6
Steward Saint Elizabeth's Medical Center^	T	12	0.3	(\$47.6)	5.3%	0.1%	5.5%	\$17.1
<b>Tenet Healthcare</b>								
MetroWest Medical Center	C	12	1.6	(\$53.3)	-2.6%	0.2%	-2.4%	(\$6.0)
Saint Vincent Hospital^	T	12	1.4	\$341.1	15.6%	0.0%	15.6%	\$65.2
<b>UMass Memorial Health Care</b>								
Clinton Hospital	D	12	2.3	\$18.6	-1.0%	1.6%	0.6%	\$0.2
HealthAlliance Hospital	D	12	1.7	\$152.8	1.0%	1.3%	2.4%	\$3.9
Marlborough Hospital	D	12	1.4	\$28.6	1.7%	1.9%	3.6%	\$2.9
UMass Memorial Medical Center^	A	12	1.6	\$298.0	1.1%	0.2%	1.3%	\$19.8

Note: Profitability percentages may not add due to rounding.

A Academic Medical Center C Community Hospital D Community-DSH Hospital T Teaching Hospital S Specialty Hospital

^ Indicates Hospital meets the DSH criteria.

# Acute Hospital Financial Performance, Individual Hospitals: FY14



Individual Hospitals								
Hospital Name	Cohort	Months Reported	Current Ratio	Net Assets in Millions	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss) in Millions
Anna Jaques Hospital	C	12	3.3	\$26.2	1.0%	-0.2%	0.8%	\$0.9
Boston Children's Hospital	S	12	8.3	\$3,080.0	4.1%	-0.4%	3.7%	\$51.2
Boston Medical Center^	A	12	1.6	\$1,189.9	3.0%	2.0%	5.0%	\$55.5
Cambridge Health Alliance^	T	12	0.7	\$56.0	-4.8%	1.2%	-3.6%	(\$19.3)
Dana-Farber Cancer Institute	S	12	1.1	\$1,313.0	-4.0%	7.2%	3.1%	\$34.6
Emerson Hospital	C	12	1.7	\$49.2	0.6%	0.4%	1.1%	\$2.1
Hallmark Health	C	12	3.7	\$177.9	1.6%	3.5%	5.1%	\$13.5
Harrington Memorial Hospital	D	12	2.9	\$74.2	-0.2%	3.0%	2.8%	\$3.3
Holyoke Medical Center	D	12	1.5	\$4.0	4.5%	0.5%	5.0%	\$6.2
Lawrence General Hospital	D	12	2.5	\$126.5	3.5%	0.8%	4.2%	\$9.8
Lowell General Hospital	D	12	1.6	\$167.1	1.5%	2.6%	4.1%	\$17.6
Massachusetts Eye and Ear Infirmary	S	12	1.5	\$226.0	-2.6%	2.3%	-0.2%	(\$0.5)
Mercy Medical Center	D	12	3.9	\$137.6	6.7%	0.4%	7.0%	\$17.7
Milford Regional Medical Center	C	12	3.7	\$115.4	3.4%	0.7%	4.2%	\$7.9
Noble Hospital	D	12	0.4	(\$4.1)	2.4%	0.2%	2.6%	\$1.5
Signature Healthcare Brockton Hospital	D	12	1.3	\$53.3	7.1%	3.3%	10.4%	\$25.7
South Shore Hospital	C	12	1.7	\$221.2	3.4%	0.0%	3.3%	\$16.4
Southcoast Hospitals Group	D	12	1.3	\$504.0	5.1%	2.1%	7.2%	\$53.6
Sturdy Memorial Hospital	D	12	11.5	\$356.6	8.5%	8.8%	17.3%	\$31.2
Tufts Medical Center	A	12	1.4	\$134.1	0.6%	2.2%	2.8%	\$19.7

Note: Profitability percentages may not add due to rounding.

A Academic Medical Center C Community Hospital D Community-DSH Hospital T Teaching Hospital S Specialty Hospital

^ Indicates Hospital meets the DSH criteria.

## ACUTE HOSPITAL FISCAL YEAR-END DATES

Fiscal year 2014 analysis is based on twelve months of financial data for sixty-two acute care hospitals. The majority of hospitals fiscal year ending date is September 30. Cambridge Health Alliance and Mercy Medical Center have June 30 year ends. MetroWest Medical Center, Saint Vincent Hospital and Steward Health Care System's nine hospitals have a December 31 year end. Quincy Medical Center data is included in this report; however, it should be noted that the hospital closed in December 2014. Merrimack Valley merged with Steward Holy Family in August 2014.

Hospitals	Fiscal Year End	FY 2014 Data Period
49 Hospitals	9/30	10/1/13 – 9/30/14
Cambridge Health Alliance Mercy Medical Center	6/30	7/1/13 – 6/30/14
MetroWest Medical Center Saint Vincent Hospital	12/31	1/1/13 – 12/31/14
9 Steward Health Care System Hospitals	12/31	1/1/13 – 12/31/14

## 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 Disproportionate Share Hospital (DSH) status; this has been noted throughout the report where applicable.

**Academic medical centers (AMCs)** 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 one hundred 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 one hundred beds criteria to be classified as a teaching hospital and have a public payer mix of less than 63%.

**Community-Disproportionate Share Hospitals (DSH)<sup>1</sup>** 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 Commonwealth Care and the Health Safety Net.

**Specialty hospitals** were not included in any cohort comparison analysis due to the unique patient populations they serve and/or the unique sets of services they provide. However, specialty hospitals were included in all statewide median calculations.

<sup>1</sup> M.G.L. c. 6D, Section 1 defines a Disproportionate Share Hospital (DSH) as a hospital with a minimum of 63% of patient charges attributed to Medicare, Medicaid, and other government payers, including Commonwealth Care and the Health Safety Net.

## REGIONAL DEFINITIONS

The geographic regions presented in this report are derived from the Health Policy Commission (HPC) static geographic regions.<sup>2</sup> The HPC regions were rolled up into larger regions to facilitate better comparison within each geographic area. In FY 2013 fifteen regions were displayed, seven more than the eight shown below for FY 2014. For additional information please refer to <http://chiamass.gov/hospitals-by-region/>.

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

<sup>2</sup> For descriptions of the regions, see <http://www.mass.gov/anf/docs/hpc/2013-cost-trends-report-technical-appendix-b3-regions-of-massachusetts.pdf> (last accessed August 18, 2015).

<b>Massachusetts Region</b>	<b>Acute Hospital Assigned to Region</b>
<b>Central Massachusetts</b>	Athol Hospital Clinton Hospital Harrington Memorial Hospital HealthAlliance Hospital Heywood Hospital Saint Vincent Hospital UMass Memorial Medical Center
<b>Cape and Islands</b>	Cape Cod Hospital Falmouth Hospital Martha's Vineyard Hospital Nantucket Cottage Hospital
<b>Metro West</b>	Marlborough Hospital MetroWest Medical Center Milford Regional Medical Center Steward Norwood Hospital Sturdy Memorial Hospital
<b>Western Massachusetts</b>	Baystate Franklin Medical Center Baystate Mary Lane Hospital Baystate Medical Center Baystate Wing Hospital Berkshire Medical Center Cooley Dickinson Hospital Fairview Hospital Holyoke Medical Center Mercy Medical Center Noble Hospital
<b>Metro South</b>	Beth Israel Deaconess Hospital – Plymouth Morton Hospital Quincy Medical Center Signature Healthcare Brockton Hospital South Shore Hospital Steward Good Samaritan Medical Center
<b>Southcoast</b>	Steward Saint Anne's Hospital Southcoast Hospitals Group

Individual Acute Hospital Financial Trends fact sheets and the databook are available on CHIA's website at [www.chiamass.gov/hospital-financial-performance](http://www.chiamass.gov/hospital-financial-performance).



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