

# Hospital Profile: HALLMARK HEALTH

Community Hospital  
Metro Boston Region

Hallmark Health System (HHS), which includes Lawrence Memorial Hospital and Melrose-Wakefield Hospital campuses, is a non-profit, acute care community hospital system. HHS is located in the Metro Boston region. HHS has 216 staffed beds and is comparable in size to mid-size Massachusetts hospitals. It represents 4% of all acute hospital staffed beds in the Metro Boston region.

**PATIENTS** Forty-five percent of all inpatient cases treated at HHS are from Malden, Medford, and Melrose.

**INPATIENT SERVICES** Compared with the other community hospitals, HHS treats a greater proportion of mid-severity cases. In FY12, it accounted for 5% of all inpatient discharges from acute hospitals in the Metro Boston region. Of note, based on its most common FY12 inpatient cases (DRGs), it treated 28% of all Degenerative Nervous System Disorders Excluding Multiple Sclerosis cases in Metro Boston.

**FINANCIAL PERFORMANCE** HHS's total revenue in FY12 was \$296 million. Its FY12 public payer mix was 59%, higher than the average community hospital. HHS's FY12 inpatient cost<sup>†</sup> per case mix adjusted discharge was \$9,444, 8% lower than the average community hospital. HHS's CY12 average commercial payer price level was at the 46<sup>th</sup> percentile, lower than the average community hospital. It earned a surplus each year from FY08 to FY12, with a surplus of \$22.6 million (7.6% total margin) in FY12, its highest in the five year period.

## AT A GLANCE

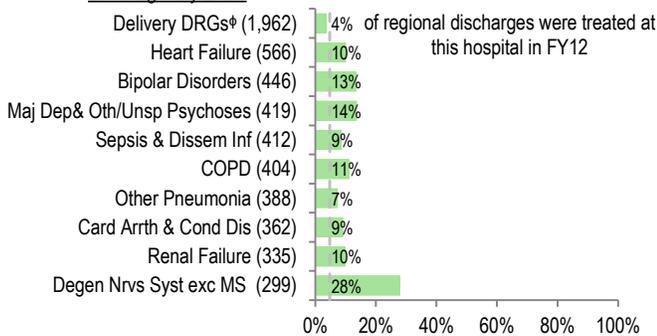
**TOTAL STAFFED BEDS:** 216, mid-size acute hospital  
**% OCCUPANCY:** 87%, 2nd highest in cohort (avg. 62%)  
**TOTAL REVENUE in FY12:** \$296 million  
**PUBLIC PAYER MIX:** 59% (Non-DSH\* Hospital)  
**SPECIAL PUBLIC FUNDING:** CHART<sup>†</sup>  
**TAX STATUS:** Non-profit

**TRAUMA CENTER DESIGNATION:** Not Applicable  
**CY12 COMMERCIAL PAYER PRICE LEVEL:** 46th Percentile  
**CASE MIX INDEX in FY12:** 0.88, > cohort avg. (0.81); < statewide (1.06)  
**INPATIENT:OUTPATIENT REVENUE in FY12:** 30%:70%  
**TOTAL MARGIN in FY12:** 7.6% (\$22.6 million)  
**CHANGE in OWNERSHIP (FY08-FY12):** Not Applicable

## SERVICES

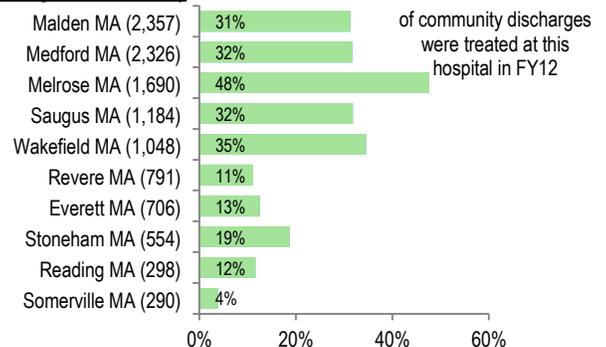
What were the most common inpatient cases (DRGs) treated at the hospital?  
 What proportion of the region's cases did this hospital treat for each service?

Discharges by DRG



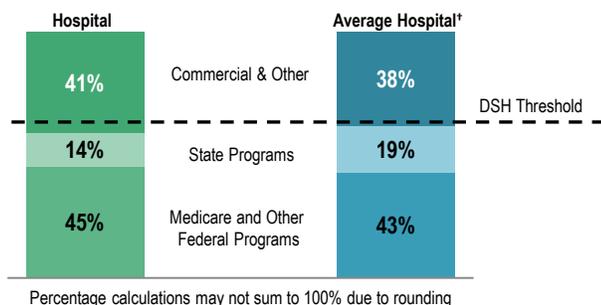
Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?

Discharges by Community

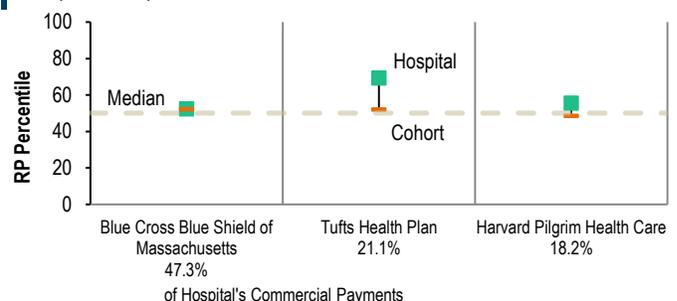


## PAYER MIX

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?

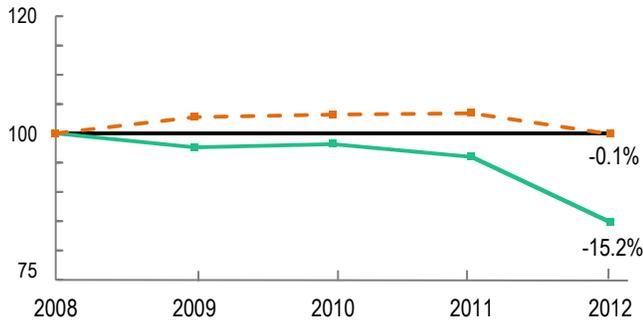


For descriptions of the metrics, please see Technical Appendix.

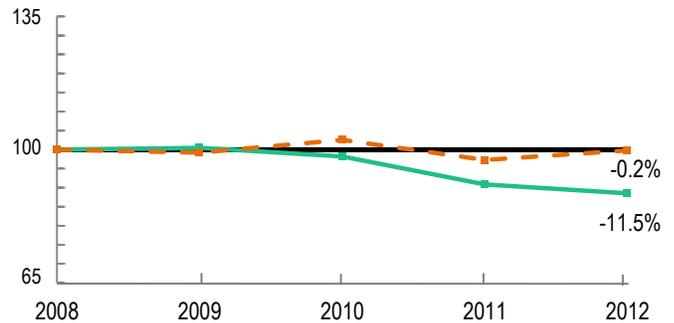


**UTILIZATION TRENDS**

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)

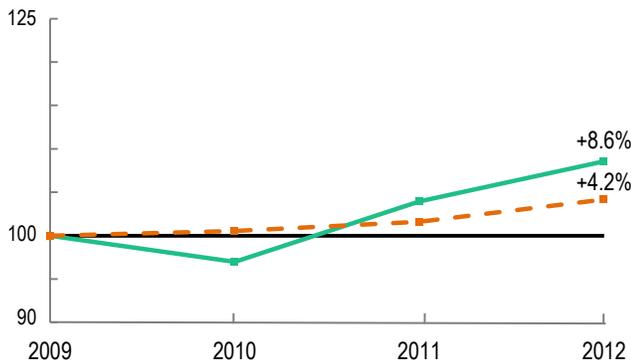


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

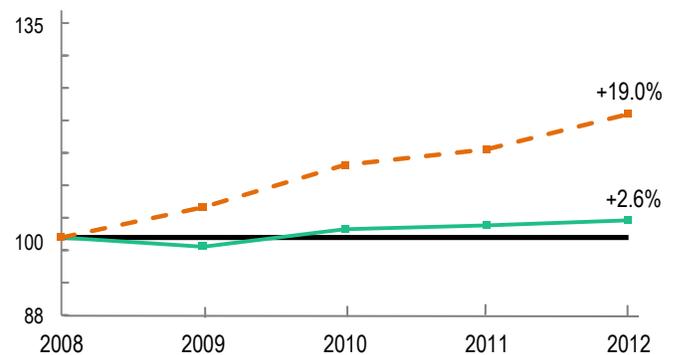


**COST TRENDS**

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)

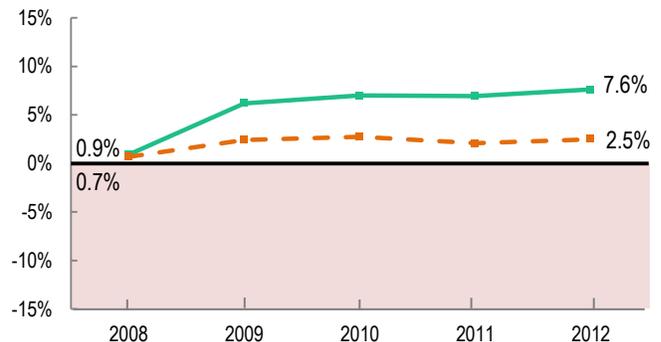


**FINANCIAL PERFORMANCE**

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	\$271		\$268		\$2.5
2009	\$277	2.3%	\$260	(3.2%)	\$17.2
2010	\$283	2.1%	\$263	1.2%	\$19.8
2011	\$289	2.4%	\$269	2.5%	\$20.1
2012	\$296	2.4%	\$274	1.7%	\$22.6

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 Community Hospital Acceleration, Revitalization and Transformation (CHART) special funding, please contact the Health Policy Commission (HPC).

<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:

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