

# Hospital Profile: NORTHEAST HOSPITAL

Northeast Hospital, which includes the Beverly Hospital and Addison Gilbert Hospital campuses, is a non-profit, acute care community hospital. It is the tenth largest hospital in Massachusetts, with 404 staffed beds. Northeast Hospital is located in the Lower North Shore region and represents 48% of all acute hospital staffed beds in the region. It was a member hospital of Northeast Health System, which became Lahey Health in May 2012.

**PATIENTS** Half of all inpatient cases treated at Northeast Hospital are from Beverly, Gloucester, Danvers, and Peabody.

**INPATIENT SERVICES** Compared with the other community hospitals, Northeast Hospital treats a greater proportion of mid and higher-severity cases. In FY12, it accounted for 51% of all inpatient discharges from acute hospitals within the Lower North Shore region. Of note, based on its most common FY12 inpatient cases (DRGs), it treated 76% of all Schizophrenia cases and 72% of all Bipolar Disorder cases in the Lower North Shore region.

**FINANCIAL PERFORMANCE** Northeast Hospital's total revenue in FY12 was \$333 million. Its FY12 public payer mix was 56%, slightly higher than the average community hospital. Northeast Hospital's FY12 inpatient cost<sup>†</sup> per case mix adjusted discharge was \$9,325, approximately 9% lower than the average community hospital. Northeast Hospital's CY12 average commercial payer price level was at the 42<sup>nd</sup> percentile, lower than the average community hospital. It earned a surplus of \$12.6 million (3.8% total margin) in FY12, its highest between FY08 and FY12. It earned a surplus each year in this period except for FY08.

## AT A GLANCE

**TOTAL STAFFED BEDS:** 404, 10th largest acute hospital

**% OCCUPANCY:** 63%, > cohort avg. (62%)

**TOTAL REVENUE in FY12:** \$333 million

**PUBLIC PAYER MIX:** 56% (Non-DSH\* Hospital)

**SPECIAL PUBLIC FUNDING:** CHART<sup>^</sup>, ICB<sup>g</sup>

**TAX STATUS:** Non-profit

**TRAUMA CENTER DESIGNATION:** Adult: Level 3

**CY12 COMMERCIAL PAYER PRICE LEVEL:** 42<sup>nd</sup> Percentile

**CASE MIX INDEX in FY12:** 0.82, > cohort avg. (0.81); < statewide (1.06)

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

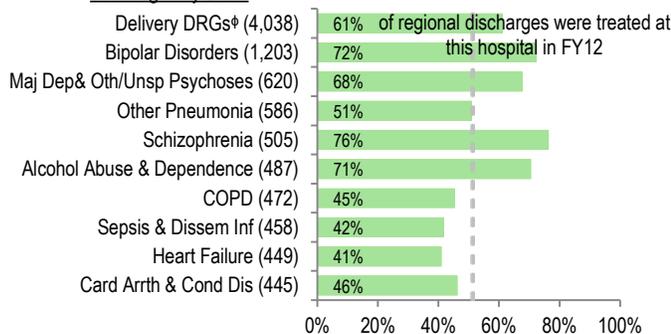
**TOTAL MARGIN in FY12:** 3.8% (\$12.6 million)

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

## SERVICES

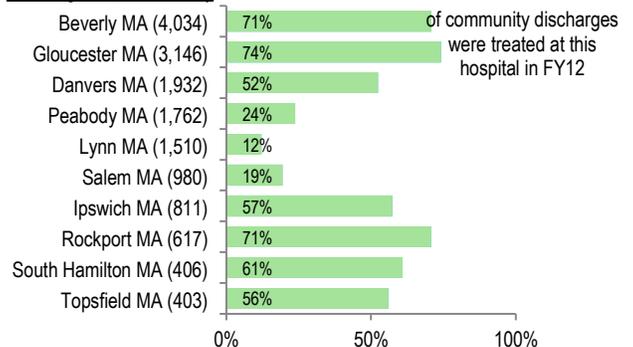
What were the most common inpatient cases (DRGs) treated at the hospital? What proportion of the region's cases did this hospital treat for each service?

Discharges by DRG



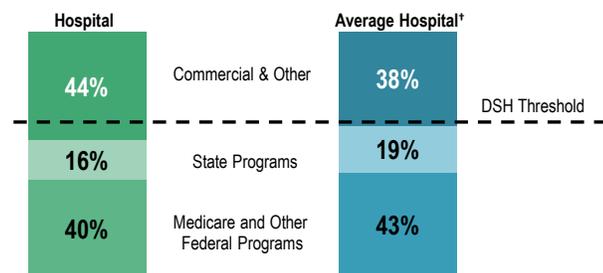
Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?

Discharges by Community



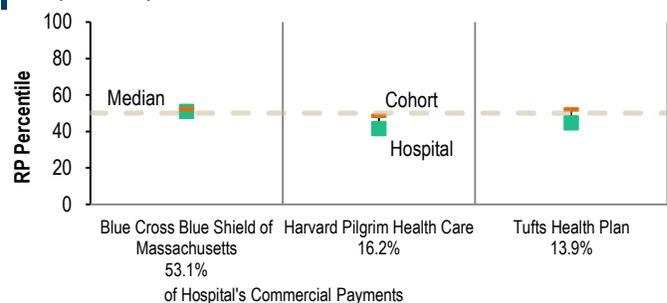
## PAYER MIX

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?



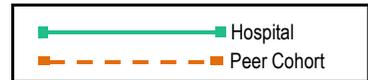
Percentage calculations may not add to 100% due to rounding

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?



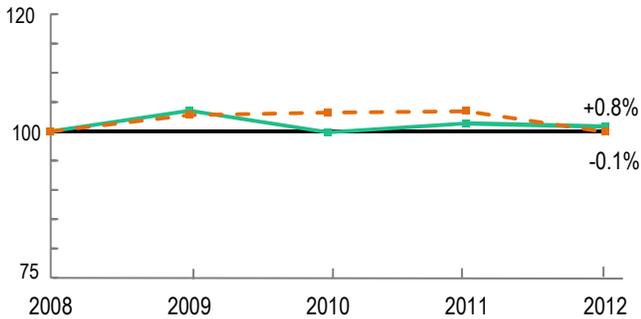
of Hospital's Commercial Payments

For descriptions of the metrics, please see Technical Appendix.

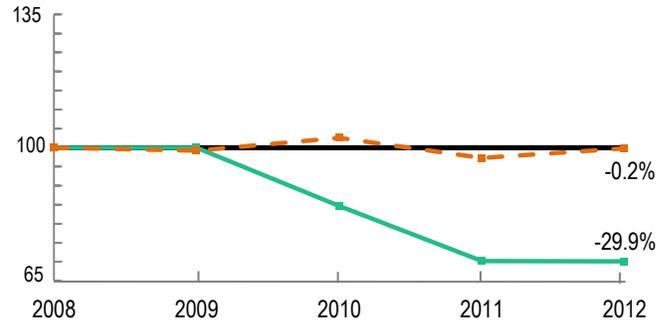


**UTILIZATION TRENDS**

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)

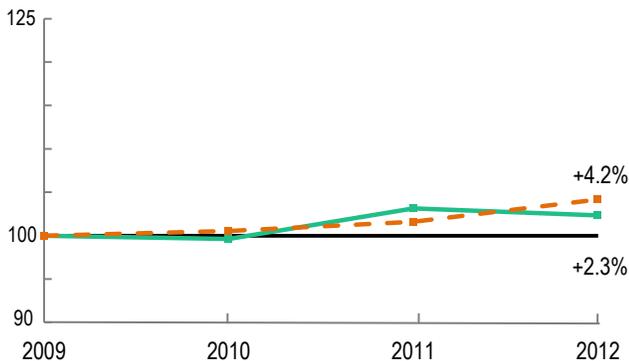


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

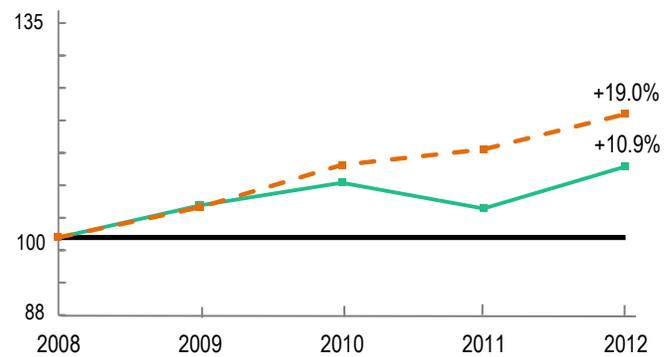


**COST TRENDS**

How has the hospital's inpatient cost<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)

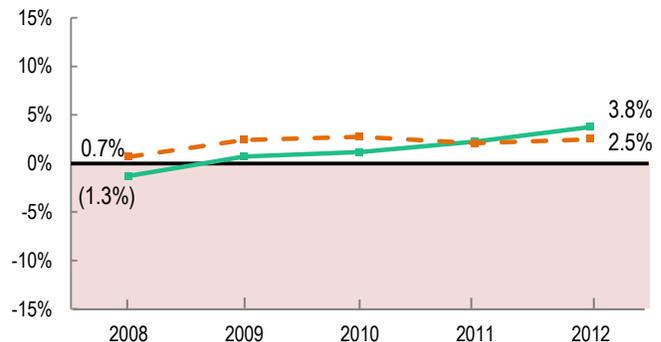


**FINANCIAL PERFORMANCE**

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	\$296		\$300		(\$3.8)
2009	\$319	7.8%	\$317	5.7%	\$2.3
2010	\$319	0.2%	\$316	(0.3%)	\$3.7
2011	\$318	(0.4%)	\$311	(1.5%)	\$7.1
2012	\$333	4.6%	\$320	2.9%	\$12.6

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.  
<sup>\*</sup> 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> For more information on Infrastructure and Capacity Building (ICB) special funding, please contact the Massachusetts Executive Office of Health and Human Services (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:

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