

Massachusetts Acute Hospital Financial Performance Fiscal Year Data through December 31, 2016



March 2017

About this Report

This report provides an update on the profitability, liquidity, and solvency of acute care hospitals for the fiscal period ending December 31, 2016, the current period. Fifty of sixty two acute hospitals are included in this publication. Twelve hospitals were not required to report data by the date of this publication. This report compares hospital financial performance in the current period to the same point in time in the prior year for the same group of hospitals. Acute hospitals are grouped into the following cohorts: Academic Medical Centers (AMCs), teaching hospitals, community hospitals, and community-High Public Payer (HPP). Specialty hospitals are not considered a cohort but are included in the current period's statewide median.

The financial performance of a hospital should be considered within the context of the financial performance of the larger health system within which it operates. For the latest data on each hospital's health system, see CHIA's *Hospital System Brief* at <http://www.chiamass.gov/assets/docs/r/hospital-profiles/2015/Hospital-System-Brief.pdf>

Key Findings

- Among hospitals reporting for this period, the current period total median margin is 3.5% which represents a modest improvement over the 2.9% median total margin for the same period in the prior year (the quarter ending December 31, 2015). Profitability decreased from the same period in the prior year for all cohorts except the community hospitals.
- The statewide median current ratio has remained fairly stable for the fifty reporting hospitals for the same period in 2015 and 2016.
- Three acute hospitals reported negative net assets in the current period.

Profitability

Overall acute hospital profitability, as measured by median total margin, increased 0.6% from the same period in the prior year. However, financial performance was mixed among the four hospital cohorts. AMC, teaching, and community-HPP hospitals experienced decreases in profitability while the community hospital cohort median total margin increased in the current period. The teaching cohort experienced the largest decline in profitability.

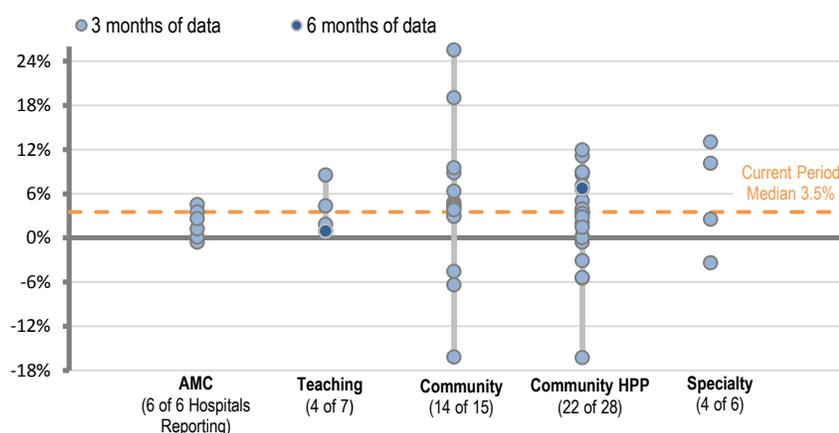
Liquidity

Acute hospital liquidity, as measured by median current ratio improved slightly or remained the same for all cohorts. Teaching and community-HPP hospitals improved while the AMC and community hospital median current ratios remained the same compared to the same period in 2015. A current ratio above 1.0 indicates that a hospital has sufficient current assets to meet current liabilities. Three hospitals reported a current ratio below 1.0.

Solvency

Net assets are the difference between a hospital's total assets and total liabilities and can be used to assess solvency. Three hospitals reported negative net assets in the current period.

Acute Hospital Total Margins (Data as of 12/31/16)



Median Total Margin Trend by Cohort

	12/31/2014	12/31/2015	12/31/2016
Statewide Median (50 of 62 hospitals)	3.1%	2.9%	3.5%
AMC (6 of 6 hospitals)	3.3%	2.0%	1.9%
Teaching (4 of 7 hospitals)	5.1%	7.1%	3.1%
Community (14 of 15 hospitals)	2.0%	1.6%	4.3%
Community-HPP (22 of 28 hospitals)	3.4%	4.8%	3.4%

For additional information and descriptions of the metrics, please see Technical Appendix and Databook.

Note: Only hospitals that were required to report data as of 12/31/16 were included in cohort median total margins for prior periods. The statewide median includes specialty hospitals.

Massachusetts Acute Hospital Financial Performance

Fiscal Year Data through December 31, 2016

Profitability	Liquidity	Solvency
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Hospital Name	Cohort	System Affiliation	Months Reported	Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Net Assets in Millions	Profit (Loss) in Millions
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These hospitals (48) have a 9/30/16 fiscal year end. This report contains 3 months of their data:

Baystate Franklin Medical Center	H	Baystate Health	3	3.4%	2.6%	0.8%	1.9	\$50.4	\$0.8
Baystate Medical Center^	T	Baystate Health	3	8.5%	6.7%	1.8%	2.9	\$680.7	\$26.5
Baystate Noble Hospital	H	Baystate Health	3	-3.1%	-3.1%	0.1%	0.3	\$0.3	(\$0.4)
Baystate Wing Hospital	H	Baystate Health	3	-5.4%	-6.1%	0.7%	1.1	\$0.1	(\$0.0)
Berkshire Medical Center	H	Berkshire Health	3	7.1%	3.7%	3.4%	1.2	\$372.0	\$8.6
Fairview Hospital	H	Berkshire Health	3	3.9%	0.5%	3.4%	1.1	\$30.0	\$0.5
Cape Cod Hospital	H	Cape Cod Healthcare	3	8.9%	6.9%	2.1%	2.0	\$356.0	\$11.8
Falmouth Hospital	H	Cape Cod Healthcare	3	8.6%	4.0%	4.6%	1.9	\$210.1	\$3.6
Beth Israel Deaconess Hospital - Milton	C	CareGroup	3	25.5%	25.2%	0.3%	2.7	\$71.5	\$8.9
Beth Israel Deaconess Hospital - Needham	C	CareGroup	3	4.4%	3.8%	0.6%	2.2	\$44.1	\$1.0
Beth Israel Deaconess Hospital - Plymouth	H	CareGroup	3	2.8%	1.8%	1.0%	1.6	\$74.3	\$1.8
Beth Israel Deaconess Medical Center	A	CareGroup	3	2.6%	0.5%	2.0%	3.0	\$868.6	\$10.9
Mount Auburn Hospital	T	CareGroup	3	4.3%	2.5%	1.7%	4.0	\$270.9	\$3.5
New England Baptist Hospital	S	CareGroup	3	2.5%	1.1%	1.4%	4.6	\$123.7	\$1.5
Athol Memorial Hospital	H	Heywood Healthcare	3	5.0%	5.7%	-0.6%	0.7	\$6.4	\$0.3
Heywood Hospital	H	Heywood Healthcare	3	3.3%	0.6%	2.6%	1.2	\$53.8	\$0.9
Lahey Hospital & Medical Center	T	Lahey Health System	3	1.8%	2.4%	-0.6%	2.8	\$104.4	\$4.1
Northeast Hospital	C	Lahey Health System	3	9.5%	2.7%	6.8%	2.5	\$204.8	\$8.8
Winchester Hospital	C	Lahey Health System	3	19.0%	0.6%	18.4%	2.0	\$266.9	\$16.5
Brigham and Women's Faulkner Hospital	C	Partners HealthCare	3	6.3%	6.3%	0.0%	1.7	\$117.0	\$4.2
Brigham and Women's Hospital	A	Partners HealthCare	3	4.5%	4.5%	0.1%	1.3	\$310.6	\$32.2
Cooley Dickinson Hospital	C	Partners HealthCare	3	4.8%	1.7%	3.1%	0.6	-\$14.6	\$2.3
Martha's Vineyard Hospital	C	Partners HealthCare	3	-6.4%	-10.4%	4.0%	2.4	\$109.9	(\$1.3)
Massachusetts General Hospital	A	Partners HealthCare	3	3.5%	3.4%	0.1%	1.6	\$2,258.0	\$32.7
Nantucket Cottage Hospital	C	Partners HealthCare	3	-16.2%	-20.6%	4.5%	1.5	\$101.1	(\$1.8)
Newton-Wellesley Hospital	C	Partners HealthCare	3	-4.6%	-4.4%	-0.3%	1.2	\$227.2	(\$5.0)
North Shore Medical Center	H	Partners HealthCare	3	-16.3%	-16.3%	0.0%	2.5	-\$59.4	(\$16.8)
Clinton Hospital	H	UMass Memorial HC	3	-5.5%	-6.2%	0.7%	1.4	\$14.7	(\$0.4)
HealthAlliance Hospital	H	UMass Memorial HC	3	1.4%	1.1%	0.3%	1.6	\$164.2	\$0.6
Marlborough Hospital	H	UMass Memorial HC	3	6.6%	5.3%	1.4%	2.0	\$41.8	\$1.4
UMass Memorial Medical Center^	A	UMass Memorial HC	3	1.2%	0.7%	0.5%	1.4	\$142.1	\$5.1
Hallmark Health	C	Wellforce	3	3.8%	-2.7%	6.5%	3.9	\$156.9	\$2.7
Lowell General Hospital	H	Wellforce	3	0.0%	2.5%	-2.6%	1.6	\$163.5	(\$0.0)
Tufts Medical Center	A	Wellforce	3	-0.6%	-0.5%	-0.1%	1.5	\$94.9	(\$1.2)
Anna Jaques Hospital	C	Individual	3	3.1%	0.4%	2.7%	2.3	\$17.5	\$1.0
Boston Children's Hospital	S	Individual	3	13.0%	1.6%	11.5%	8.4	\$3,230.3	\$60.3
Boston Medical Center^	A	Individual	3	0.1%	-0.4%	0.5%	1.7	\$1,156.0	\$0.5
Dana-Farber Cancer Institute	S	Individual	3	10.1%	-6.1%	16.2%	2.5	\$1,471.0	\$40.4
Emerson Hospital	C	Individual	3	2.9%	-2.0%	5.0%	1.8	\$40.4	\$1.8
Harrington Memorial Hospital	H	Individual	3	11.1%	-0.1%	11.1%	2.7	\$64.8	\$4.1
Holyoke Medical Center	H	Individual	3	0.2%	-1.0%	1.2%	1.5	-\$16.5	\$0.1
Lawrence General Hospital	H	Individual	3	-0.6%	-1.9%	1.4%	1.4	\$114.4	(\$0.4)
Massachusetts Eye and Ear Infirmary	S	Individual	3	-3.4%	-3.9%	0.5%	1.1	\$224.9	(\$2.2)
Milford Regional Medical Center	C	Individual	3	4.1%	3.9%	0.2%	3.2	\$118.7	\$2.2
Signature Healthcare Brockton Hospital	H	Individual	3	2.0%	1.1%	0.9%	1.1	\$46.2	\$1.3
South Shore Hospital	C	Individual	3	8.8%	5.2%	3.6%	1.8	\$277.6	\$13.5
Southcoast Hospitals Group	H	Individual	3	8.9%	6.6%	2.3%	1.6	\$521.2	\$18.7
Sturdy Memorial Hospital	H	Individual	3	11.9%	3.3%	8.6%	12.7	\$353.0	\$5.6

These hospitals (2) have a 6/30/16 fiscal year end. This report contains 6 months of their data:

Cambridge Health Alliance^	T	Individual	6	0.9%	-0.3%	1.2%	1.8	\$79.3	\$2.6
Mercy Medical Center	H	Individual	6	6.7%	5.9%	0.8%	4.9	\$165.8	\$10.0

These twelve hospitals have a 12/31/16 fiscal year end and the data is due on April 10, 2017.

Morton Hospital	H	Steward Health Care	Steward Saint Anne's Hospital	H	Steward Health Care
Nashoba Valley Medical Center	H	Steward Health Care	Steward St. Elizabeth's Medical Center^	T	Steward Health Care
Steward Carney Hospital^	T	Steward Health Care	Shriners Hospitals for Children - Springfield	S	Shriners
Steward Good Samaritan Medical	H	Steward Health Care	Shriners Hospitals for Children - Boston	S	Shriners
Steward Holy Family Hospital	H	Steward Health Care	MetroWest Medical Center	H	Tenet Healthcare
Steward Norwood Hospital	C	Steward Health Care	Saint Vincent Hospital^	T	Tenet Healthcare

A: Academic Medical Center C: Community Hospital H: Community-HPP Hospital T: Teaching Hospital S: Specialty Hospital ^: Hospital meets HPP criteria.

Note: Profitability percentages may not add due to rounding.

For additional information and descriptions of the metrics, please see Technical Appendix and Databook.