

# Hospital Profile: CAMBRIDGE HEALTH ALLIANCE

Teaching Hospital  
Metro Boston Region

Cambridge Health Alliance, which includes Cambridge Hospital, Somerville Hospital, and Whidden Memorial Hospital campuses, is a municipal acute care teaching hospital. It is a mid-size hospital in Massachusetts, with 234 staffed beds. It is located in the Metro Boston region and represents 5% of all acute hospital staffed beds in the region. It is a teaching hospital for Harvard Medical School. Cambridge Health Alliance qualifies as a Disproportionate Share Hospital (DSH), as more than 63% of its gross patient service revenue is derived from government programs.

**PATIENTS** Forty-seven percent of all inpatient cases treated at Cambridge Health Alliance are from Somerville, Cambridge, and Everett.

**INPATIENT SERVICES** Compared with the other teaching hospitals, Cambridge Health Alliance treats a greater proportion of lower-severity cases. In FY12, it accounted for 4% of all inpatient discharges from acute hospitals within the Metro Boston region. Cambridge Health Alliance is a significant provider of behavioral health services in the region. Of note, based on its most common FY12 inpatient cases (DRGs), Cambridge Health Alliance treated 49% of all Adjustment Disorders & Neuroses except Depressive Diagnoses cases and 36% of all Depression except Major Depressive Disorder cases in Metro Boston.

**FINANCIAL PERFORMANCE** Cambridge Health Alliance's total revenue in FY12 was \$532 million. Its FY12 public payer mix was 74%, the highest among teaching hospitals. Cambridge Health Alliance's FY12 inpatient cost<sup>†</sup> per case mix adjusted discharge was \$12,872, approximately 27% higher than the average teaching hospital, and the second highest among all teaching hospitals. Cambridge Health Alliance's CY12 average commercial payer price level was at the 17<sup>th</sup> percentile, the lowest of all teaching hospitals. It had a loss of \$28.5 million (-5.4% total margin) in FY12, and experienced a loss each year from FY08 to FY12, with its largest loss in FY11.

## AT A GLANCE

**TOTAL STAFFED BEDS:** 234, mid-size acute hospital

**% OCCUPANCY:** 72%, < cohort avg. (74%)

**TOTAL REVENUE in FY12:** \$532 million

**PUBLIC PAYER MIX:** 74% (DSH\* Hospital)

**SPECIAL PUBLIC FUNDING:** DSTI<sup>†</sup>

**TAX STATUS:** Municipal

**TRAUMA CENTER DESIGNATION:** Not Applicable

**CY12 COMMERCIAL PAYER PRICE LEVEL:** 17th Percentile

**CASE MIX INDEX in FY12:** 0.79, lowest in cohort (avg. 1.01); < statewide (1.06)

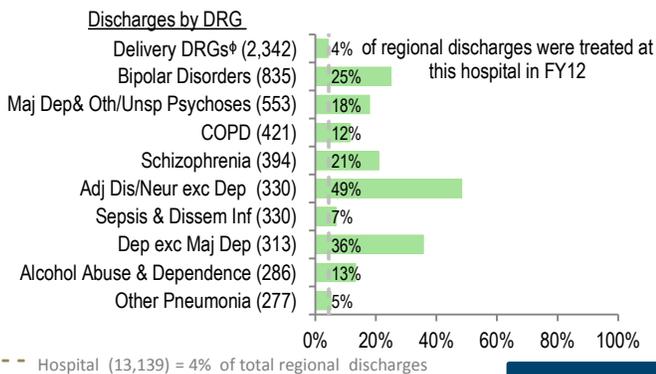
**INPATIENT:OUTPATIENT REVENUE in FY12:** 25%:75%

**TOTAL MARGIN in FY12:** -5.4% (-\$28.5 million)

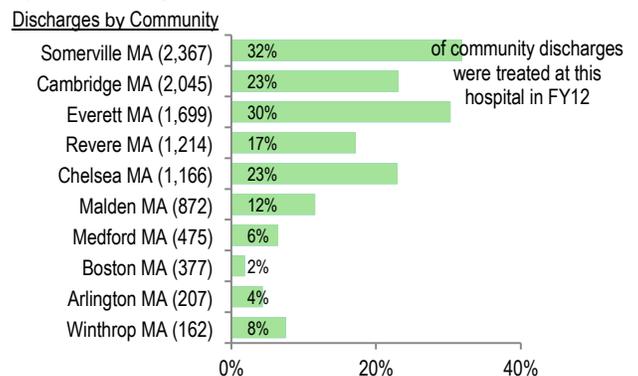
**CHANGE in OWNERSHIP (FY08-FY12):** Not Applicable

## SERVICES

What were the most common inpatient cases (DRGs) treated at the hospital? What proportion of the region's cases did this hospital treat for each service?

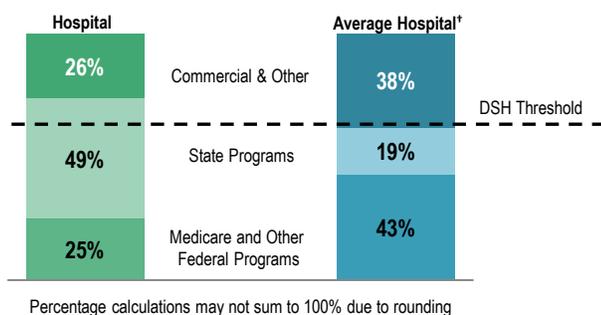


Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?

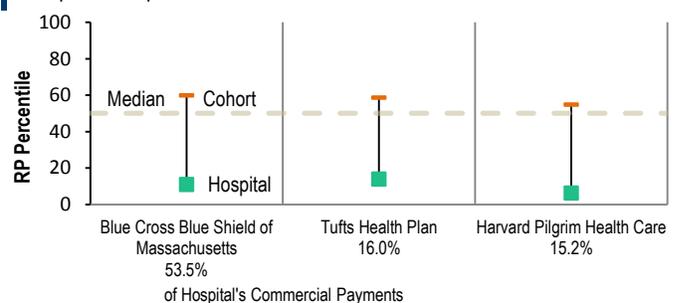


## PAYER MIX

What was the hospital's overall payer mix (gross charges) in FY12, and how does this hospital compare to the average acute hospital's payer mix?



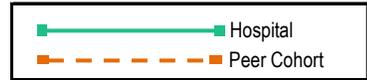
What were the hospital's CY12 payer-specific relative price levels for its top three commercial payers? How does this hospital compare to the average hospital in its peer cohort?



For descriptions of the metrics, please see Technical Appendix.

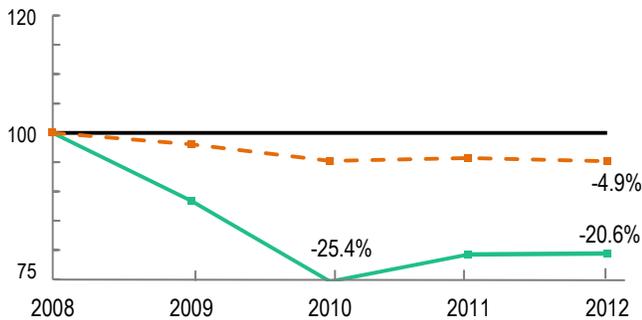
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Cohort: Teaching Hospital

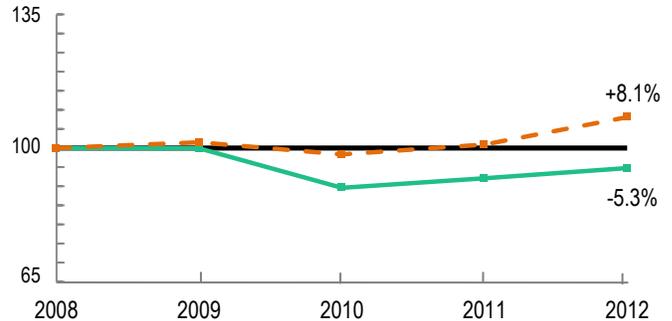


## UTILIZATION TRENDS

How has the volume of the hospital's inpatient discharges changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

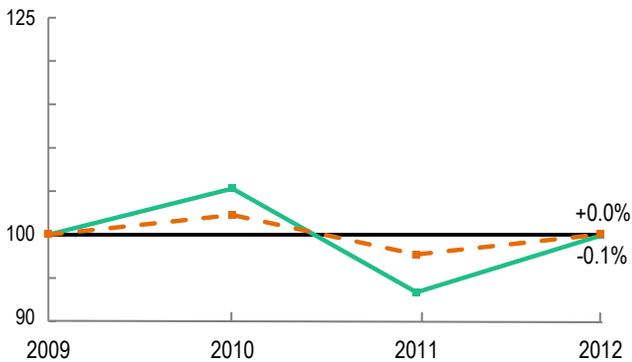


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

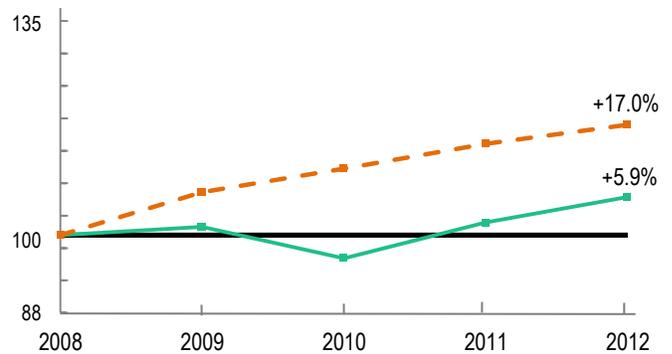


## COST TRENDS

How has the hospital's inpatient cost<sup>‡</sup> per case mix adjusted discharge changed compared to FY09, and how does this hospital compare to the average hospital in its peer cohort? (FY09=100)



How have the hospital's total outpatient costs changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

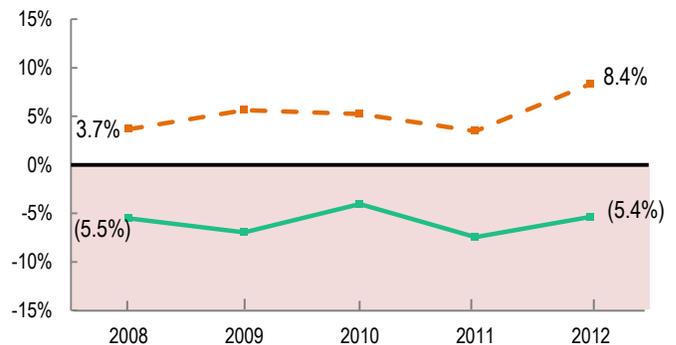


## FINANCIAL PERFORMANCE

How have the hospital's total revenue and costs changed between FY08 and FY12?

Revenue, Cost & Profit/Loss (in millions)					
FY	Total Revenue	% Change	Total Cost	% Change	Total Profit/Loss
2008	\$534		\$564		(\$29.4)
2009	\$531	(0.6%)	\$568	0.8%	(\$37.0)
2010	\$498	(6.2%)	\$518	(8.8%)	(\$20.1)
2011	\$496	(0.4%)	\$533	2.8%	(\$36.9)
2012	\$532	7.4%	\$561	5.3%	(\$28.5)

What was the hospital's total margin between FY08 and FY12, and how does this compare to the median of its peer cohort hospitals?



For descriptions of the metrics, please see Technical Appendix.

<sup>‡</sup> Costs were adjusted to exclude direct medical education costs and physician compensation.

\* Disproportionate Share Hospitals (DSH) receive a minimum of 63% of gross patient service revenue from public payers.

<sup>†</sup> For more information on Delivery System Transformation Initiative (DSTI) special funding, please contact the Massachusetts Executive Office of Health and Human Service (EOHHS).

<sup>‡</sup> Delivery DRG includes Cesarean and Vaginal Deliveries, and Neonate DRG.

<sup>†</sup> Average Hospital does not include Specialty hospitals.

For more information, please contact:

**CENTER FOR HEALTH INFORMATION AND ANALYSIS**  
Two Boylston Street, 5<sup>th</sup> Floor  
Boston, MA 02116

617.988.3100

[www.mass.gov/chia/hospitals](http://www.mass.gov/chia/hospitals)

