

# Massachusetts Acute Hospital Financial Performance Fiscal Year Data through March 31, 2016



June 2016

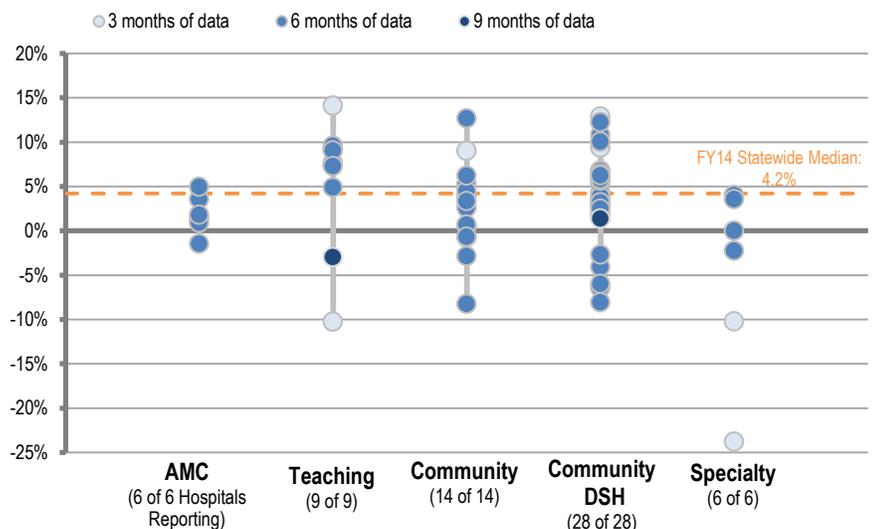
## About this Report

This report provides an update on the profitability, liquidity, and solvency of acute hospitals for the fiscal period ending March 31, 2016 (Current Period). The Center reports on sixty three acute hospitals in Massachusetts, all of which are included in this publication. This report compares hospital financial performance in the current period to the same point in time in the prior year for the same group of hospitals, and to the prior year's statewide performance. Acute hospitals are grouped into the following cohorts: Academic Medical Centers (AMCs), teaching hospitals, community hospitals, and community-Disproportionate Share Hospitals (DSH). Specialty hospitals are not considered a cohort but are displayed and included in statewide medians.

## Key Findings

- Profitability remained stable in the current period compared to the same period in the prior year (ending March 31, 2015). Forty seven hospitals were profitable, while sixteen hospitals reported negative total margins. The current period total margin of 3.5% is 0.7 percentage points lower than the FY14 statewide median total margin.
- The statewide median current ratio remained stable compare to the same period in the prior year, but increased slightly from the same period in FY14. The median current ratio for the teaching and community-DSH cohorts improved in the current period. The AMCs and community hospitals median current ratio did not change.
- Six acute hospitals reported negative net assets in the current period, four fewer than the prior year ending March 31, 2015.

Acute Hospital Total Margins (Data as of 03/31/16)



## Profitability

Acute hospital profitability, as measured by median total margin, increased for the teaching cohort but decreased for AMCs, community and community-DSH cohorts compared to the same period in the prior year. Teaching hospitals remained the most profitable, exceeding both the FY14 and current period statewide median margin by 3.1 and 3.8 percentage points respectively. Academic medical centers had the lowest median total margin and largest decrease from the same time period in the prior period of all cohorts.

## Liquidity

Acute hospital liquidity, as measured by the statewide median current ratio, was unchanged at 1.7 in the current period. A current ratio above 1.0 is an indicator that a hospital has sufficient current assets to meet current liabilities. Nine hospitals reported a current ratio less than 1.0, with seven of those hospitals reporting a current ratio of 0.7 or lower; all of these hospitals are components of larger health systems.

## Solvency

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

Median Total Margin Trend by Cohort

	3/31/2014	3/31/2015	3/31/2016
<b>Statewide Median</b> (63 hospitals)	3.1%	3.5%	3.5%
<b>AMC</b> (6 of 6 hospitals)	3.1%	3.3%	1.6%
<b>Teaching</b> (9 of 9 hospitals)	6.4%	4.7%	7.3%
<b>Community</b> (14 of 14 hospitals)	1.9%	3.2%	3.0%
<b>Community-DSH</b> (28 of 28 hospitals)	2.6%	4.4%	4.1%

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

All hospitals were required to report data as of 3/31/16. Statewide medians include specialty hospitals.

Massachusetts Acute Hospital Financial Performance

Fiscal Year Data through March 31, 2016

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	
<b>These hospitals (12) have a 12/31/16 fiscal year end and this report contains 3 months of data.</b>									
Kindred Hospital - Boston	S	Kindred Healthcare	3	-10.2%	-10.2%	0.0%	3.1	\$0.0	(\$0.6)
Kindred Hospital - Boston North Shore	S	Kindred Healthcare	3	-23.8%	-23.8%	0.0%	5.7	-\$17.4	(\$1.1)
Morton Hospital	D	Steward Health Care	3	1.7%	1.7%	0.0%	0.3	\$35.1	\$0.5
Nashoba Valley Medical Center	D	Steward Health Care	3	4.3%	4.3%	0.0%	0.6	\$3.2	\$0.6
Steward Carney Hospital^	T	Steward Health Care	3	-10.3%	-10.3%	0.0%	0.2	-\$25.5	(\$3.1)
Steward Good Samaritan Medical Center	D	Steward Health Care	3	9.4%	9.3%	0.1%	0.7	\$48.6	\$6.5
Steward Holy Family Hospital	D	Steward Health Care	3	6.8%	6.8%	0.0%	0.9	\$29.3	\$4.0
Steward Norwood Hospital	D	Steward Health Care	3	12.9%	12.8%	0.1%	0.4	\$25.8	\$6.3
Steward Saint Anne's Hospital	D	Steward Health Care	3	9.2%	9.1%	0.1%	3.5	\$125.7	\$6.0
Steward St. Elizabeth's Medical Center^	T	Steward Health Care	3	2.8%	2.8%	0.0%	0.4	\$65.2	\$2.3
MetroWest Medical Center	C	Tenet Healthcare	3	9.0%	8.7%	0.3%	1.7	-\$57.4	\$5.8
Saint Vincent Hospital^	T	Tenet Healthcare	3	14.1%	14.0%	0.1%	1.7	\$402.2	\$15.9
<b>These hospitals (49) have a 9/30/16 fiscal year end. This report contains 6 months of their data:</b>									
Baystate Franklin Medical Center	D	Baystate Health	6	3.3%	2.9%	0.4%	2.2	\$52.3	\$1.6
Baystate Mary Lane Hospital	C	Baystate Health	6	-2.9%	-5.0%	2.1%	1.6	\$16.4	(\$0.4)
Baystate Medical Center^	T	Baystate Health	6	7.6%	5.4%	2.3%	2.9	\$658.4	\$45.5
Baystate Noble Hospital	D	Baystate Health	6	1.9%	1.7%	0.2%	0.4	\$2.2	\$0.5
Baystate Wing Hospital	D	Baystate Health	6	-6.5%	-7.2%	0.7%	1.5	\$40.8	(\$2.3)
Berkshire Medical Center^	T	Berkshire Health	6	9.6%	7.0%	2.6%	1.2	\$346.2	\$23.0
Fairview Hospital	D	Berkshire Health	6	5.2%	2.4%	2.8%	1.0	\$27.6	\$1.3
Cape Cod Hospital	D	Cape Cod Healthcare	6	6.7%	5.3%	1.4%	1.5	\$316.7	\$16.2
Falmouth Hospital	D	Cape Cod Healthcare	6	10.8%	7.9%	2.9%	1.6	\$196.7	\$8.6
Beth Israel Deaconess Hospital - Milton	C	CareGroup	6	5.3%	5.5%	-0.2%	2.4	\$70.4	\$2.8
Beth Israel Deaconess Hospital - Needham	C	CareGroup	6	3.8%	3.7%	0.2%	2.0	\$44.4	\$1.6
Beth Israel Deaconess Hospital - Plymouth	D	CareGroup	6	3.1%	2.3%	0.8%	1.9	\$77.4	\$3.6
Beth Israel Deaconess Medical Center	A	CareGroup	6	1.4%	0.5%	0.9%	3.1	\$863.0	\$11.1
Mount Auburn Hospital	T	CareGroup	6	4.9%	5.3%	-0.4%	4.4	\$266.4	\$8.3
New England Baptist Hospital	S	CareGroup	6	3.5%	2.9%	0.6%	3.7	\$123.7	\$4.4
Athol Memorial Hospital	D	Heywood Healthcare	6	-4.1%	-4.5%	0.4%	0.6	\$2.2	(\$0.5)
Heywood Hospital	D	Heywood Healthcare	6	3.9%	2.5%	1.4%	1.3	\$53.4	\$2.1
Lahey Hospital & Medical Center	T	Lahey Health System	6	7.3%	7.3%	0.0%	2.5	\$173.8	\$32.6
Northeast Hospital	C	Lahey Health System	6	3.3%	1.9%	1.5%	1.7	\$195.7	\$5.7
Winchester Hospital	C	Lahey Health System	6	12.7%	2.8%	9.9%	1.6	\$256.7	\$19.6
Brigham and Women's Faulkner Hospital	T	Partners HealthCare	6	9.0%	9.1%	-0.1%	1.6	\$106.6	\$11.3
Brigham and Women's Hospital	A	Partners HealthCare	6	3.5%	3.5%	0.0%	1.5	\$455.4	\$47.5
Cooley Dickinson Hospital	C	Partners HealthCare	6	4.5%	4.4%	0.1%	0.8	\$59.6	\$4.0
Martha's Vineyard Hospital	D	Partners HealthCare	6	-2.7%	-4.8%	2.1%	2.5	\$103.1	(\$1.0)
Massachusetts General Hospital	A	Partners HealthCare	6	4.9%	5.2%	-0.2%	1.9	\$2,292.4	\$89.3
Nantucket Cottage Hospital	C	Partners HealthCare	6	-8.3%	-18.3%	10.0%	1.2	\$66.1	(\$1.7)
Newton-Wellesley Hospital	C	Partners HealthCare	6	-0.7%	-0.3%	-0.4%	1.2	\$209.7	(\$1.5)
North Shore Medical Center	D	Partners HealthCare	6	-8.1%	-8.1%	0.0%	2.3	-\$8.8	(\$17.2)
Clinton Hospital	D	UMass Memorial HC	6	-6.0%	-7.0%	1.0%	2.3	\$16.3	(\$0.8)
HealthAlliance Hospital	D	UMass Memorial HC	6	3.5%	3.0%	0.5%	2.3	\$159.0	\$3.1
Marlborough Hospital	D	UMass Memorial HC	6	5.8%	4.7%	1.2%	1.5	\$34.7	\$2.5
UMass Memorial Medical Center^	A	UMass Memorial HC	6	1.8%	1.6%	0.1%	1.5	\$278.0	\$14.1
Lowell General Hospital	D	Wellforce	6	2.5%	2.3%	0.2%	1.7	\$161.8	\$5.5
Tufts Medical Center	A	Wellforce	6	-1.5%	-1.4%	0.0%	1.2	\$91.9	(\$5.3)
Anna Jaques Hospital	C	Individual	6	0.5%	0.7%	-0.2%	2.5	\$21.6	\$0.3
Boston Children's Hospital	S	Individual	6	0.0%	1.6%	-1.6%	9.1	\$3,215.5	(\$0.1)
Boston Medical Center^	A	Individual	6	0.9%	0.2%	0.7%	2.3	\$1,170.6	\$5.3
Dana-Farber Cancer Institute	S	Individual	6	4.0%	-3.7%	7.7%	1.1	\$1,365.1	\$26.6
Emerson Hospital	C	Individual	6	-0.7%	1.7%	-2.5%	2.2	\$40.7	(\$0.8)
Hallmark Health	C	Individual	6	2.6%	-2.0%	4.6%	4.0	\$168.9	\$3.5
Harrington Memorial Hospital	D	Individual	6	10.0%	6.9%	3.2%	3.4	\$64.4	\$6.9
Holyoke Medical Center	D	Individual	6	3.2%	2.9%	0.3%	1.5	-\$13.3	\$2.2
Lawrence General Hospital	D	Individual	6	5.6%	5.1%	0.6%	1.9	\$122.9	\$7.0
Massachusetts Eye and Ear Infirmary	S	Individual	6	-2.3%	-2.3%	0.1%	1.1	\$218.6	(\$2.7)
Milford Regional Medical Center	C	Individual	6	0.7%	-0.3%	1.0%	3.2	\$121.1	\$0.7
Signature Healthcare Brockton Hospital	D	Individual	6	6.4%	5.2%	1.2%	1.3	\$60.3	\$8.7
South Shore Hospital	C	Individual	6	6.2%	6.7%	-0.5%	2.1	\$248.3	\$17.6
Southcoast Hospitals Group	D	Individual	6	6.2%	5.4%	0.8%	1.7	\$505.5	\$25.1
Sturdy Memorial Hospital	D	Individual	6	12.2%	7.0%	5.3%	14.7	\$338.7	\$10.7
<b>These hospitals (2) have a 6/30/16 fiscal year end. This report contains 9 months of their data:</b>									
Cambridge Health Alliance^	T	Individual	9	-3.0%	-4.3%	1.3%	2.2	\$90.9	(\$12.7)
Mercy Medical Center	D	Individual	9	1.4%	1.7%	-0.3%	4.1	\$159.9	\$2.8

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.