

CENTER FOR HEALTH INFORMATION AND ANALYSIS

**MASSACHUSETTS
ACUTE HOSPITAL
FINANCIAL
PERFORMANCE**

FISCAL YEAR 2015

AUGUST 2016



This report examines hospital profitability, liquidity, and solvency in order to monitor and compare the financial status of acute care hospitals. The following metrics are examined: total margin, operating margin, non-operating margin, current ratio, days in accounts receivable, average payment period, cash flow to total debt, debt service coverage, 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) 2013 through FY 2015. 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 2015 data used to calculate these metrics is provided in the databook published on the Center for Health Information and Analysis (CHIA) website. Fact sheets for individual hospitals will also be available following the release of this report. For more information on hospital reporting periods, data caveats, and definitions of hospital cohorts and regions used in this report, see Report Notes.

UPDATES FROM LAST YEAR'S REPORT

Sixty-five hospitals are examined in this report, compared with 62 in last year's report. Quincy Medical Center, which closed in December 2014, North Adams Regional Hospital, 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. The Shriners Hospitals for Children in both Boston and Springfield, and Kindred Hospital-Boston and Kindred Hospital-Boston North Shore are included for the first time. FY 2014 hospital cohort designations are used in this report (see Report Notes for hospital cohort designations). Additionally, this report examines multi-acute hospital system performance, which play a central role in the Massachusetts health care environment.

STATEWIDE PERFORMANCE

Profitability declined for acute hospitals statewide in FY 2015 relative to FY 2014, with the statewide median total margin decreasing from 4.2% in FY 2014 to 3.7% in FY 2015. The majority of hospitals remained profitable, however; 80%, or 52 acute hospitals, reported positive total margins in FY 2015. Operating margin improved overall, with the statewide median rising from 2.4% in FY 2014 to 3.0% in FY 2015, as 49 hospitals reported positive operating margins.

Overall, liquidity remained consistent with FY 2014 performance. In FY 2015 the median current ratio for all hospitals in Massachusetts was 1.6, remaining level with FY 2014. The median days in accounts receivable for all hospitals was 38 days for FY 2015, a decrease of three days from 41 in the previous year. The statewide median average payment period was 58 days in FY 2015, equal to FY 2014.

Solvency trends for FY 2015 were mixed. The statewide median cash flow to total debt increased slightly in FY 2015 to 20.5%. The debt service coverage ratio improved slightly in FY 2015 to 5.7 and has remained consistent with the prior year. In FY 2015 the median equity financing ratio decreased statewide, indicating that overall Massachusetts hospitals are becoming more highly leveraged.

ACADEMIC MEDICAL CENTERS

In FY 2015 there were six Academic Medical Centers (AMCs) in Massachusetts, consistent with the prior fiscal year. All but one of the hospitals in the AMC cohort had positive operating and total margins. The AMC median current ratio was equal to that of the statewide median, and all AMCs reported a current ratio greater than 1.0. AMCs had the highest median days in accounts receivable of any cohort, consistent with the prior two years. The AMC cohort's median average payment period was higher than the median statewide, and is consistent with the prior two fiscal years. 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 2015 there were nine teaching hospitals in Massachusetts, consistent with the prior fiscal year. Teaching hospitals had a median total margin of 4.2%, a significant decrease from a median total margin of 8.2% in FY 2014. Despite this decrease, both the median total and operating margin for teaching hospitals were higher than statewide. The median current ratio at teaching hospitals increased from FY 2014, but remained the lowest of all cohorts. The median average payment period increased from 63 days in FY 2014 to 68 days in FY 2015. Teaching hospitals had a median cash flow to total debt ratio of 21.1%, higher than the statewide median, but lower than the prior year ratio of 31.0%. The median debt service coverage for the teaching hospital cohort was higher than the statewide median, and the median equity financing ratio was equal to the statewide median.

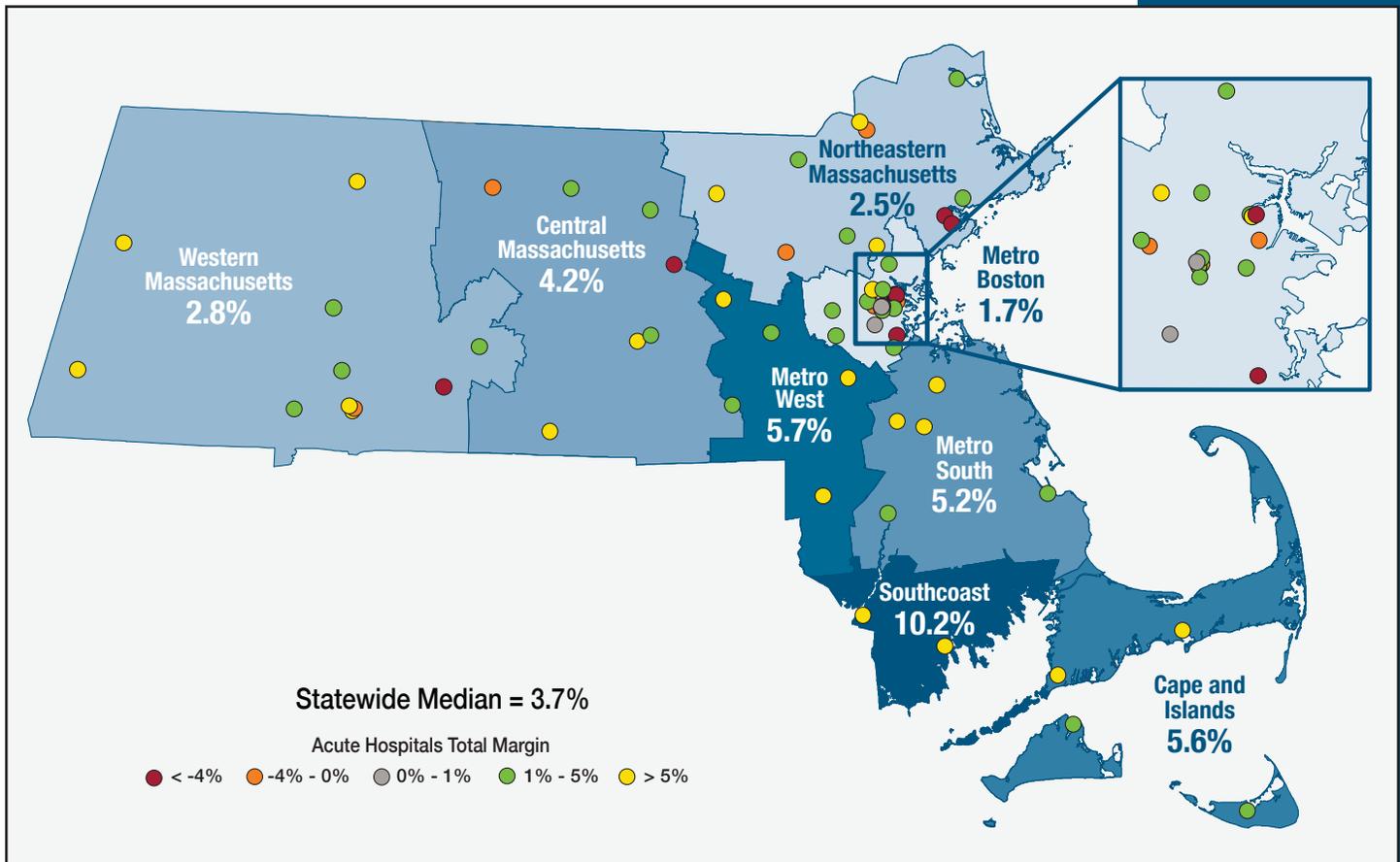
COMMUNITY HOSPITALS

In FY 2015 there were 14 community hospitals in Massachusetts. The community hospital cohort had the largest increase in median operating margin between FY 2014 and FY 2015, and experienced an increase in the median total margin as well. Community hospitals had the highest median non-operating margin of all cohorts in FY 2015. In addition, the cohort experienced increases in both median debt service coverage and cash flow to total debt ratios. Community hospitals had the highest median current ratio and lowest average payment period of any cohort.

COMMUNITY-DSH HOSPITALS

There were 28 hospitals in the community-Disproportionate Share Hospital (DSH) cohort in FY 2015. The community-DSH cohort had the highest median total and operating margins in FY 2015. The median current ratio was unchanged at 1.5 from FY 2014. The community-DSH cohort was the only cohort to experience a decrease in average payment period, from 68 days in FY 2014 to 64 days in FY 2015.

FY 2015 MEDIAN TOTAL MARGIN BY REGION



There were a few notable regional differences in financial performance in FY 2015. The Southcoast region had the highest median total margin at 10.2% for the two hospitals in the region. Four regions had median total margins above the statewide median of 3.7%. Only two of the eight regions in Massachusetts had an increase in median total margin from FY 2014 to FY 2015: Metro West and Central Massachusetts. Three of the five hospitals in Metro West and four of the seven Central Massachusetts hospitals reported increases in total margin. The region with the largest decrease in median total margin was Metro South; however, all five hospitals reported positive total margins, and the region's median was higher than the median total margin statewide. Thirteen of the 20 hospitals in Metro Boston reported lower total margins in FY 2015 than in FY 2014. Five hospitals in Metro Boston reported negative total margins, and an additional eight hospitals with negative total margins were spread throughout the state: four in Northeastern Massachusetts, and two in both the Western and Central Massachusetts regions. The Cape and Islands, Metro South, Metro West, and Southcoast regions did not have any hospitals reporting negative total margins in FY 2015.

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.

In FY 2015 approximately 80%, or 52 acute hospitals, reported positive total margins. This is a slight decrease from the 85% reported in FY 2014. The median statewide total margin decreased by 0.5 percentage points to 3.7% between FY 2014 and FY 2015. Median total margin continues to vary across hospital cohorts. Community-DSH hospitals had the highest cohort median total margin at 5.4%, while the lowest was 2.4% for the AMC cohort. Median total margin remained relatively stable among community and community-DSH hospitals, whereas hospitals within the AMC and teaching cohorts experienced a decrease in median total margin. The most significant decrease in median total margin was among teaching hospitals, which fell to 4.2% in FY 2015, nearly half of the 8.2% cohort median in FY 2014. Six of the nine teaching hospitals reported a lower total margin in FY 2015.

Seven hospitals reported total margins of 10.0% or higher, four of which are community-DSH hospitals. Winchester Hospital had the highest total margin statewide, reporting a margin of 15.9%. Additionally, all but one hospital in each of the AMC and community hospital cohorts reported positive total margins in FY 2015.

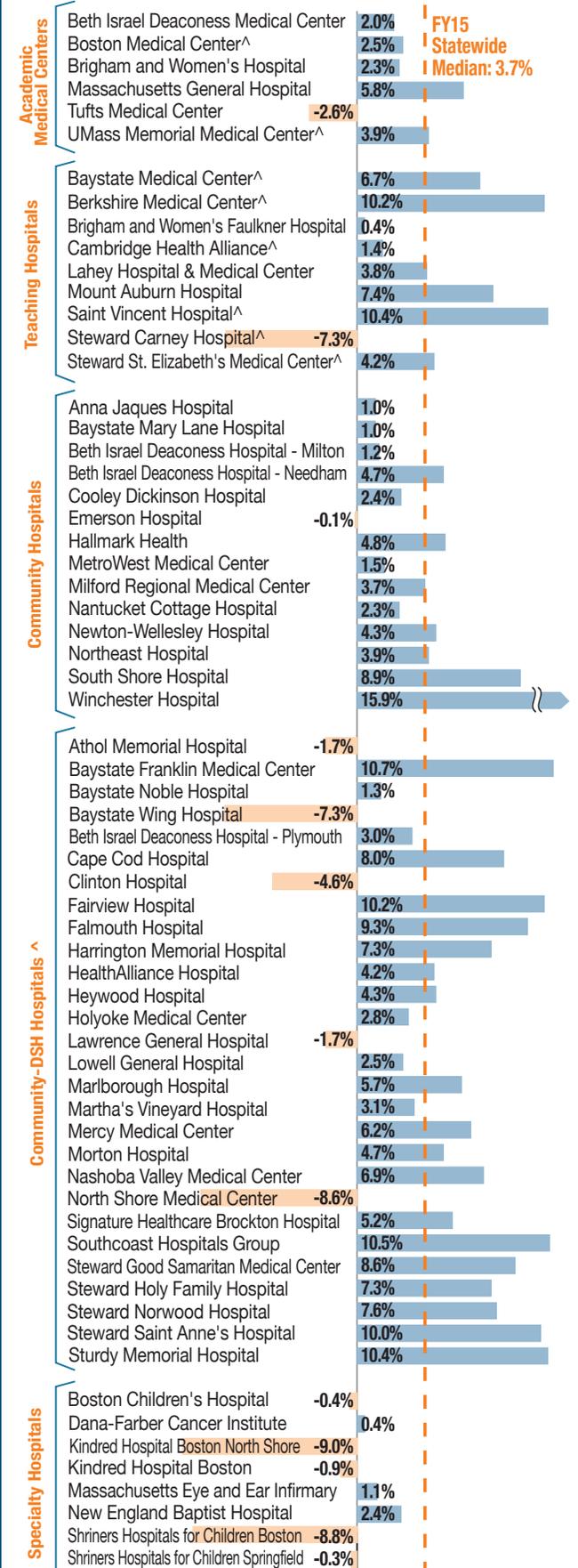
Median Total Margin Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	4.1%	4.2%	3.7%
AMC	4.6%	4.7%	2.4%
Teaching	7.6%	8.2%	4.2%
Community	3.6%	2.9%	3.0%
Community-DSH	3.7%	5.3%	5.4%

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 3.1%
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Total Margin in FY15



^ 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.

In FY 2015, 75%, or 49 acute hospitals, reported positive operating margins for FY 2015. The statewide median operating margin has increased over the last three years to a high of 3.0% in FY 2015.

Community-DSH hospitals in FY 2015 had the highest cohort median operating margin at 5.2%, an increase from FY 2014. Community hospitals experienced the largest increase in median operating margin with 2.4% in FY 2015 compared to 1.3% in FY 2014, but remains the cohort with the lowest median overall. Teaching hospitals had the only decrease in median operating margin, falling from 5.6% in FY 2014 to 4.2% in FY 2015. In FY 2015 six out of eight specialty hospitals reported negative operating margins, and the three hospitals with operating margins of -10.0% or lower were all specialty hospitals.

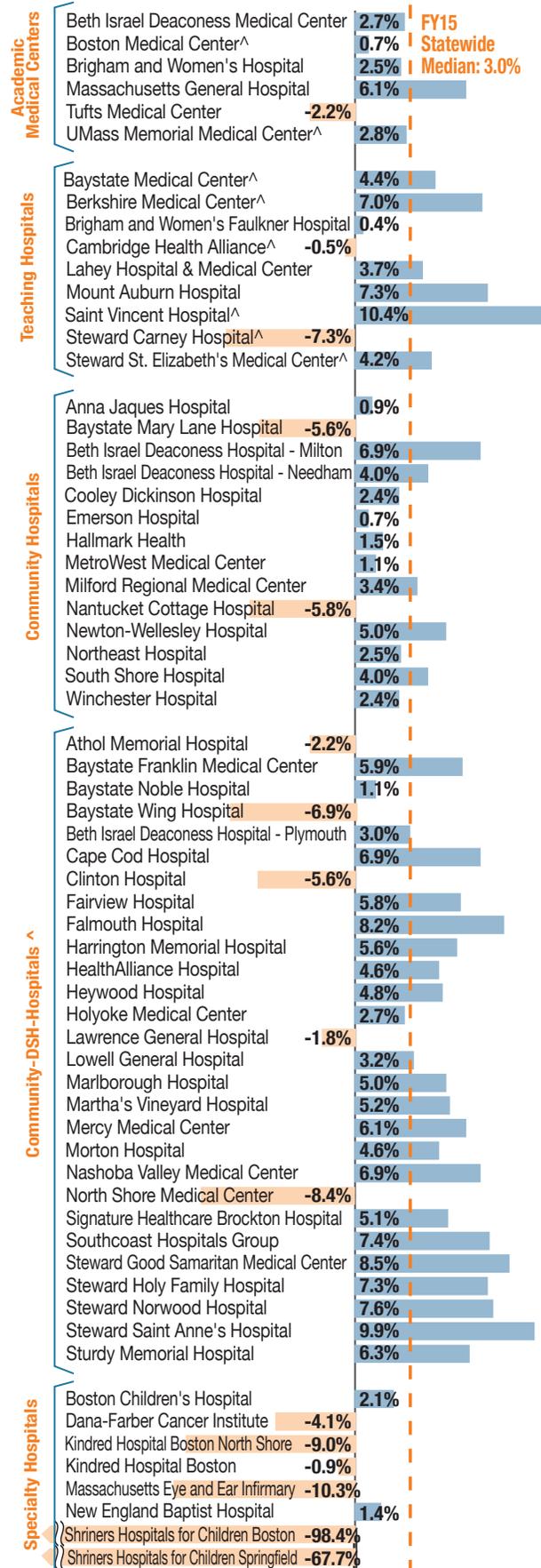
Median Operating Margin Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	2.3%	2.4%	3.0%
AMC	2.2%	2.6%	2.6%
Teaching	3.6%	5.6%	4.2%
Community	2.0%	1.3%	2.4%
Community-DSH	2.0%	4.5%	5.2%

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 2.2%
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Operating Margin in FY15



^ 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/loss 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

The statewide median non-operating margin has been falling consistently in recent years. In FY 2015 Massachusetts hospitals reported a statewide median of 0.1%, a three-year low. Community hospitals had the highest median non-operating margin with 0.6% despite a slight decrease from FY 2014. The AMC hospitals had the largest decrease in median non-operating margin across years, shifting from the highest median non-operating margin (1.2% in FY 2014), to the lowest median (-0.2% in FY 2015). Teaching hospitals were the only cohort that did not experience a reduction in median non-operating margin, but rather remained consistent with FY 2014 levels.

While FY 2015 data indicates that non-operating margin represents a smaller proportion of overall profitability for the majority of hospitals, some continue to rely heavily on non-operating revenues. Four hospitals reported non-operating margins of greater than 10.0%, three of which were specialty hospitals. These specialty hospitals historically utilize non-operating activities to compensate for operating losses. Five hospitals generated sufficient non-operating gains to offset operating losses, resulting in positive total margins: Dana-Farber Cancer Institute, Massachusetts Eye and Ear Infirmary, Cambridge Health Alliance, Baystate Mary Lane Hospital, and Nantucket Cottage Hospital.

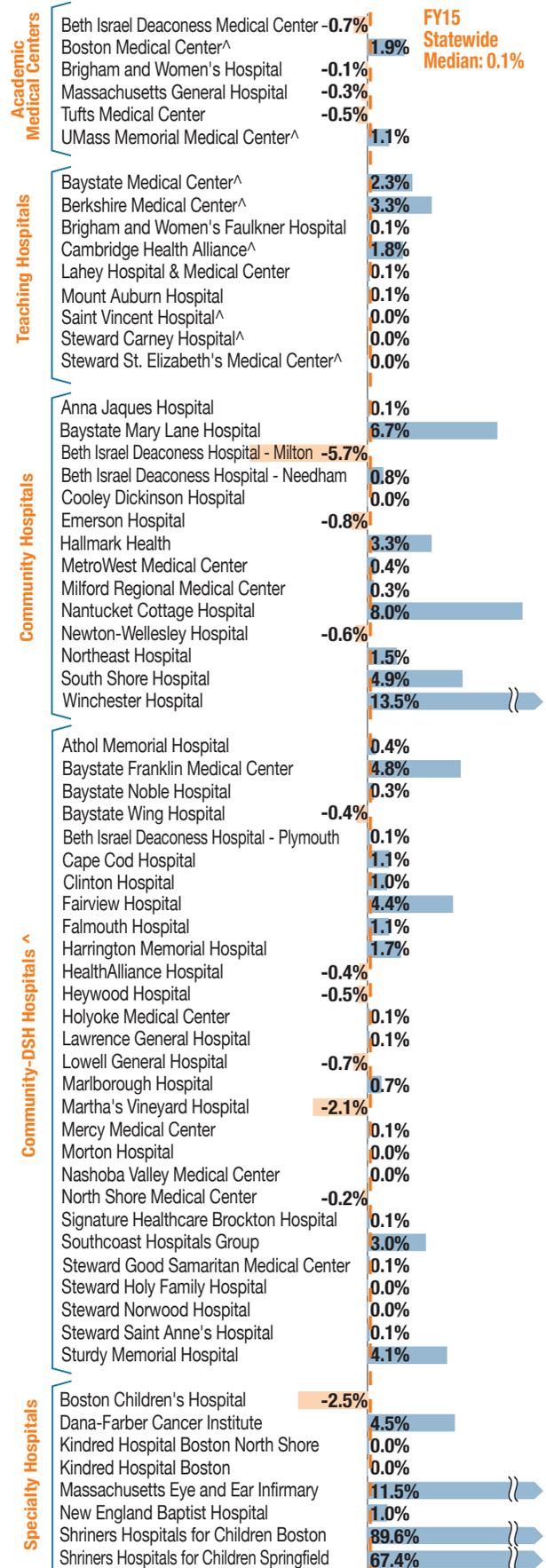
Median Non-Operating Margin Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	1.1%	0.6%	0.1%
AMC	1.0%	1.2%	-0.2%
Teaching	0.0%	0.1%	0.1%
Community	1.1%	0.8%	0.6%
Community-DSH	1.0%	0.8%	0.1%

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 0.1% (Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Non-Operating Margin in FY15



^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes Note: Values are rounded. Refer to databook for full numbers.

Liquidity refers to assets readily converted 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 liabilities could be adequately covered by existing current assets.

In FY 2015 the median current ratio for all hospitals in Massachusetts was 1.6, equal to the prior fiscal year. All of the cohorts had a median current ratio greater than 1.0. Community hospitals had the highest median current ratio in FY 2015 of 2.0, while the teaching cohort had the lowest at 1.3. Statewide, 28 hospitals reported an increase in current ratio from FY 2014 to FY 2015. Steward Saint Anne's Hospital experienced the largest increase in current ratio, from 2.1 in FY 2014 to 3.5 in FY 2015.

Fifty-one hospitals reported a current ratio greater than 1.0, indicating that there were sufficient current assets to meet current liabilities. Fourteen hospitals had a current ratio below 1.0 in FY 2015; 13 of the 14 hospitals are components of larger systems: seven hospitals are components of Steward Health Care, two hospitals each are affiliated with Partners HealthCare System and Heywood Health, respectively, one hospital is affiliated with Baystate Health, and one hospital is affiliated with Shriners Hospitals for Children. Dana-Farber Cancer Institute was the only individual hospital with a current ratio below 1.0.

Median Current Ratio Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	1.5	1.6	1.6
AMC	1.7	1.6	1.6
Teaching	1.1	1.1	1.3
Community	1.7	1.8	2.0
Community-DSH	1.2	1.5	1.5

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 1.6
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Current Ratio in FY15

Academic Medical Centers	Beth Israel Deaconess Medical Center	3.2
	Boston Medical Center [^]	1.9
	Brigham and Women's Hospital	1.3
	Massachusetts General Hospital	1.7
	Tufts Medical Center	1.4
	UMass Memorial Medical Center [^]	1.4
Teaching Hospitals	Baystate Medical Center [^]	2.7
	Berkshire Medical Center [^]	1.2
	Brigham and Women's Faulkner Hospital	1.0
	Cambridge Health Alliance [^]	1.3
	Lahey Hospital & Medical Center	2.4
	Mount Auburn Hospital	4.5
	Saint Vincent Hospital [^]	1.6
	Steward Carney Hospital [^]	0.2
Steward St. Elizabeth's Medical Center [^]	0.3	
Community Hospitals	Anna Jaques Hospital	2.7
	Baystate Mary Lane Hospital	1.6
	Beth Israel Deaconess Hospital - Milton	2.1
	Beth Israel Deaconess Hospital - Needham	1.9
	Cooley Dickinson Hospital	0.7
	Emerson Hospital	2.0
	Hallmark Health	3.6
	MetroWest Medical Center	1.5
	Milford Regional Medical Center	3.3
	Nantucket Cottage Hospital	2.1
	Newton-Wellesley Hospital	1.2
	Northeast Hospital	1.7
	South Shore Hospital	2.0
Winchester Hospital	1.7	
Community-DSH Hospitals [^]	Athol Memorial Hospital	0.6
	Baystate Franklin Medical Center	1.5
	Baystate Noble Hospital	0.4
	Baystate Wing Hospital	1.3
	Beth Israel Deaconess Hospital - Plymouth	1.9
	Cape Cod Hospital	1.5
	Clinton Hospital	1.9
	Fairview Hospital	1.1
	Falmouth Hospital	1.3
	Harrington Memorial Hospital	2.7
	HealthAlliance Hospital	1.7
	Heywood Hospital	1.0
	Holyoke Medical Center	1.4
	Lawrence General Hospital	2.0
	Lowell General Hospital	1.7
	Marlborough Hospital	1.5
	Martha's Vineyard Hospital	2.6
	Mercy Medical Center	4.3
	Morton Hospital	0.3
	Nashoba Valley Medical Center	0.6
	North Shore Medical Center	2.2
	Signature Healthcare Brockton Hospital	1.4
	Southcoast Hospitals Group	1.7
Steward Good Samaritan Medical Center	0.6	
Steward Holy Family Hospital	0.7	
Steward Norwood Hospital	0.3	
Steward Saint Anne's Hospital	3.5	
Sturdy Memorial Hospital	11.6	
Specialty Hospitals	Boston Children's Hospital	8.0
	Dana-Farber Cancer Institute	0.9
	Kindred Hospital Boston North Shore	2.4
	Kindred Hospital Boston	2.0
	Massachusetts Eye and Ear Infirmary	1.0
	New England Baptist Hospital	3.4
	Shriners Hospitals for Children Boston	0.4
	Shriners Hospitals for Children Springfield	1.4

[^] Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes
Note: Values are rounded. Refer to databook for full numbers.

Liquidity refers to assets readily converted 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. Outstanding patient receivables denote cash that is unavailable for use in facility operations or investments.

In FY 2015 the median number of days in accounts receivable for all hospitals was 38 days, a reduction of three days from 41 in FY 2014. All cohorts also experienced decreases in their median days in accounts receivable from FY 2014 to FY 2015. The community hospital cohort had the largest decrease, with a median of 39 days in accounts receivable in FY 2015, five days fewer than FY 2014.

Of the 65 acute care hospitals in Massachusetts, 51 reported decreases in their days in accounts receivable. Additionally, of those 51 hospitals, six experienced decreases of 10 days or greater: Anna Jaques Hospital, Beth Israel Deaconess Hospital – Milton, Martha’s Vineyard Hospital, Kindred Hospital Boston, Steward Holy Family Hospital, and Shriners Hospitals for Children-Springfield. Only one hospital, Mercy Medical Center, reported an increase of 10 days or greater in days in accounts receivable from FY 2014 to FY 2015. Eight hospitals reported more than 50 days in accounts receivable in FY 2015, three fewer than in FY 2014. Of these eight, however, only four experienced an increase in days in accounts receivable from FY 2014 to FY 2015. Seven hospitals reported 30 days or less in accounts receivable.

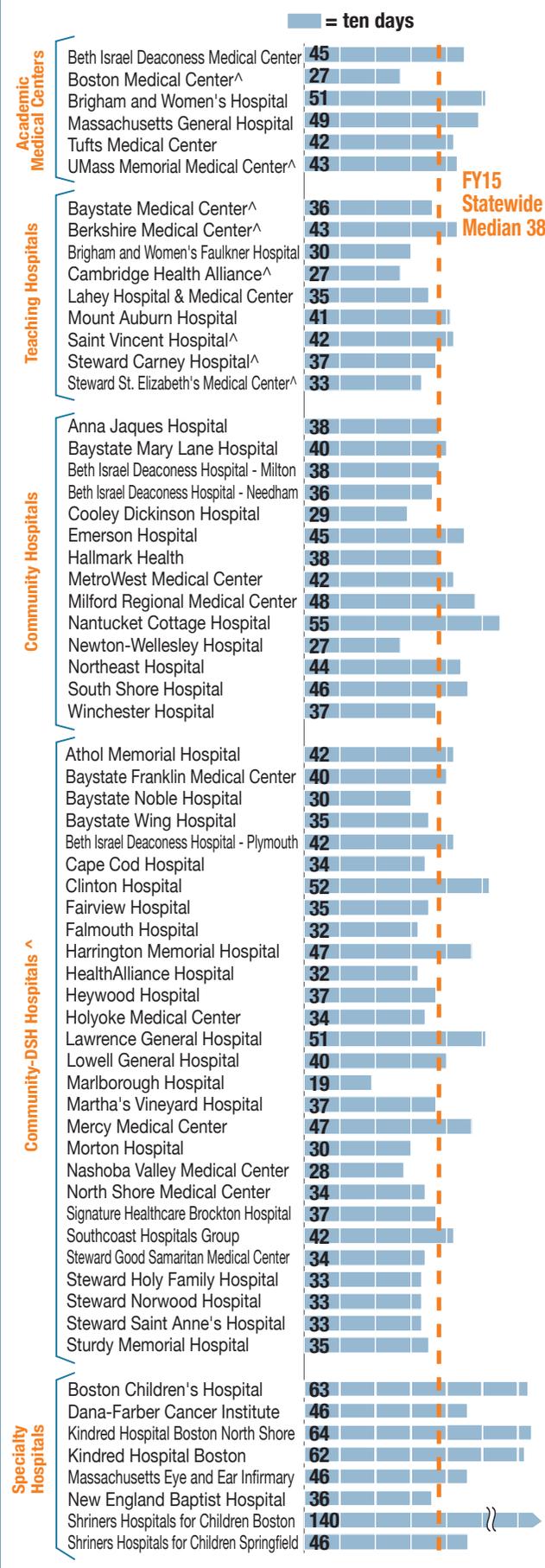
Median Days in Accounts Receivable Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	40	41	38
AMC	46	46	44
Teaching	37	39	36
Community	43	44	39
Community-DSH	40	36	35

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 49
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Days in Accounts Receivable in FY15



^ 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 converted 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.

The statewide median average payment period was 58 days in FY 2015, consistent with FY 2014. The community-DSH cohort was the only cohort that experienced a decrease in median average payment period from FY 2014 to FY 2015, which dropped from 68 days to 64 days. Changes in a hospital's average payment period may be the result of changes in business practices; however, they also could be indicative of changes in financial health. Clinton Hospital reported the highest average payment period of all acute hospitals in FY 2013 at 276 days, but reported a 70 day average payment period in FY 2014.

Thirteen hospitals in the state had increases in average payment period greater than 20% from FY 2014 to FY 2015. Eleven of these 13 hospitals reported average payment periods of 60 days or greater, and four had average payment periods of 100 days or greater in FY 2015. Overall, nine hospitals had average payment periods over 100 days, with one hospital reporting an average payment period greater than 200 days.

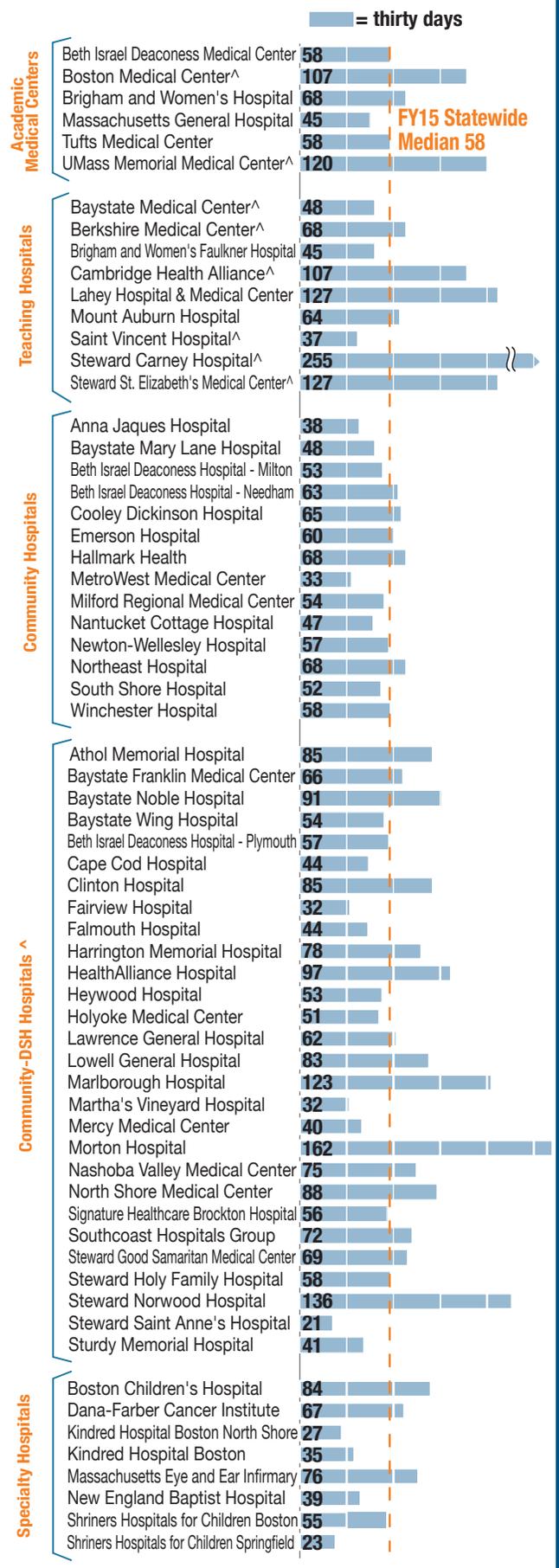
Median Average Payment Period Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	60	58	58
AMC	62	63	63
Teaching	53	63	68
Community	53	54	55
Community-DSH	68	68	64

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 64
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Average Payment Period in FY15



^ Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes
Note: Values are rounded. Refer to databook for full numbers.

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.

The statewide median cash flow to total debt has been stable between FY 2013 and FY 2015, increasing slightly from 19.5% in FY 2013 to 20.5% in FY 2015. In FY 2015 the statewide median and the medians of all four cohorts were higher than the FY 2014 Northeast US median of 12.4%. AMCs had the lowest median cash flow to total debt ratio among all the cohorts, with a median of 15.0%. The community-DSH cohort median increased from FY 2013 to FY 2015, with a cash flow to total debt ratio of 29.1% in FY 2015, the highest of all cohorts. The teaching cohort had the largest decrease in median cash flow to total debt, falling to 21.1% from 31.0% in FY 2014.

Thirty-one of the 65 acute care hospitals in Massachusetts reported increases in their cash flow to total debt from FY 2014 to FY 2015, and 49 of the 65 reported cash flow to total debt ratios in FY 2015 that were greater than the FY 2014 Northeast US Median. Four hospitals had cash flows that exceeded total long-term debt, resulting in ratios greater than 100%, and six hospitals reported negative cash flow to total debt ratios.

Median Cash Flow to Total Debt Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	19.5%	20.2%	20.5%
AMC	19.5%	17.6%	15.0%
Teaching	26.3%	31.0%	21.1%
Community	20.0%	15.8%	19.9%
Community-DSH	17.6%	23.3%	29.1%

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 12.4%
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Cash Flow to Total Debt in FY15

Academic Medical Centers	Beth Israel Deaconess Medical Center	19.1%
	Boston Medical Center [^]	11.2%
	Brigham and Women's Hospital	10.5%
	Massachusetts General Hospital	36.5%
	Tufts Medical Center	0.7%
	UMass Memorial Medical Center [^]	18.9%
Teaching Hospitals	Baystate Medical Center [^]	21.1%
	Berkshire Medical Center [^]	38.6%
	Brigham and Women's Faulkner Hospital	28.6%
	Cambridge Health Alliance [^]	18.4%
	Lahey Hospital & Medical Center	27.0%
	Mount Auburn Hospital	20.5%
	Saint Vincent Hospital [^]	158.0%
	Steward Carney Hospital [^]	-5.7%
	Steward St. Elizabeth's Medical Center [^]	20.5%
Community Hospitals	Anna Jaques Hospital	14.7%
	Baystate Mary Lane Hospital	34.9%
	Beth Israel Deaconess Hospital - Milton	11.7%
	Beth Israel Deaconess Hospital - Needham	20.5%
	Cooley Dickinson Hospital	16.1%
	Emerson Hospital	11.1%
	Hallmark Health	18.3%
	MetroWest Medical Center	33.8%
	Milford Regional Medical Center	11.7%
	Nantucket Cottage Hospital	35.1%
	Newton-Wellesley Hospital	21.1%
	Northeast Hospital	19.2%
	South Shore Hospital	36.6%
Winchester Hospital	46.4%	
Community-DSH Hospitals [^]	Athol Memorial Hospital	5.7%
	Baystate Franklin Medical Center	32.6%
	Baystate Noble Hospital	12.9%
	Baystate Wing Hospital	-8.8%
	Beth Israel Deaconess Hospital - Plymouth	16.1%
	Cape Cod Hospital	27.6%
	Clinton Hospital	1.6%
	Fairview Hospital	59.2%
	Falmouth Hospital	38.0%
	Harrington Memorial Hospital	34.5%
	HealthAlliance Hospital	32.1%
	Heywood Hospital	23.4%
	Holyoke Medical Center	29.1%
	Lawrence General Hospital	5.4%
	Lowell General Hospital	13.3%
	Marlborough Hospital	21.7%
	Martha's Vineyard Hospital	54.4%
	Mercy Medical Center	29.1%
	Morton Hospital	18.7%
	Nashoba Valley Medical Center	31.7%
	North Shore Medical Center	-3.4%
	Signature Healthcare Brockton Hospital	20.2%
	Southcoast Hospitals Group	34.6%
Steward Good Samaritan Medical Center	58.4%	
Steward Holy Family Hospital	61.7%	
Steward Norwood Hospital	29.1%	
Steward Saint Anne's Hospital	197.9%	
Sturdy Memorial Hospital	105.0%	
Specialty Hospitals	Boston Children's Hospital	8.7%
	Dana-Farber Cancer Institute	12.6%
	Kindred Hospital Boston North Shore	-98.1%
	Kindred Hospital Boston	-2.2%
	Massachusetts Eye and Ear Infirmary	17.8%
	New England Baptist Hospital	18.5%
	Shriners Hospitals for Children Boston	-1.6%
	Shriners Hospitals for Children Springfield	121.4%

[^] Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes
Note: Values are rounded. Refer to databook for full numbers.

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 cover current interest and principal payments on long-term debt.

In FY 2015 the statewide median debt service coverage ratio was 5.7, up slightly from 5.6 in FY 2014. Of the hospital cohorts, the teaching and community hospitals median debt service coverage improved, while the median debt service coverage ratio decreased for the AMC and community-DSH cohorts between FY 2014 to FY 2015. AMCs had the lowest median debt service coverage ratio in FY 2015 with a ratio of 2.6, but five of the six AMCs still reported values above the 1.0 benchmark.

Overall, 32 hospitals experienced an increase in their debt service coverage ratio from FY 2014 to FY 2015. Five hospitals had debt service coverage ratios below the 1.0 benchmark; all of these hospitals are components of larger health systems.

Median Debt Service Coverage Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	4.6	5.6	5.7
AMC	3.2	3.6	2.6
Teaching	5.9	6.8	7.8
Community	2.9	3.3	4.2
Community-DSH	5.5	7.1	6.8

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 4.4
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Debt Service Coverage in FY15

Academic Medical Centers	Beth Israel Deaconess Medical Center	3.3
	Boston Medical Center [^]	5.1
	Brigham and Women's Hospital	1.8
	Massachusetts General Hospital	6.5
	Tufts Medical Center	0.9
	UMass Memorial Medical Center [^]	1.6
Teaching Hospitals	Baystate Medical Center [^]	3.5
	Berkshire Medical Center [^]	7.8
	Brigham and Women's Faulkner Hospital	6.6
	Cambridge Health Alliance [^]	8.8
	Lahey Hospital & Medical Center	8.7
	Mount Auburn Hospital	3.7
	Saint Vincent Hospital [^]	86.4
	Steward Carney Hospital [^]	-5.3
Steward St. Elizabeth's Medical Center [^]	25.8	
Community Hospitals	Anna Jaques Hospital	4.2
	Baystate Mary Lane Hospital*	-
	Beth Israel Deaconess Hospital - Milton	3.0
	Beth Israel Deaconess Hospital - Needham	4.5
	Cooley Dickinson Hospital	2.5
	Emerson Hospital	2.1
	Hallmark Health	2.9
	MetroWest Medical Center	12.8
	Milford Regional Medical Center	3.6
	Nantucket Cottage Hospital	14.5
	Newton-Wellesley Hospital	3.2
	Northeast Hospital	7.3
	South Shore Hospital	5.8
Winchester Hospital	8.9	
Community-DSH Hospitals [^]	Athol Memorial Hospital	3.6
	Baystate Franklin Medical Center	20.1
	Baystate Noble Hospital	1.4
	Baystate Wing Hospital	-2.3
	Beth Israel Deaconess Hospital - Plymouth	3.2
	Cape Cod Hospital	4.6
	Clinton Hospital	0.8
	Fairview Hospital	14.4
	Falmouth Hospital	7.5
	Harrington Memorial Hospital	5.7
	HealthAlliance Hospital	15.6
	Heywood Hospital	6.8
	Holyoke Medical Center	7.0
	Lawrence General Hospital	2.6
	Lowell General Hospital	2.5
	Marlborough Hospital	6.4
	Martha's Vineyard Hospital	24.8
	Mercy Medical Center	10.9
	Morton Hospital	513.5
	Nashoba Valley Medical Center	6.8
	North Shore Medical Center	0.0
	Signature Healthcare Brockton Hospital	3.0
	Southcoast Hospitals Group	7.5
Steward Good Samaritan Medical Center	43.5	
Steward Holy Family Hospital	115.6	
Steward Norwood Hospital	89.1	
Steward Saint Anne's Hospital	324.2	
Sturdy Memorial Hospital*	-	
Specialty Hospitals	Boston Children's Hospital	3.9
	Dana-Farber Cancer Institute	6.3
	Kindred Hospital Boston North Shore*	-
	Kindred Hospital Boston*	-
	Massachusetts Eye and Ear Infirmary	3.2
	New England Baptist Hospital	3.1
	Shriners Hospitals for Children Boston*	-
Shriners Hospitals for Children Springfield*	-	

[^] Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes
Note: Values are rounded. Refer to databook for full numbers.

* Indicates a hospital with no current portion of long-term debt or interest expense. These hospitals are excluded from median calculations.

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.

The statewide median equity financing ratio in FY 2015 was 47.4%, higher than the FY 2014 Northeast US median of 46.6%. Median equity financing ratios increased for the AMC, teaching, and community-DSH cohorts between FY 2013 and FY 2014, but decreased in FY 2015. Approximately 50% of acute hospitals' unrestricted net assets and total net assets balances decreased between FY 2014 and FY 2015. The largest decrease in median equity financing ratio occurred in the community-DSH cohort between FY 2014 and FY 2015. The community hospital cohort had the smallest decrease but is the only cohort that experienced decreases in equity financing ratios for two years in a row. In FY 2015 the AMC cohort had the lowest median equity financing ratio at 37.2%, indicating that these hospitals as a whole are more highly leveraged than hospitals in other cohorts.

Sixty-one of the 65 acute care hospitals reported positive equity financing ratios in FY 2015, with 24 hospitals experiencing increases in equity financing ratios from FY 2014. Of the four hospitals that reported negative values, three also reported decreases from FY 2014 to FY 2015. Six of the nine teaching hospitals reported higher equity financing ratios, while only one of six AMCs increased from FY 2014 to FY 2015.

Median Equity Financing Trend by Cohort

	FY13	FY14	FY15
Statewide Median*	49.3%	51.1%	47.4%
AMC	40.2%	40.4%	37.2%
Teaching	49.5%	50.7%	47.4%
Community	46.8%	44.2%	44.1%
Community-DSH	47.7%	51.1%	47.0%

*Statewide median includes specialty hospitals.

Benchmark: FY14 Northeast US median: 46.6%
(Almanac of Hospital Financial and Operating Indicators, OPTUM, 2016)

Massachusetts Acute Hospital Equity Financing in FY15

Academic Medical Centers	Beth Israel Deaconess Medical Center	52.7%
	Boston Medical Center [^]	53.7%
	Brigham and Women's Hospital	9.7%
	Massachusetts General Hospital	60.6%
	Tufts Medical Center	15.1%
UMass Memorial Medical Center [^]	21.7%	
Teaching Hospitals	Baystate Medical Center [^]	47.4%
	Berkshire Medical Center [^]	62.3%
	Brigham and Women's Faulkner Hospital	62.9%
	Cambridge Health Alliance [^]	26.6%
	Lahey Hospital & Medical Center	19.0%
	Mount Auburn Hospital	55.9%
	Saint Vincent Hospital [^]	103.0%
	Steward Carney Hospital [^]	-30.0%
Steward St. Elizabeth's Medical Center [^]	32.4%	
Community Hospitals	Anna Jaques Hospital	22.8%
	Baystate Mary Lane Hospital	69.5%
	Beth Israel Deaconess Hospital - Milton	49.2%
	Beth Israel Deaconess Hospital - Needham	38.3%
	Cooley Dickinson Hospital	33.3%
	Emerson Hospital	22.3%
	Hallmark Health	47.4%
	MetroWest Medical Center	-69.8%
	Milford Regional Medical Center	45.6%
	Nantucket Cottage Hospital	88.6%
	Newton-Wellesley Hospital	43.6%
Northeast Hospital	44.6%	
South Shore Hospital	43.5%	
Winchester Hospital	60.7%	
Community-DSH Hospitals [^]	Athol Memorial Hospital	24.9%
	Baystate Franklin Medical Center	46.5%
	Baystate Noble Hospital	6.3%
	Baystate Wing Hospital	58.2%
	Beth Israel Deaconess Hospital - Plymouth	38.0%
	Cape Cod Hospital	59.1%
	Clinton Hospital	47.5%
	Fairview Hospital	67.3%
	Falmouth Hospital	77.0%
	Harrington Memorial Hospital	51.5%
	HealthAlliance Hospital	74.1%
	Heywood Hospital	55.7%
	Holyoke Medical Center	-20.3%
	Lawrence General Hospital	54.8%
	Lowell General Hospital	33.8%
	Marlborough Hospital	39.3%
	Martha's Vineyard Hospital	84.6%
	Mercy Medical Center	62.6%
	Morton Hospital	39.3%
	Nashoba Valley Medical Center	9.4%
	North Shore Medical Center	0.4%
	Signature Healthcare Brockton Hospital	23.8%
Southcoast Hospitals Group	52.7%	
Steward Good Samaritan Medical Center	39.6%	
Steward Holy Family Hospital	24.9%	
Steward Norwood Hospital	22.7%	
Steward Saint Anne's Hospital	83.3%	
Sturdy Memorial Hospital	91.4%	
Specialty Hospitals	Boston Children's Hospital	67.4%
	Dana-Farber Cancer Institute	65.2%
	Kindred Hospital Boston North Shore	-330.8%
	Kindred Hospital Boston	10.4%
	Massachusetts Eye and Ear Infirmary	50.2%
	New England Baptist Hospital	50.2%
	Shriners Hospitals for Children Boston	90.5%
Shriners Hospitals for Children Springfield	93.1%	

[^] Indicates hospital meets the DSH criteria. For DSH criteria, see Report Notes
Note: Values are rounded. Refer to databook for full numbers.

Multi-acute hospital systems play a central role in the Massachusetts health care environment, accounting for the majority of acute hospitals statewide. Acute hospitals are components of larger hospital systems and account for a sizeable portion of revenue within each system.

In FY 2015 there were 12 multi-acute hospital systems that encompassed 46 of the state's 65 acute hospitals¹. Additionally, each system included a variety of other organizations, such as non-acute hospitals, physician organizations, and health plans, among other types of entities. While most of the multi-acute systems are headquartered and operate exclusively in Massachusetts, there are three large national systems that have components in the state. Two multi-acute hospital systems operate as for-profit businesses, while the rest are non-profit entities.

Seven multi-acute systems had aggregate positive operating margins. There were nine systems with aggregate positive total margins. The nine profitable systems generated a combined total of \$445.7 million in profit, while the three systems with negative total margins generated a combined loss of \$600.9 million.

The combined total net assets held by the 12 multi-acute hospital systems in FY 2015 were \$22.9 billion. Overall, multi-acute systems showed short term financial stability in FY 2015; ten systems had current ratios above 1.0, indicating the systems were able to meet current liabilities with current assets.

¹ Twelve multi-acute hospital systems does not include Wellforce, which was created on October 1, 2014 and did not function as a consolidated health care system in FY 2015.

Acute Hospital Financial Performance, By Hospital System: FY15

Multi-Hospital Systems								
Hospital Name	Cohort	Months Reported	Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Net Assets in Millions	Profit (Loss) in Millions
Baystate Health								
Baystate Franklin Medical Center	D	12	10.7%	5.9%	4.8%	1.5	\$49.5	\$10.6
Baystate Mary Lane Hospital	C	12	1.0%	-5.6%	6.7%	1.6	\$16.8	\$0.3
Baystate Medical Center^	T	12	6.7%	4.4%	2.3%	2.7	\$638.7	\$76.8
Baystate Noble Hospital	D	12	1.3%	1.1%	0.3%	0.4	\$1.9	\$0.8
Baystate Wing Hospital	D	12	-7.3%	-6.9%	-0.4%	1.3	\$42.8	(\$5.4)
Berkshire Health								
Berkshire Medical Center^	T	12	10.2%	7.0%	3.3%	1.2	\$330.2	\$46.4
Fairview Hospital	D	12	10.2%	5.8%	4.4%	1.1	\$26.7	\$5.2
Cape Cod Healthcare								
Cape Cod Hospital	D	12	8.0%	6.9%	1.1%	1.5	\$301.1	\$38.5
Falmouth Hospital	D	12	9.3%	8.2%	1.1%	1.3	\$186.1	\$14.8
CareGroup								
Beth Israel Deaconess Hospital - Milton	C	12	1.2%	6.9%	-5.7%	2.1	\$66.6	\$1.1
Beth Israel Deaconess Hospital - Needham	C	12	4.7%	4.0%	0.8%	1.9	\$42.7	\$3.7
Beth Israel Deaconess Hospital - Plymouth	D	12	3.0%	3.0%	0.1%	1.9	\$71.1	\$6.6
Beth Israel Deaconess Medical Center	A	12	2.0%	2.7%	-0.7%	3.2	\$850.3	\$29.7
Mount Auburn Hospital	T	12	7.4%	7.3%	0.1%	4.5	\$268.9	\$24.7
New England Baptist Hospital	S	12	2.4%	1.4%	1.0%	3.4	\$121.0	\$5.9
Heywood Healthcare								
Athol Memorial Hospital	D	12	-1.7%	-2.2%	0.4%	0.6	\$2.6	(\$0.4)
Heywood Hospital	D	12	4.3%	4.8%	-0.5%	1.0	\$53.5	\$4.6
Kindred								
Kindred Hospital-Boston	S	12	-0.9%	-0.9%	0.0%	2.0	\$0.5	(\$0.2)
Kindred Hospital-Boston North Shore	S	12	-9.0%	-9.0%	0.0%	2.4	(\$16.0)	(\$1.7)
Lahey Health System								
Lahey Hospital & Medical Center	T	12	3.8%	3.7%	0.1%	2.4	\$141.3	\$31.4
Northeast Hospital	C	12	3.9%	2.5%	1.5%	1.7	\$189.5	\$13.9
Winchester Hospital	C	12	15.9%	2.4%	13.5%	1.7	\$253.9	\$50.3
Partners HealthCare								
Brigham and Women's Faulkner Hospital	T	12	0.4%	0.4%	0.1%	1.0	\$85.7	\$1.0
Brigham and Women's Hospital	A	12	2.3%	2.5%	-0.1%	1.3	\$251.8	\$60.8
Cooley Dickinson Hospital	C	12	2.4%	2.4%	0.0%	0.7	\$59.9	\$3.7
Martha's Vineyard Hospital	D	12	3.1%	5.2%	-2.1%	2.6	\$104.2	\$2.4
Massachusetts General Hospital	A	12	5.8%	6.1%	-0.3%	1.7	\$2,128.2	\$201.1
Nantucket Cottage Hospital	C	12	2.3%	-5.8%	8.0%	2.1	\$66.0	\$1.0
Newton-Wellesley Hospital	C	12	4.3%	5.0%	-0.6%	1.2	\$201.1	\$19.2
North Shore Medical Center	D	12	-8.6%	-8.4%	-0.2%	2.2	\$2.0	(\$36.0)
Shriners Hospitals for Children								
Shriners Hospitals for Children Boston	S	12	-8.8%	-98.4%	89.6%	0.4	\$51.6	(\$3.2)
Shriners Hospitals for Children Springfield	S	12	-0.3%	-67.7%	67.4%	1.4	\$13.7	(\$0.1)
Steward Health Care								
Morton Hospital	D	12	4.7%	4.6%	0.0%	0.3	\$34.6	\$5.4
Nashoba Valley Medical Center	D	12	6.9%	6.9%	0.0%	0.6	\$2.7	\$3.6
Steward Carney Hospital^	T	12	-7.3%	-7.3%	0.0%	0.2	(\$22.3)	(\$8.3)
Steward Good Samaritan Medical Center	D	12	8.6%	8.5%	0.1%	0.6	\$42.1	\$22.4
Steward Holy Family Hospital	D	12	7.3%	7.3%	0.0%	0.7	\$25.2	\$17.2
Steward Norwood Hospital	D	12	7.6%	7.6%	0.0%	0.3	\$19.5	\$13.8
Steward Saint Anne's Hospital	D	12	10.0%	9.9%	0.1%	3.5	\$119.6	\$25.3
Steward St. Elizabeth's Medical Center^	T	12	4.2%	4.2%	0.0%	0.3	\$62.9	\$13.6

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, By Hospital System: FY15

Multi-Hospital Systems (continued)

Hospital Name	Cohort	Months Reported	Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Net Assets in Millions	Profit (Loss) in Millions
Tenet Healthcare								
MetroWest Medical Center	C	12	1.5%	1.1%	0.4%	1.5	(\$63.2)	\$3.9
Saint Vincent Hospital^	T	12	10.4%	10.4%	0.0%	1.6	\$386.0	\$44.9
UMass Memorial Health Care								
Clinton Hospital	D	12	-4.6%	-5.6%	1.0%	1.9	\$17.2	(\$1.2)
HealthAlliance Hospital	D	12	4.2%	4.6%	-0.4%	1.7	\$156.8	\$7.0
Marlborough Hospital	D	12	5.7%	5.0%	0.7%	1.5	\$32.2	\$4.6
UMass Memorial Medical Center^	A	12	3.9%	2.8%	1.1%	1.4	\$286.5	\$60.1
Wellforce*								
Lowell General Hospital	D	12	2.5%	3.2%	-0.7%	1.7	\$158.5	\$10.7
Tufts Medical Center	A	12	-2.6%	-2.2%	-0.5%	1.4	\$95.6	(\$18.2)

Acute Hospital Financial Performance, Individual Hospitals: FY15

Individual Hospitals

Hospital Name	Cohort	Months Reported	Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Net Assets in Millions	Profit (Loss) in Millions
Anna Jaques Hospital	C	12	1.0%	0.9%	0.1%	2.7	\$20.7	\$1.2
Boston Children's Hospital	S	12	-0.4%	2.1%	-2.5%	8.0	\$3,118.5	(\$5.5)
Boston Medical Center^	A	12	2.5%	0.7%	1.9%	1.9	\$1,166.1	\$29.3
Cambridge Health Alliance^	T	12	1.4%	-0.5%	1.8%	1.3	\$103.6	\$7.9
Dana-Farber Cancer Institute	S	12	0.4%	-4.1%	4.5%	0.9	\$1,312.3	\$4.7
Emerson Hospital	C	12	-0.1%	0.7%	-0.8%	2.0	\$40.9	(\$0.2)
Hallmark Health	C	12	4.8%	1.5%	3.3%	3.6	\$164.8	\$13.0
Harrington Memorial Hospital	D	12	7.3%	5.6%	1.7%	2.7	\$64.2	\$9.3
Holyoke Medical Center	D	12	2.8%	2.7%	0.1%	1.4	(\$13.8)	\$3.6
Lawrence General Hospital	D	12	-1.7%	-1.8%	0.1%	2.0	\$120.4	(\$4.0)
Massachusetts Eye and Ear Infirmary	S	12	1.1%	-10.3%	11.5%	1.0	\$217.1	\$2.9
Mercy Medical Center	D	12	6.2%	6.1%	0.1%	4.3	\$157.0	\$17.0
Milford Regional Medical Center	C	12	3.7%	3.4%	0.3%	3.3	\$121.6	\$7.4
Signature Healthcare Brockton Hospital	D	12	5.2%	5.1%	0.1%	1.4	\$48.5	\$13.5
South Shore Hospital	C	12	8.9%	4.0%	4.9%	2.0	\$226.3	\$50.0
Southcoast Hospitals Group	D	12	10.5%	7.4%	3.0%	1.7	\$497.7	\$87.2
Sturdy Memorial Hospital	D	12	10.4%	6.3%	4.1%	11.6	\$334.1	\$17.9

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.

* Wellforce was created October 1, 2014 but did not function as a consolidated health care system in FY 2015.

ACUTE HOSPITAL FISCAL YEAR-END DATES

The Fiscal Year 2015 analysis is based on 12 months of financial data for 65 acute care hospitals. The majority of hospitals' fiscal year end date is September 30; however, some hospitals have alternative fiscal year ends. The schedule of fiscal year ends is listed below.

Hospitals	Fiscal Year End	FY 2015 Data Period
Majority of Hospitals (49)	9/30	10/1/14 – 9/30/15
Cambridge Health Alliance Mercy Medical Center	6/30	7/1/14 – 6/30/15
Kindred Hospital—Boston Kindred Hospital—Boston North Shore MetroWest Medical Center Saint Vincent Hospital Shriners Hospitals for Children—Boston Shriners Hospitals for Children—Springfield Steward Health Care System Hospitals (8)	12/31	1/1/15 – 12/31/15

DATA CAVEATS

Depending on the organization of each hospital, data may exclude other aspects of financial health, such as the financial performance of endowments, or the financial health of parent companies or other affiliated organizations.

Kindred Hospitals are excluded from FY 2013 medians due to differences in reporting methods between years.

Merrimack Valley merged with Steward Holy Family in August 2014.

Noble Hospital became part of the Baystate system and changed its name to Baystate Noble Hospital in July 2015.

Quincy Medical Center data is included in this report; however, it should be noted that the hospital closed in December 2014.

Shriners Hospitals for Children are excluded from FY 2013 due to differences in reporting methods between years.

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 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-Disproportionate Share Hospitals (DSH)¹ 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 Connector Care and 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.² The HPC regions were rolled up into larger regions to facilitate better comparison within each geographic area. For additional information please refer to <http://chiamass.gov/hospitals-by-region/>.

Massachusetts Region	Acute Hospital Assigned to Region
Metro Boston	Beth Israel Deaconess Hospital – Milton Beth Israel Deaconess Hospital – Needham Beth Israel Deaconess Medical Center Boston Children’s Hospital Boston Medical Center Brigham and Women’s Faulkner Hospital Brigham and Women’s Hospital Cambridge Health Alliance Dana-Farber Cancer Institute Hallmark Health Kindred Hospital – Boston Massachusetts Eye and Ear Infirmary Massachusetts General Hospital 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 M.G.L. c. 6D, Section 1 defines a Disproportionate Share Hospital (DSH) as a hospital with a minimum of 63 percent of patient charges attributed to Medicare, Medicaid, and other government payers, including Connector Care and the Health Safety Net.

² 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 10, 2016).

Massachusetts Region	Acute Hospital Assigned to Region
Northeastern Massachusetts	Anna Jaques Hospital Emerson Hospital Kindred Hospital – Boston North Shore 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 Memorial 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
Western Massachusetts	Baystate Franklin Medical Center Baystate Mary Lane Hospital 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 fact sheets and the databook are available on CHIA’s website at <http://chiamass.gov/chia/hospital-financial-performance>.



center
for health
information
and analysis

For more information, please contact:

CENTER FOR HEALTH INFORMATION AND ANALYSIS

501 Boylston Street
Boston, MA 02116
617.701.8100

www.chiamass.gov

Publication Number: 16-236-CHIA-01