

Hospital Profile: NORTH ADAMS REGIONAL HOSPITAL

Community, Disproportionate Share Hospital
Berkshires Region

In FY12, North Adams Regional Hospital (North Adams) was a non-profit, acute care community hospital located in the Berkshires region. On March 25th, 2014 North Adams announced a closure of the hospital and related healthcare businesses effective March 28th, 2014. It was a mid-size hospital in Massachusetts, with 117 staffed beds, and represented 34% of all acute hospital staffed beds in the region. North Adams qualified as a Disproportionate Share Hospital (DSH), as more than 63% of its gross patient service revenue was derived from government programs.

PATIENTS Half of all inpatient cases treated at North Adams Regional Hospital in FY12 were from North Adams.

INPATIENT SERVICES In FY12, North Adams accounted for 16% of all inpatient discharges from acute hospitals within the Berkshires region. Of note, based on its most common FY12 inpatient cases (DRGs), North Adams treated 59% of all Adjustment Disorders & Neuroses except Depressive Diagnoses cases and 42% of all Septicemia & Disseminated Infection cases in the Berkshires region.

FINANCIAL PERFORMANCE North Adams' total revenue in FY12 was \$64 million. Its FY12 public payer mix was 65%, lower than the average community-DSH hospital. North Adams' FY12 inpatient cost⁺ per case mix adjusted discharge was \$8,710, approximately 8% lower than the average community-DSH hospital. North Adams Regional's CY12 average commercial payer price level was at the 65th percentile, higher than the average community-DSH hospital. It earned a surplus of \$5.1 million (8.0% total margin) in FY12, the highest in the five year period of FY08 to FY12. FY08 was the only other year in which the hospital earned a surplus during this period.

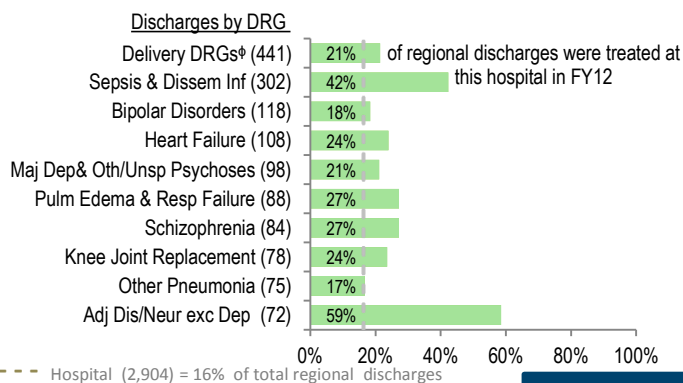
AT A GLANCE

TOTAL STAFFED BEDS: 117, mid-size acute hospital
% OCCUPANCY: 24%, 2nd lowest in cohort (avg. 61%)
TOTAL REVENUE in FY12: \$64 million
PUBLIC PAYER MIX: 65% (DSH* Hospital)
SPECIAL PUBLIC FUNDING: CHART[^], ICB^o
TAX STATUS: Non-profit

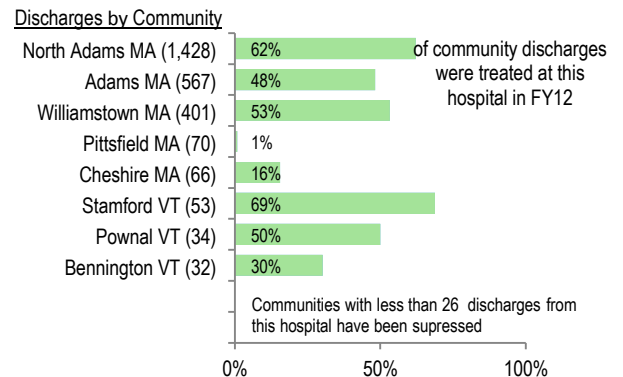
TRAUMA CENTER DESIGNATION: Not Applicable
CY12 COMMERCIAL PAYER PRICE LEVEL: 65th Percentile
CASE MIX INDEX in FY12: 0.91, > cohort avg. (0.89); < statewide (1.06)
INPATIENT:OUTPATIENT REVENUE in FY12: 30%:70%
TOTAL MARGIN in FY12: 8.0% (\$5.1 million)
CHANGE in OWNERSHIP (FY08-FY12): Not Applicable

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?

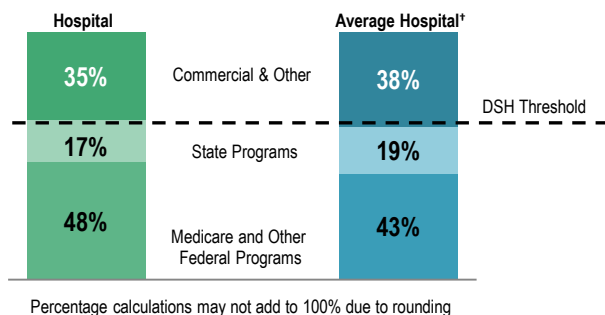


Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?

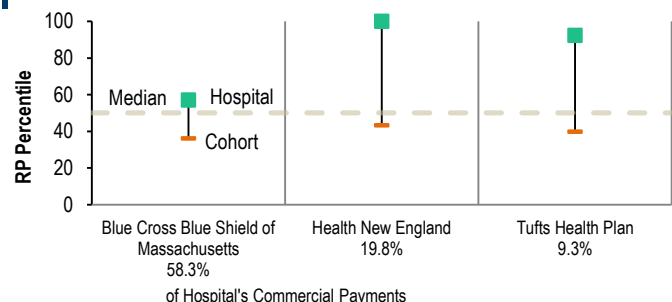


PAYER MIX

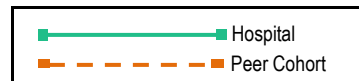
What was the hospital's overall payer mix (gross charges) in FY12, and how does this hospital compare to the average acute hospital's payer mix?



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?

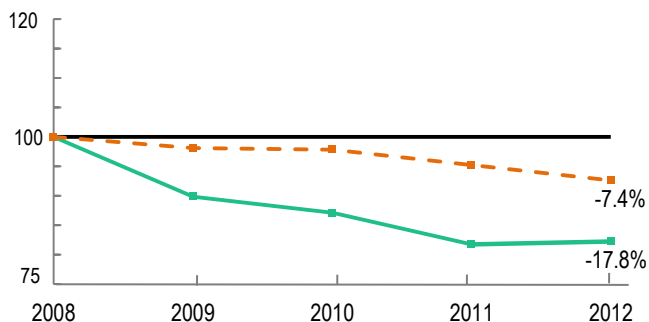


For descriptions of the metrics, please see Technical Appendix.

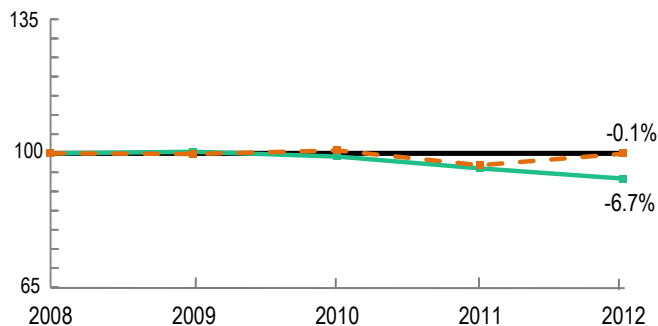


UTILIZATION TRENDS

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)

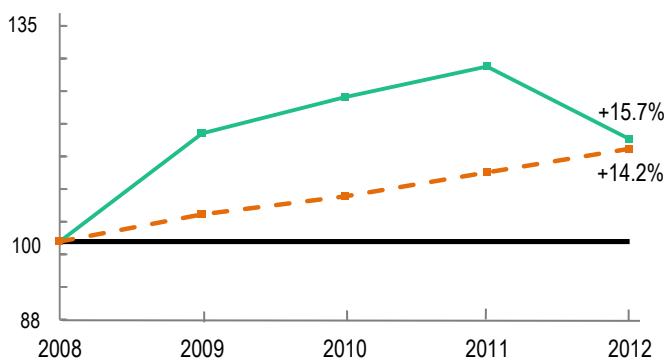


COST TRENDS

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)

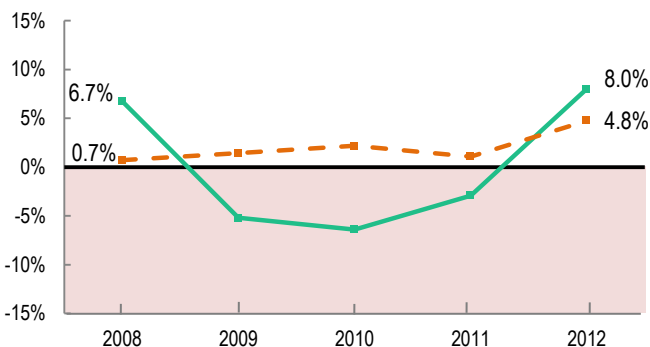


FINANCIAL PERFORMANCE

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	\$64		\$60		\$4.3
2009	\$59	(7.8%)	\$62	4.1%	(\$3.1)
2010	\$62	4.4%	\$66	5.6%	(\$4.0)
2011	\$62	(0.4%)	\$63	(3.7%)	(\$1.8)
2012	\$64	3.1%	\$58	(7.9%)	\$5.1

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.
^{*} Delivery DRG includes Cesarean and Vaginal Deliveries, and Neonate DRG.
[†] Average Hospital does not include Specialty hospitals.
^{*} Disproportionate Share Hospitals (DSH) receive a minimum of 63% of gross patient service revenue from public payers.
[^] For more information on Community Hospital Acceleration, Revitalization and Transformation (CHART) special funding, please contact the Health Policy Commission (HPC).
⁹ For more information on Infrastructure and Capacity Building (ICB) special funding, please contact the Massachusetts Executive Office of Health and Human Services (EOHHS).

For more information, please contact:

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