

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



March 2016

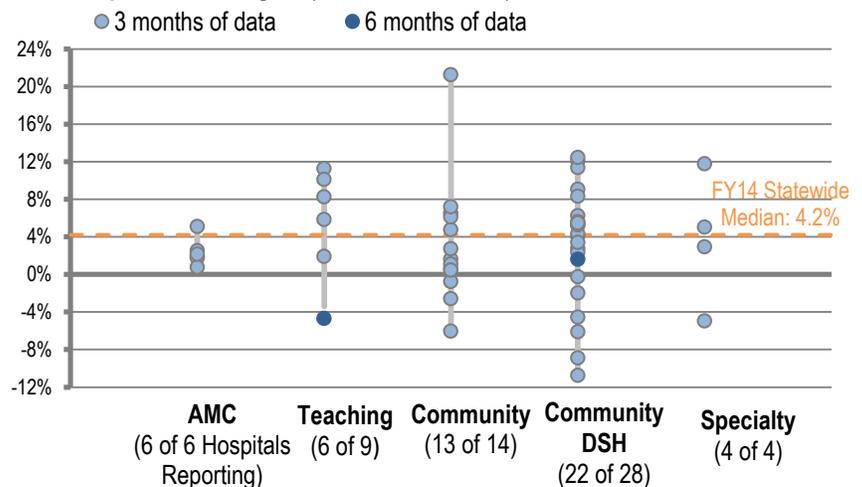
About this Report

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

Key Findings

- Among hospitals reporting for the current period (51 of 61), the current period total margin is 1.3% lower than the FY14 statewide median total margin for all hospitals. Profitability increased from the same period in the prior year (ending December 31, 2014) for two of the four hospital cohorts.
- The statewide median current ratio has remained stable for the fifty-one reporting hospitals for the same period in 2014 and 2015.
- Three acute hospitals reported negative net assets in the current period.

Acute Hospital Total Margins (Data as of 12/31/15)



Profitability

Acute hospital profitability, as measured by median total margin, was mixed among the four cohorts. Teaching and community-DSH hospitals experienced increased profitability while the AMC and community hospital cohorts decreased in the current period. Statewide performance decreased 0.2% from the same period in the prior year. Teaching hospitals experienced the largest median total margin increase and remained the most profitable. The AMC cohort experienced the largest decline in profitability.

Median Total Margin Trend by Cohort*

	12/31/2013	12/31/2014	12/31/2015
Statewide Median (51 of 61 hospitals)	3.3%	3.1%	2.9%
AMC (6 of 6 hospitals)	3.0%	3.3%	2.0%
Teaching (6 of 9 hospitals)	8.3%	5.5%	7.1%
Community (13 of 14 hospitals)	3.3%	2.0%	1.6%
Community-DSH (22 of 28 hospitals)	1.8%	3.2%	4.2%

Liquidity

Acute hospital liquidity, as measured by the median current ratio increased for all but the community-DSH cohort. Teaching hospitals improved the most, the community and AMC cohorts median current ratios also increased compared to the same period in 2014. The community-DSH hospitals median current ratio remained stable at 1.7. A current ratio above 1.0 indicates a hospital has sufficient current assets to meet current liabilities. Three hospitals reported a current ratio below 1.0.

Solvency

Net assets are the difference between a hospital's total assets and total liabilities and can be used to assess solvency. Three hospitals reported negative net assets in the current period.

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

*Only hospitals that were required to report data as of 12/31/15 were included in cohort median total margins for prior periods. Statewide medians include specialty hospitals.

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Hospital Name	Cohort	System Affiliation	Months Reported	Profitability			Liquidity	Solvency	Profit (Loss) in Millions
				Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Net Assets in Millions	
These hospitals (10) have a 12/31/15 fiscal year end.									
Morton Hospital	D	Steward Health Care	12						
Nashoba Valley Medical Center	D	Steward Health Care	12						
Steward Carney Hospital^	T	Steward Health Care	12						
Steward Good Samaritan Medical Center	D	Steward Health Care	12	The data for these hospitals is due April 10, 2016.					
Steward Holy Family Hospital	D	Steward Health Care	12						
Steward Norwood Hospital	D	Steward Health Care	12						
Steward Saint Anne's Hospital	D	Steward Health Care	12						
Steward St. Elizabeth's Medical Center^	T	Steward Health Care	12						
MetroWest Medical Center	C	Tenet Healthcare	12						
Saint Vincent Hospital^	T	Tenet Healthcare	12						
These hospitals (49) have a 9/30/16 fiscal year end. This report contains 3 months of their data:									
Baystate Franklin Medical Center	D	Baystate Health	3	2.8%	2.4%	0.4%	2.1	\$51.1	\$0.7
Baystate Mary Lane Hospital	C	Baystate Health	3	0.6%	-0.7%	1.3%	1.7	\$17.0	\$0.0
Baystate Medical Center^	T	Baystate Health	3	8.3%	5.6%	2.7%	2.7	\$650.6	\$24.6
Baystate Noble Hospital	D	Baystate Health	3	-0.2%	-0.4%	0.2%	0.4	-\$5.5	(\$0.0)
Baystate Wing Hospital	D	Baystate Health	3	-6.1%	-7.1%	1.0%	1.5	\$42.0	(\$1.1)
Berkshire Medical Center^	T	Berkshire Health	3	11.3%	6.8%	4.5%	1.2	\$341.3	\$13.7
Fairview Hospital	D	Berkshire Health	3	6.3%	2.2%	4.1%	1.1	\$27.7	\$0.8
Cape Cod Hospital	D	Cape Cod Healthcare	3	9.1%	6.4%	2.7%	1.5	\$309.1	\$11.2
Falmouth Hospital	D	Cape Cod Healthcare	3	12.1%	6.6%	5.5%	1.3	\$189.6	\$4.9
Beth Israel Deaconess Hospital - Milton	C	CareGroup	3	6.5%	4.9%	1.7%	2.3	\$69.4	\$1.7
Beth Israel Deaconess Hospital - Needham	C	CareGroup	3	4.8%	4.5%	0.3%	2.1	\$43.6	\$1.0
Beth Israel Deaconess Hospital - Plymouth	D	CareGroup	3	4.1%	2.2%	1.8%	1.9	\$73.8	\$2.4
Beth Israel Deaconess Medical Center	A	CareGroup	3	1.9%	-0.1%	2.0%	3.1	\$859.3	\$7.5
Mount Auburn Hospital	T	CareGroup	3	10.1%	5.1%	5.0%	4.6	\$275.4	\$9.1
New England Baptist Hospital	S	CareGroup	3	5.1%	3.3%	1.7%	3.6	\$124.3	\$3.2
Athol Memorial Hospital	D	Heywood Healthcare	3	-10.7%	-11.1%	0.4%	0.5	\$2.0	(\$0.6)
Heywood Hospital	D	Heywood Healthcare	3	5.3%	2.3%	3.0%	1.3	\$53.9	\$1.4
Lahey Hospital & Medical Center	T	Lahey Health System	3	5.9%	6.4%	-0.5%	2.4	\$153.9	\$12.7
Northeast Hospital	C	Lahey Health System	3	0.5%	-4.3%	4.8%	1.5	\$180.8	\$0.4
Winchester Hospital	C	Lahey Health System	3	21.3%	3.5%	17.7%	1.5	\$257.7	\$18.0
Brigham and Women's Faulkner Hospital	T	Partners HealthCare	3	1.9%	2.1%	-0.2%	1.1	\$93.5	\$1.1
Brigham and Women's Hospital	A	Partners HealthCare	3	1.8%	2.2%	-0.4%	1.3	\$360.8	\$11.8
Cooley Dickinson Hospital	C	Partners HealthCare	3	2.7%	2.6%	0.1%	0.8	\$58.6	\$1.2
Martha's Vineyard Hospital	D	Partners HealthCare	3	-2.0%	-4.4%	2.4%	2.7	\$103.9	(\$0.4)
Massachusetts General Hospital	A	Partners HealthCare	3	5.1%	5.5%	-0.4%	1.6	\$2,200.9	\$45.9
Nantucket Cottage Hospital	C	Partners HealthCare	3	-6.0%	-14.4%	8.4%	1.5	\$64.8	(\$0.6)
Newton-Wellesley Hospital	C	Partners HealthCare	3	-2.6%	-2.3%	-0.3%	1.2	\$205.3	(\$2.8)
North Shore Medical Center	D	Partners HealthCare	3	-8.9%	-8.9%	0.0%	2.2	-\$5.7	(\$9.3)
Clinton Hospital	D	UMass Memorial HC	3	-4.5%	-5.8%	1.2%	2.4	\$17.0	(\$0.3)
HealthAlliance Hospital	D	UMass Memorial HC	3	2.4%	1.1%	1.3%	2.5	\$157.6	\$1.0
Marlborough Hospital	D	UMass Memorial HC	3	5.3%	3.2%	2.1%	1.5	\$33.4	\$1.1
UMass Memorial Medical Center^	A	UMass Memorial HC	3	2.2%	1.6%	0.6%	1.5	\$290.0	\$8.6
Lowell General Hospital	D	Wellforce	3	3.4%	2.4%	1.0%	1.7	\$160.1	\$3.8
Tufts Medical Center	A	Wellforce	3	0.8%	-1.4%	2.2%	1.3	\$97.5	\$1.4
Anna Jaques Hospital	C	Individual	3	1.6%	0.2%	1.4%	2.6	\$21.9	\$0.5
Boston Children's Hospital	S	Individual	3	2.9%	0.4%	2.6%	8.7	\$3,182.2	\$11.1
Boston Medical Center^	A	Individual	3	2.5%	1.2%	1.4%	1.9	\$1,175.8	\$7.5
Dana-Farber Cancer Institute	S	Individual	3	11.8%	-3.2%	15.0%	1.2	\$1,390.1	\$40.7
Emerson Hospital	C	Individual	3	-0.8%	1.4%	-2.1%	2.3	\$41.0	(\$0.4)
Hallmark Health	C	Individual	3	6.1%	-0.3%	6.4%	4.2	\$168.2	\$4.3
Harrington Memorial Hospital	D	Individual	3	11.4%	5.5%	5.9%	3.2	\$65.2	\$3.9
Holyoke Medical Center	D	Individual	3	4.3%	4.1%	0.3%	1.5	-\$13.2	\$1.5
Lawrence General Hospital	D	Individual	3	8.3%	7.7%	0.7%	2.0	\$121.0	\$5.4
Massachusetts Eye and Ear Infirmary	S	Individual	3	-5.0%	-5.8%	0.9%	1.1	\$218.9	(\$2.9)
Milford Regional Medical Center	C	Individual	3	1.1%	-0.1%	1.2%	3.2	\$122.4	\$0.6
Signature Healthcare Brockton Hospital	D	Individual	3	5.6%	3.6%	2.1%	1.1	\$52.8	\$3.8
South Shore Hospital	C	Individual	3	7.2%	6.6%	0.6%	2.2	\$238.5	\$10.2
Southcoast Hospitals Group	D	Individual	3	5.5%	3.1%	2.4%	1.5	\$493.7	\$10.9
Sturdy Memorial Hospital	D	Individual	3	12.5%	5.6%	6.8%	13.8	\$340.1	\$5.5
These hospitals (2) have a 6/30/16 fiscal year end. This report contains 6 months of their data:									
Cambridge Health Alliance^	T	Individual	6	-3.4%	-4.7%	1.3%	2.5	\$94.3	(\$9.7)
Mercy Medical Center	D	Individual	6	1.3%	1.6%	-0.3%	4.3	\$158.9	\$1.8

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

Note: Profitability percentages may not add due to rounding.

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