

Lahey Clinic is a non-profit, acute care teaching hospital. It is among the larger hospitals in Massachusetts, with 341 staffed beds. It is located in the West Merrimack/Middlesex region and represents 31% of all acute hospital staffed beds in the region. It is a member of the Lahey Health system and a teaching hospital for Tufts University School of Medicine.

PATIENTS One out of every four inpatient cases treated at Lahey Clinic are from Burlington, Billerica, Woburn, Peabody, and Lexington.

INPATIENT SERVICES Compared with the other teaching hospitals, Lahey Clinic treats a greater proportion of higher-severity cases. In FY12, it accounted for 31% of all inpatient discharges from acute hospitals within the West Merrimack/Middlesex region. Of note, based on its most common FY12 inpatient cases (DRGs), Lahey Clinic treated 54% of Major Small and Large Bowel Procedure cases and 42% of all Hip Joint Replacement cases in the West Merrimack/Middlesex region.

FINANCIAL PERFORMANCE Lahey Clinic's total revenue in FY12 was \$817 million. Its FY12 public payer mix was 56%, lower than the average teaching hospital. Lahey Clinic's FY12 inpatient cost[†] per case mix adjusted discharge was \$8,423, approximately 17% lower than the average teaching hospital. Lahey Clinic's CY12 average commercial payer price level was at the 61st percentile, higher than the average teaching hospital. It earned a surplus of \$68.3 million (8.4% total margin) in FY12, and it earned a surplus each year from FY08 to FY12.

AT A GLANCE

TOTAL STAFFED BEDS: 341, among the larger acute hospitals

% OCCUPANCY: 81%, > cohort avg. (74%)

TOTAL REVENUE in FY12: \$817 million

PUBLIC PAYER MIX: 57% (Non-DSH* Hospital)

SPECIAL PUBLIC FUNDING: Not Applicable

TAX STATUS: Non-profit

TRAUMA CENTER DESIGNATION: Adult: Level 2

CY12 COMMERCIAL PAYER PRICE LEVEL: 61st Percentile

CASE MIX INDEX in FY12: 1.47, highest in cohort (avg. 1.01); > statewide (1.06)

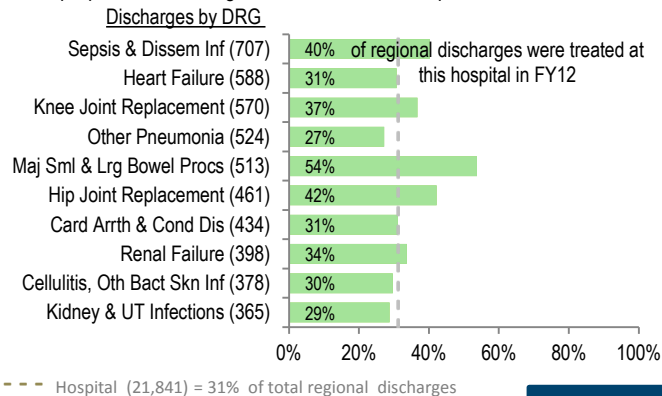
INPATIENT:OUTPATIENT REVENUE in FY12: 33%:67%

TOTAL MARGIN in FY12: 8.4% (\$68.3 million)

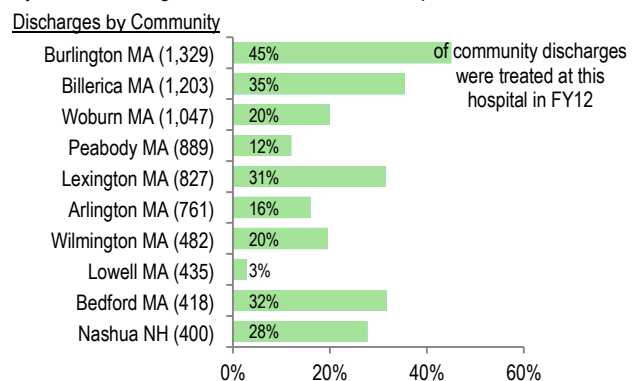
CHANGE in OWNERSHIP (FY08-FY12): Lahey Health System - 2012

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?

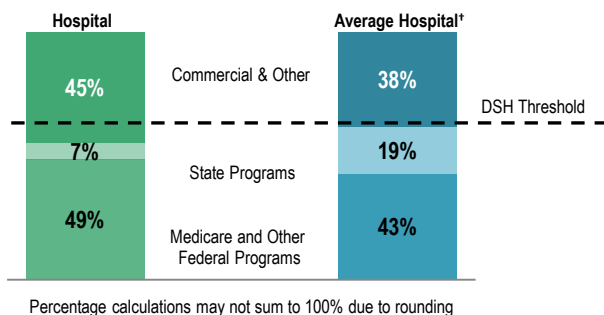


Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?

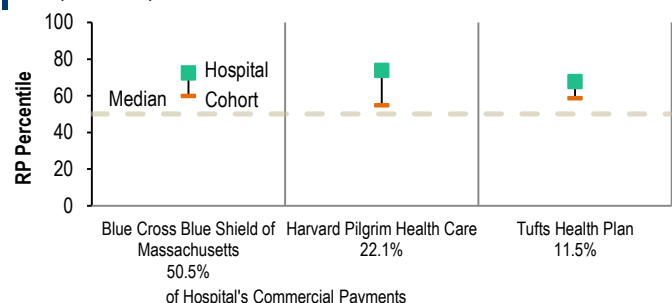


PAYER MIX

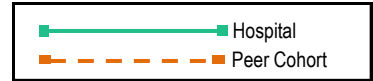
What was the hospital's overall payer mix (gross charges) in FY12, and how does this hospital compare to the average acute hospital's payer mix?



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?

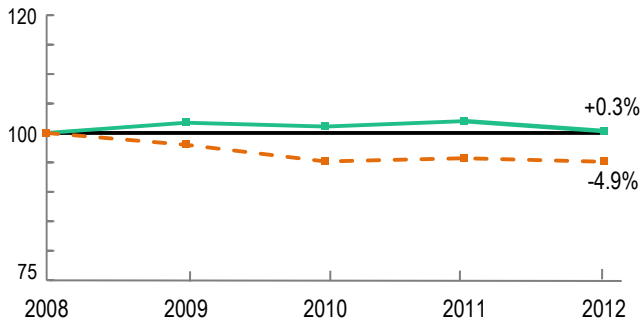


For descriptions of the metrics, please see Technical Appendix.

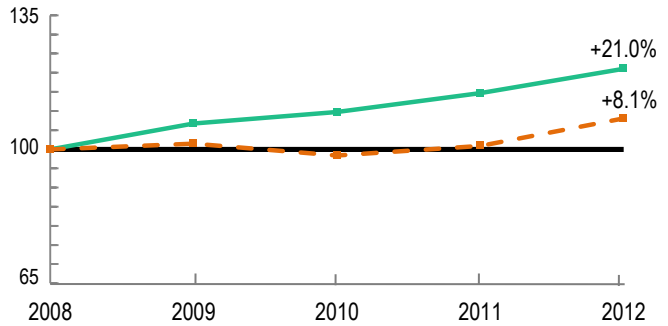


UTILIZATION TRENDS

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)

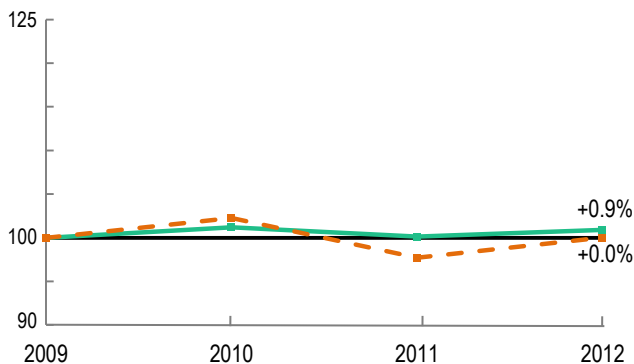


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

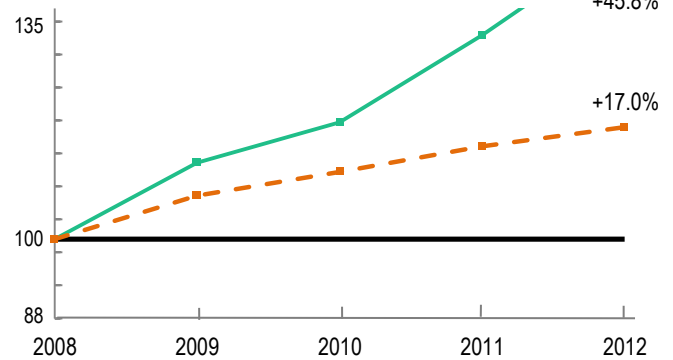


COST TRENDS

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)

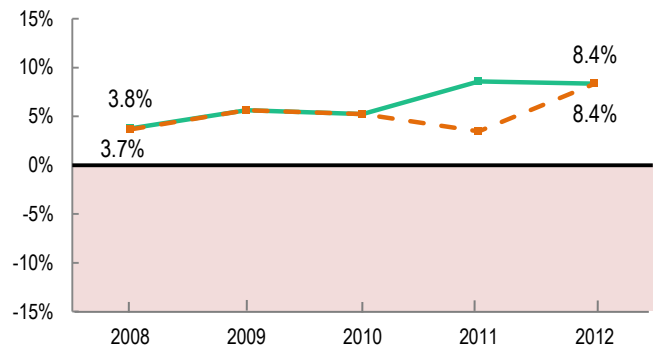


FINANCIAL PERFORMANCE

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	\$800		\$770		\$30.1
2009	\$876	9.5%	\$827	7.4%	\$49.3
2010	\$913	4.2%	\$865	4.6%	\$47.9
2011	\$760	(16.8%)	\$695	(19.7%)	\$65.1
2012	\$817	7.5%	\$748	7.7%	\$68.3

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.

[†] Average Hospital does not include Specialty hospitals.

For more information, please contact:

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