

EXECUTIVE SUMMARY:

FY 2017 MASSACHUSETTS HOSPITAL PROFILES

Introduction

The FY 2017 Massachusetts Hospital Profiles provide descriptive and comparative information on acute and non-acute hospitals based on hospital characteristics, services, payer mix, utilization trends, cost trends, financial performance, and quality over a five year period.

The FY 2017 publication includes an individual profile for each acute hospital, a consolidated profile for each non-acute hospital cohort, and a comprehensive databook. Additionally, and new this year, is an [interactive dashboard](#) for all acute hospitals. The interactive dashboard allows users to select data views by individual hospital, hospital type, and hospital health system. This executive summary focuses on statewide findings. Aggregate and provider-specific results can be found in individual hospital profiles and the interactive dashboard on CHIA's website.*

* The Executive Summary includes thumbnails of the charts referenced throughout, which link to the full version of the chart in the interactive report for easier viewing.

Overview

In FY 2017, there were 62 acute care hospitals in Massachusetts.¹ Of these 62 hospitals, ten were for-profit hospitals, all of which were part of a multi-acute hospital system. There were 52 non-profit hospitals in Massachusetts, 36 of which are components of a larger multi-acute system, and 16 of which are components of an individual hospital system (see interactive chart A).

Hospitals are categorized into five types—Academic Medical Centers (AMCs), teaching hospitals, community hospitals, community-High Public Payer (HPP) hospitals, and specialty hospitals. For analytical purposes, AMCs, teaching hospitals, community hospitals, community-HPP hospitals are also considered cohorts of similar hospitals. Specialty hospitals are not considered a cohort, due to their unique patient populations and services. For FY 2017, there were six AMCs, seven teaching hospitals, 14 community hospitals, and 29 community-HPP hospitals, and six specialty hospitals.

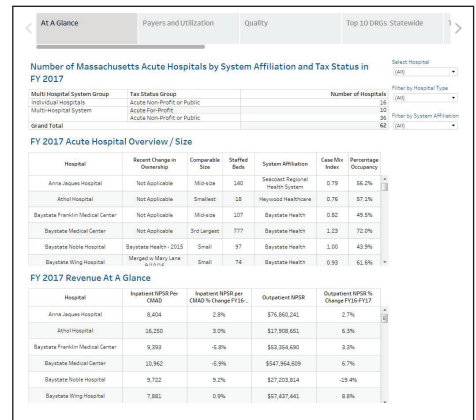
Hospital Utilization

Between FY 2013 and FY 2017, statewide hospital inpatient discharges increased by 0.3%. Teaching hospitals had the largest increase in inpatient discharges at a 4.0% increase. The community-HPP cohort is the only cohort that experienced a decrease in inpatient discharges, with a 2.3% decrease in discharges (see interactive chart B).

Inpatient hospitalizations are frequently categorized into Diagnosis Related Groups (DRGs) which quantify the predicted resources required to provide care to patients with different medical conditions. The most frequently occurring DRG in Massachusetts is normal neonate births which is consistent with previous years. The community-HPP hospital cohort treated the greatest share of the top ten discharges among hospital cohorts. CHIA also examined the distribution of discharges by grouping all DRGs into five severity quintiles. The first quintile represented the least severe discharges and the fifth quintile represented the most complex discharges. AMCs and teaching hospitals combined treated 38% of the least severe cases in 2017, while 60% of cases at this level of care were provided in community hospital settings (community and community-HPP hospitals). Conversely, AMCs and teaching hospitals provided care to 71% of the most severe cases, while 19% of these cases received care in community hospitals. Specialty hospitals provided care to 10% of the most severe cases.

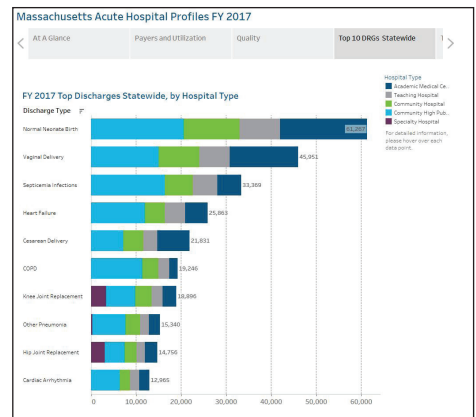
Statewide outpatient visits increased by 2.1% between FY 2013 and FY 2017. The AMC cohort experienced the greatest increase in outpatient visits at 4.7% during this time period. Teaching hospitals experienced a decrease of 2.2% in outpatient visits between FY 2013 and FY 2017. Teaching hospitals were the only cohort to experience a decrease in outpatient visits.

A At a Glance



Click images to see the detailed graphic and the full interactive report.

B Top 10 Discharges Statewide



Click images to see the detailed graphic and the full interactive report.

Hospital Commercial Price

Relative price is a calculated measure that compares different provider prices within a payer’s network for a standard mix of insurance products to the average of all providers’ prices in the network. Statewide relative price (S-RP) is a consolidated cross payer measure of commercial payer relative price levels. Based on this S-RP analysis, AMCs had the highest average commercial relative price at 1.17 (see interactive chart C). Conversely, the community-HPP cohort had the lowest average commercial relative price at 0.93. Community hospitals had the highest variation in S-RP within a cohort, although much of the variation was driven by high relative prices at a small number of geographically isolated hospitals.²

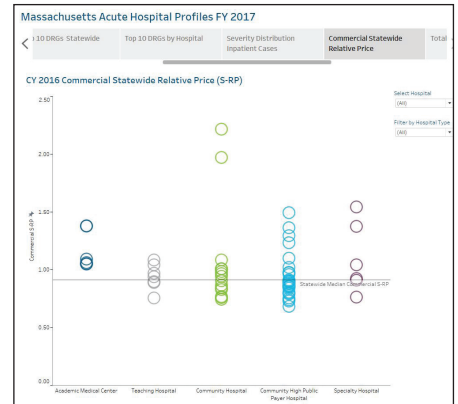
Hospital Financial Performance

Total margin reflects the excess of total revenues over total expenses, including operating and non-operating activities, such as investment income, as a percentage of total revenue. The acute hospital statewide median total margin was 3.2%, an increase of 0.1 percentage points between 2016 and 2017 (see interactive chart D). In the same time period, the Academic Medical Center, community-HPP, and teaching hospital cohorts experienced a decrease in total margin, while the community hospital cohort remained the level. The teaching hospital cohort median total margin of 2.0% experienced the largest total margin decrease at 3.7 percentage points.

Operating margin reflects the excess of operating revenues over operating expenses. The statewide acute hospital median operating margin of 1.6% represented a decrease of 1.2 percentage points from the prior year. All hospital cohorts saw a decrease in operating margin. The community hospital cohort saw the most significant decrease in median operating margin, by 2.1 percentage points.

The financial performance of hospital health systems is important to understanding the greater context in which hospitals operate. For more information about the financial performance of hospital health systems, please see the FY 2017 Massachusetts Acute Hospital and Health System Financial Performance Report [here](#).

C Commercial Statewide Relative Price



Click images to see the detailed graphic and the full interactive report.

D Financial Data



Click images to see the detailed graphic and the full interactive report.

Endnotes

- 1 This reflects several key changes in the industry. In FY 2016, Baystate Mary Lane and Baystate Wing hospitals merged.
- 2 Data presented in this publication is representative of calendar year (CY) 2016 and only for the commercial insurance market. For more detailed information, please see the [2016 Relative Price](#) report.

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