

Hospital Profile: HEYWOOD HOSPITAL

Community, Disproportionate Share Hospital
Central Massachusetts Region

Heywood Hospital is a non-profit, acute care community hospital. It is a mid-size hospital in Massachusetts, with 142 staffed beds. Heywood Hospital is located in the Central Massachusetts region and represents 10% of all acute hospital staffed beds in the region. It affiliated with Athol Hospital to form Heywood Healthcare system in FY13. Heywood Hospital qualifies as a Disproportionate Share Hospital (DSH), as 63% of its gross patient service revenue is derived from government programs.

PATIENTS Fifty-three percent of all inpatient cases treated at Heywood Hospital are from Gardner, Winchendon, and Athol.

INPATIENT SERVICES Compared with the other community-DSH hospitals, Heywood Hospital treats a greater proportion of mid-severity cases. In FY12, it accounted for 7% of all inpatient discharges from acute hospitals within the Central Massachusetts region. Of note, based on its most common FY12 inpatient cases (DRGs), Heywood Hospital treated 37% of all Organic Mental Health Disturbance cases and 25% of all Schizophrenia cases in Central Massachusetts.

FINANCIAL PERFORMANCE Heywood Hospital's total revenue in FY12 was \$103 million. Its FY12 public payer mix was 63%, the lowest of all community-DSH hospitals. Heywood Hospital's FY12 inpatient cost per case mix adjusted discharge was \$7,684, approximately 19% lower than the average community-DSH hospital. Heywood Hospital's CY12 average commercial payer price level was at the 22nd percentile, lower than the average community-DSH hospital. It earned a surplus of approximately \$4.0 million (3.9% total margin) in FY12, and it earned a surplus each year except FY11 in the FY08 to FY12 period.

AT A GLANCE

TOTAL STAFFED BEDS: 142, mid-size acute hospital

% OCCUPANCY: 61%, = cohort avg. (61%)

TOTAL REVENUE in FY12: \$103 million

PUBLIC PAYER MIX: 63% (DSH* Hospital)

SPECIAL PUBLIC FUNDING: CHART^A, ICB^B

TAX STATUS: Non-profit

TRAUMA CENTER DESIGNATION: Not Applicable

CY12 COMMERCIAL PAYER PRICE LEVEL: 22nd Percentile

CASE MIX INDEX in FY12: 0.88, < cohort avg. (0.89); < statewide (1.06)

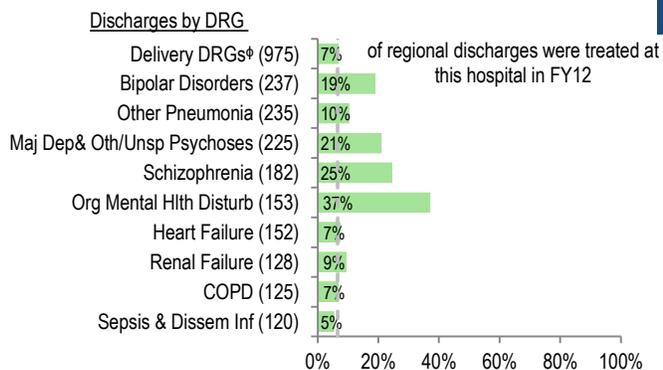
INPATIENT:OUTPATIENT REVENUE in FY12: 28%:72%

TOTAL MARGIN in FY12: 3.9% (\$4.0 million)

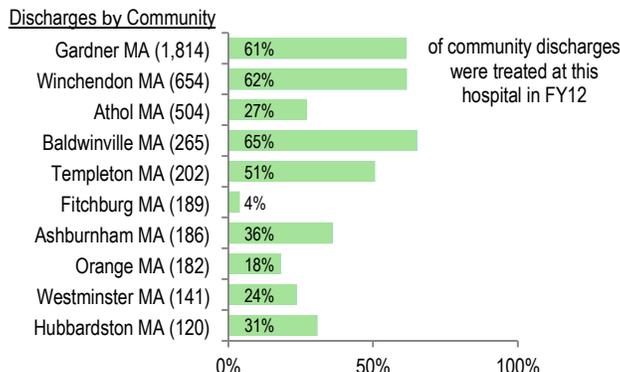
CHANGE in OWNERSHIP (FY08-FY12): Not Applicable

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?

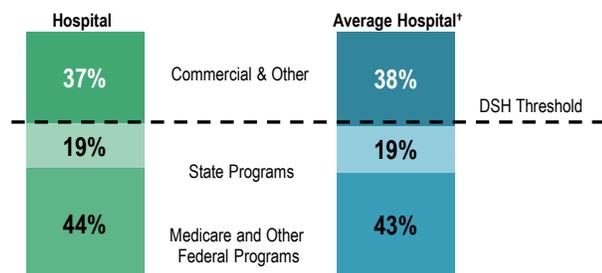


Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?



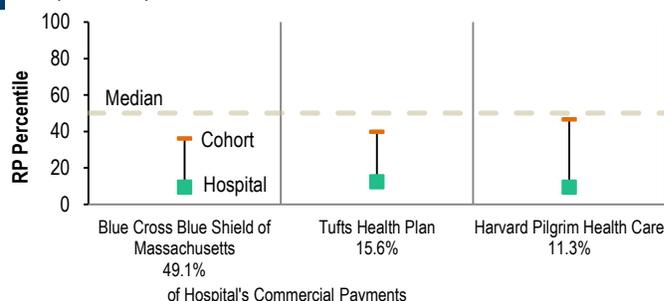
PAYER MIX

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?



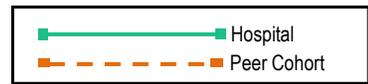
Percentage calculations may not sum to 100% due to rounding

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?



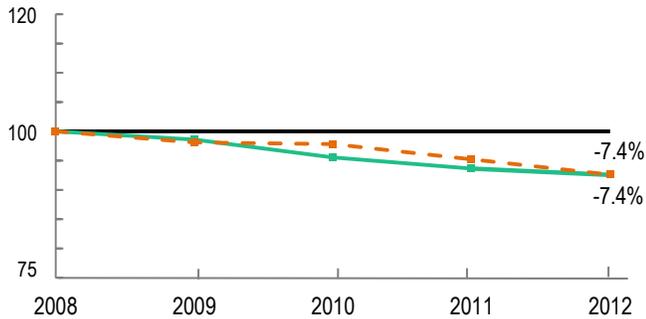
of Hospital's Commercial Payments

For descriptions of the metrics, please see Technical Appendix.

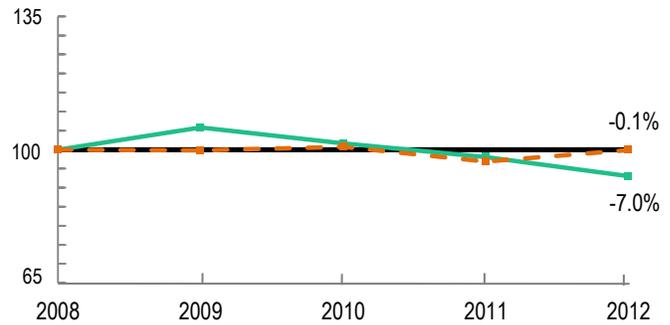


UTILIZATION TRENDS

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)

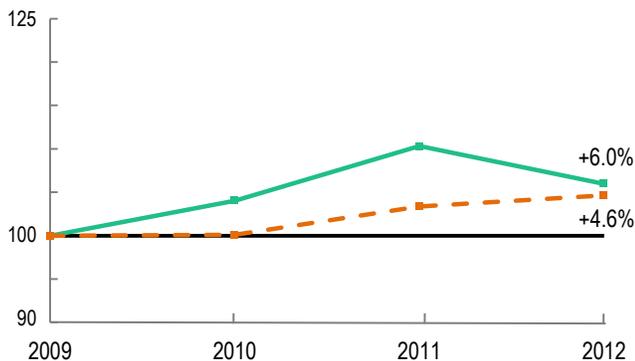


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

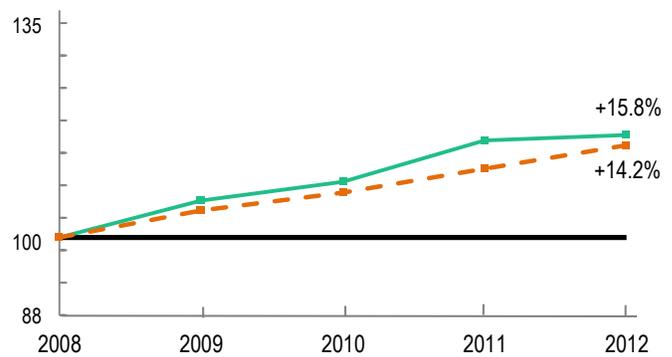


COST TRENDS

How has the hospital's inpatient cost[‡] 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)

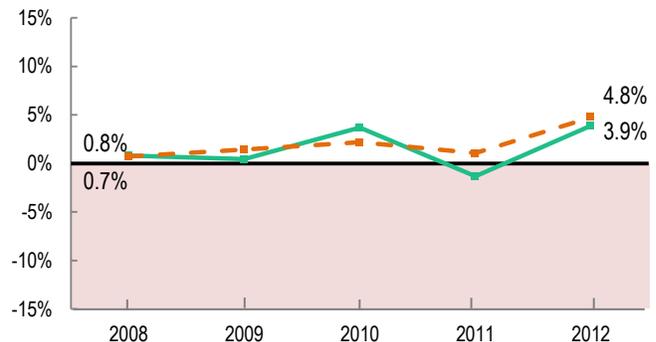


FINANCIAL PERFORMANCE

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	\$89		\$88		\$0.7
2009	\$91	2.2%	\$90	2.5%	\$0.4
2010	\$96	5.7%	\$92	2.3%	\$3.6
2011	\$97	1.5%	\$99	6.8%	(\$1.3)
2012	\$103	5.3%	\$99	(0.1%)	\$4.0

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.

[‡] 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.
[†] Delivery DRG includes Cesarean and Vaginal Deliveries, and Neonate DRG.
[^] For more information on Community Hospital Acceleration, Revitalization and Transformation (CHART) special funding, please contact the Health Policy Commission (HPC).
[§] For more information on Infrastructure and Capacity Building (ICB) special funding, please contact the Massachusetts Executive Office of Health and Human Services (EOHHS).
[†] Average Hospital does not include Specialty hospitals.

For more information, please contact:

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