

Massachusetts Acute Hospital and Health System Financial Performance

Fiscal Year Data through March 31, 2017



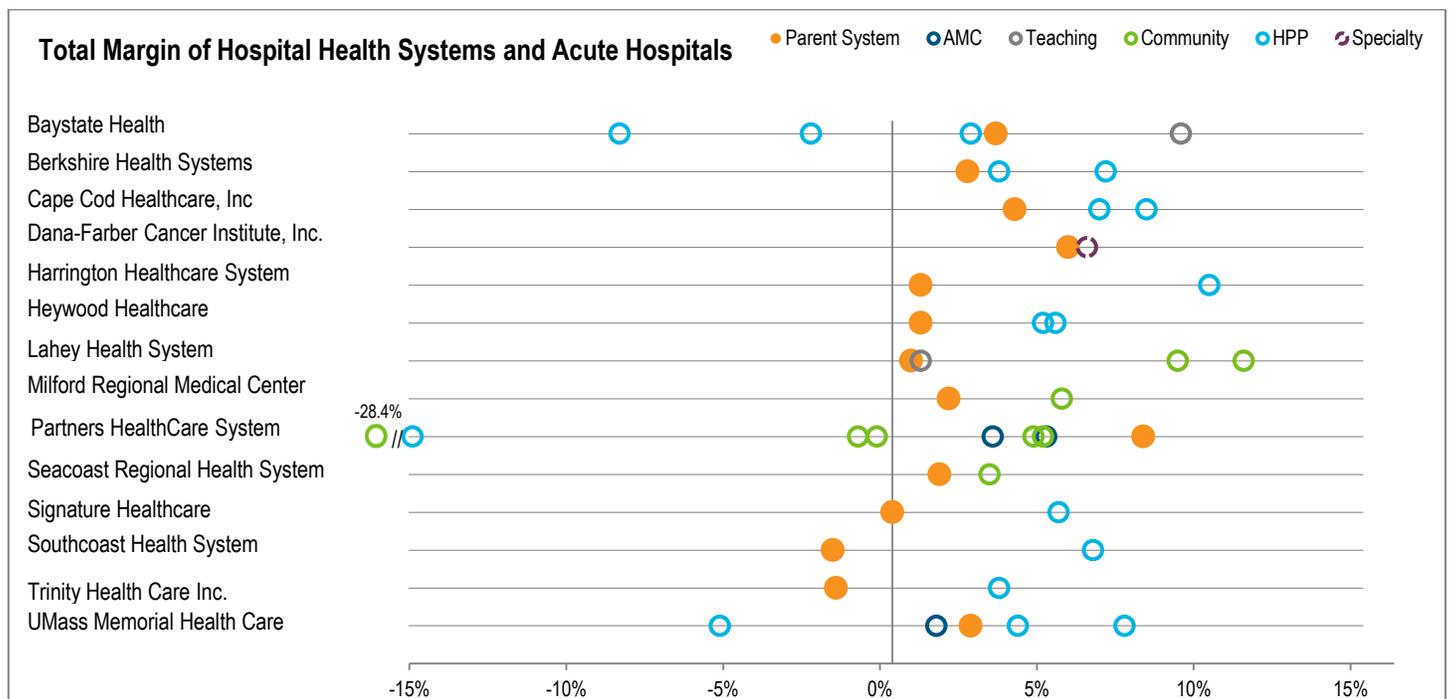
June 2017

About this Report

The Center for Health Information and Analysis (CHIA) reports on the financial performance of the Commonwealth's acute care hospitals and now will include data on hospital health systems (HHS). As hospitals and hospital health systems are evolving and expanding, CHIA has embarked on an initiative to collect quarterly financial data from hospital health systems on a voluntary basis. Data submissions received from the HHS help develop a more complete understanding of the financial performance of an acute hospital in the context of the larger health system within which it operates. This report provides a quarterly update on the profitability, liquidity, and solvency of acute care hospitals for the fiscal period ending March 31, 2017, and includes new data from systems. Fifty-four of 62 acute hospitals and 14 of 30 HHS are included in this publication. Steward Health Care Hospitals did not submit the required hospital level quarterly financial data and therefore are not included in this publication.

Hospital Health Systems

This section reports metrics reported related to the operations of the systems which include the HHS itself, its acute hospitals and all other financially consolidated health care entities such as physician organizations, non-acute hospitals, foundations, and health plans, as well as non-health care entities. For this report, only data for the HHS itself and its acute hospitals was reported.

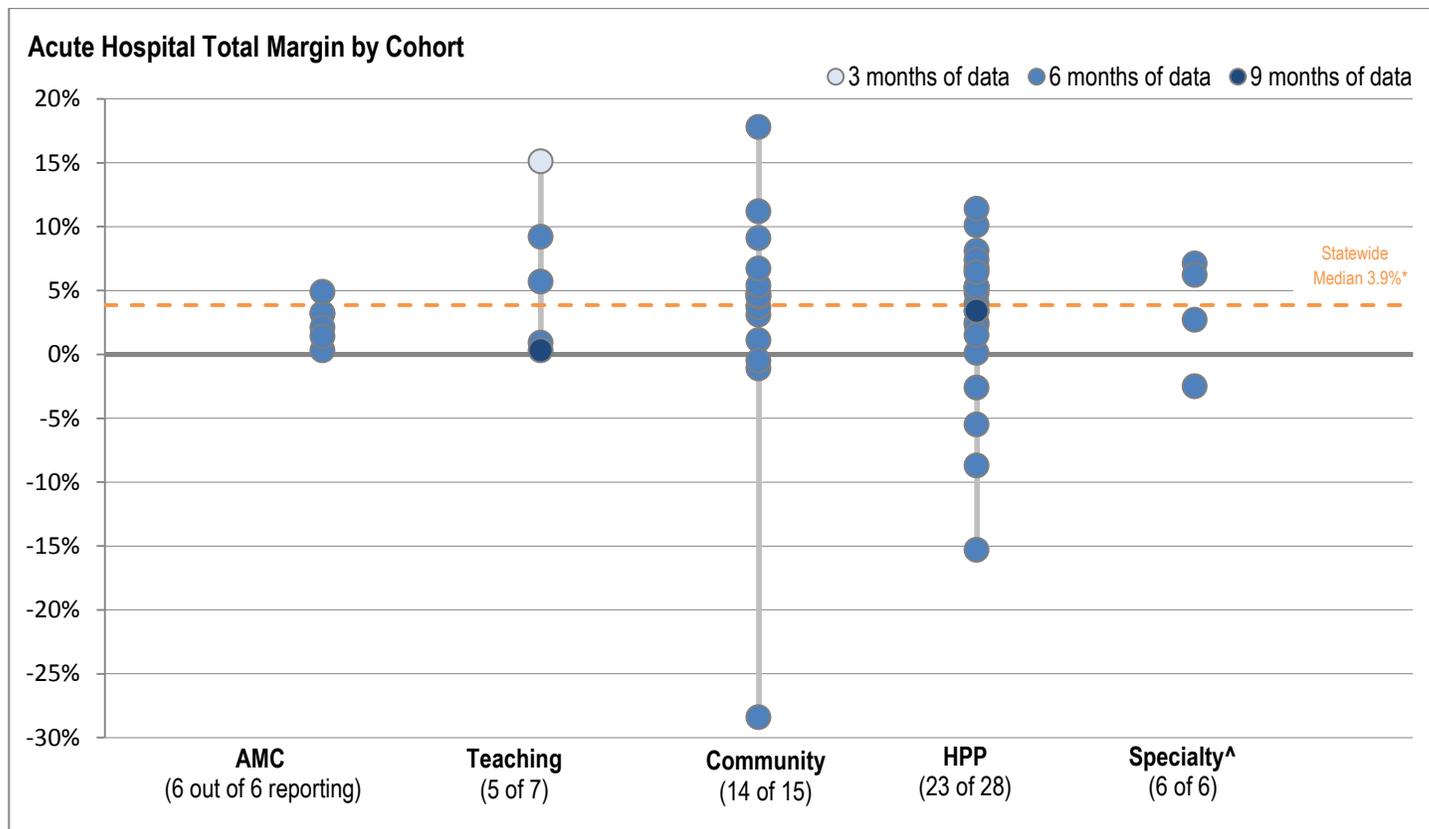


Hospital Health System Key Findings

- The majority of reporting systems were profitable in the quarter ending March 31st, 2017. Of the 14 that submitted data, 12 were profitable.
- In general, acute hospitals performed better than their parent systems, with the exception of Partners HealthCare System.
- The two systems that reported a loss included acute hospitals that reported a profit.
- A current ratio above 1.0 indicates that an entity can meet its current liabilities. The median current ratio for hospital health systems was 1.6 and no system reported a current ratio below 1.0.
- All systems reported positive net assets, a measure of solvency.

Acute Hospitals

The graph below reports the total margin of each hospital by cohort and months of data available as of March 31, 2017.



Acute Hospital Key Findings

Overall acute hospital profitability, as measured by the median total margin, increased by 0.6 percentage points from the same period in the prior year.

- Financial performance was mixed among the four hospital cohorts. AMC, community, and community-HPP hospitals experienced increases in profitability while the teaching hospital cohort median total margin decreased in the current period. The community hospital cohort experienced the largest increase in the current period.
- Acute hospital liquidity, as measured by the median current ratio improved slightly or remained the same for all cohorts. Teaching and community hospitals improved while the AMC and community-HPP hospital cohort's median current ratios remained the same compared to the same period in 2016.
- A current ratio above 1.0 indicates that a hospital has sufficient current assets to meet current liabilities. Five hospitals reported a current ratio below 1.0.
- A negative net asset position indicates that total liabilities are greater than the hospitals' total assets. Four hospitals reported negative net assets in the current period.

Median Total Margin Trend by Cohort			
	3/31/2015	3/31/2016	3/31/2017
Statewide Median* (54 of 62 hospitals)	3.0%	3.3%	3.9%
AMC (6 of 6 hospitals)	3.3%	1.6%	2.7%
Teaching (5 of 7 hospitals)	5.4%	7.3%	5.7%
Community (14 of 15 hospitals)	2.9%	2.6%	4.6%
Community-HPP (23 of 28 hospitals)	4.6%	3.3%	4.8%

* The statewide medians include only hospitals that reported data for the quarter ending 3/31/17.

^ Due to differences in reporting, Shriners Boston and Shriners Springfield are not represented on this graph. They are included in statewide medians.

Massachusetts Acute Hospital and Health System Financial Performance⁹

System			Hospital							
Total Margin	Profit (Loss)	Net Assets	Entity	Cohort	Months Reported	Current Ratio	Operating Margin	Total Margin	Profit (Loss)	Net Assets
Baystate Health										
3.3%	\$40.9	\$907.9	Baystate Franklin	H	6	1.8	1.4%	2.5%	\$1.2	\$50.9
			Baystate Medical Center ^ε	T	6	3.1	5.6%	9.2%	\$57.8	\$701.0
			Baystate Noble	H	6	0.4	-2.9%	-2.6%	(\$0.7)	\$0.7
			Baystate Wing	H	6	1.1	-9.7%	-8.7%	(\$4.1)	\$49.5
The system's results include the hospitals as well as Baystate Medical Practices, Baystate Westfield, and Health New England.										
Berkshire Health Systems										
2.4%	\$7.2	\$420.0	Berkshire Medical Center	H	6	1.2	4.3%	6.8%	\$16.4	\$383.7
			Fairview Hospital	H	6	1.1	0.9%	3.4%	\$0.9	\$30.8
The system's results include the hospitals as well as Berkshire Faculty Services and Williamstown Medical Associates										
Boston Children's Hospital and Subsidiaries										
DNP			Boston Children's Hospital	S	6	9.5	1.0%	7.1%	\$61.8	\$3,526.8
Boston Medical Center Health System, Inc.										
DNP			Boston Medical Center ^ε	A	6	1.9	-0.2%	0.3%	\$2.1	\$1,184.0
Cambridge Health Alliance										
DNP			Cambridge Health Alliance ^ε	T	9	2.2	-0.9%	0.3%	\$1.3	\$77.9
Cape Cod Healthcare										
3.9%	\$17.0	\$656.2	Cape Cod Hospital	H	6	2.0	6.2%	6.6%	\$17.2	\$362.1
			Falmouth Hospital	H	6	1.7	2.6%	8.1%	\$6.7	\$215.4
The system's results include the hospitals as well as Medical Affiliates of Cape Cod										
CareGroup										
DNP			Beth Israel Deaconess Hospital - Milton	C	6	2.8	16.6%	17.8%	\$11.3	\$74.3
			Beth Israel Deaconess Hospital - Needham	C	6	2.1	2.9%	3.7%	\$1.6	\$45.3
			Beth Israel Deaconess Hospital - Plymouth	H	6	1.8	3.9%	5.2%	\$6.9	\$81.1
			Beth Israel Deaconess Medical Center	A	6	3.3	0.4%	3.2%	\$26.9	\$878.5
			Mt. Auburn Hospital	T	6	4.1	2.4%	5.7%	\$9.7	\$270.3
			New England Baptist Hospital	S	6	4.4	1.0%	2.7%	\$3.3	\$124.6
Dana-Farber Cancer Institute and Subsidiaries										
5.6%	\$45.3	\$1,469.9	Dana-Farber Cancer Institute	S	6	2.2	-5.5%	6.2%	\$48.8	\$1,487.6
			The system's results include the hospital as well as Dana-Farber Cancer Care Network							
Emerson Health System Inc. and Subsidiaries										
DNP			Emerson Hospital	C	6	1.6	-1.2%	1.1%	\$1.3	\$40.7
Foundation of the Massachusetts Eye and Ear Infirmary										
DNP			Massachusetts Eye & Ear Infirmary	S	6	1.1	-3.5%	-2.5%	(\$3.3)	\$248.2
Harrington HealthCare System, Inc.										
0.9%	\$0.8	\$68.0	Harrington Hospital	H	6	2.8	1.0%	10.1%	\$7.5	\$66.8
			The system's results include the hospital as well as Harrington Physician Services							

System			Hospital							
Total Margin	Profit (Loss)	Net Assets	Entity	Cohort	Months Reported	Current Ratio	Operating Margin	Total Margin	Profit (Loss)	Net Assets
Heywood Healthcare										
0.9%	\$0.7	\$66.2	Athol Hospital	H	6	0.8	5.6%	5.2%	\$0.7	\$7.1
			Heywood Memorial Hospital	H	6	1.2	1.7%	4.8%	\$2.8	\$54.4
The system's results include the hospitals as well as Heywood Medical Group										
Lahey Health System										
0.6%	\$5.8	\$936.4	Lahey Hospital and Medical Center	T	6	3.1	1.0%	0.9%	\$4.4	\$104.7
			Northeast Hospital	C	6	2.5	2.2%	9.1%	\$17.0	\$214.0
			Winchester Hospital	C	6	2.0	0.2%	11.2%	\$17.5	\$271.9
The system's results include the hospitals as well as Lahey Clinic Inc., Lahey Physician Community Organization, Inc., Northeast Medical Practice, and Winchester Physician Associates, Inc.										
Lawrence General Hospital and Affiliates										
DNP			Lawrence General Hospital	H	6	1.6	-1.3%	0.1%	\$0.1	\$115.1
Milford Regional Medical Center, Inc. and Affiliates										
1.8%	\$2.6	\$122.0	Milford Regional Medical Center	C	6	3.5	4.6%	5.4%	\$5.8	\$120.6
			The system's results include the hospital as well as Tri-County Medical Associates, Inc.							
Partners HealthCare										
8.0%	\$565.8	\$6,837.3	Brigham & Women's Faulkner Hospital	C	6	1.7	4.8%	4.8%	\$6.3	\$103.8
			Brigham & Women's Hospital	A	6	1.3	3.1%	3.2%	\$45.6	\$376.3
			Cooley Dickinson Hospital	C	6	0.7	1.9%	4.5%	\$4.3	(\$11.0)
			Martha's Vineyard Hospital	C	6	2.4	-6.6%	-1.1%	(\$0.5)	\$111.1
			Massachusetts General Hospital	A	6	1.7	4.7%	4.9%	\$94.0	\$2,405.0
			Nantucket Cottage Hospital	C	6	2.3	-36.3%	-28.4%	(\$5.6)	\$109.5
			Newton-Wellesley Hospital	C	6	1.5	-0.4%	-0.5%	(\$1.1)	\$224.3
			North Shore Medical Center	H	6	2.7	-15.3%	-15.3%	(\$32.2)	(\$76.4)
The system's results include the hospitals as well as McLean Hospital, Spaulding Hospital Cambridge, Spaulding Rehabilitation Hospital, Spaulding Rehabilitation Hospital of Cape Cod, Spaulding Rehabilitation Hospital North Shore, Newton-Wellesley Physician Hospital Organization, Brigham & Women's Physicians Organization, CD Practice Associates, Massachusetts General Physicians Organization, North Shore Physicians Group, Partners Community Physicians Organization, and Neighborhood Health Plan										
Seacoast Regional Health System										
1.5%	\$1.1	\$33.8	Anna Jaques Hospital	C	6	2.4	0.0%	3.1%	\$2.0	\$18.8
			The system's results include the hospital as well as Seacoast Affiliated Group Practice							
Shriners Hospitals for Children										
DNP			Shriners Hospital for Children - Boston	S	3	0.2	-2909.3%	-2909.3%	(\$10.1)	\$46.4
DNP			Shriners Hospital for Children - Springfield	S	3	0.5	-138.3%	-138.3%	(\$2.9)	\$10.3
Signature Healthcare Corporation										
0.0%	\$0.1	\$66.4	Signature Healthcare Brockton Hospital	H	6	1.2	4.3%	5.3%	\$7.5	\$54.6
			The system's results include the hospital as well as Signature Health Medical Group							
South Shore Health System Inc.										
DNP			South Shore Hospital	C	6	1.8	4.9%	6.7%	\$20.0	\$289.7

System			Hospital							
Total Margin	Profit (Loss)	Net Assets	Entity	Cohort	Months Reported	Current Ratio	Operating Margin	Total Margin	Profit (Loss)	Net Assets
Southcoast Health Systems, Inc.										
-1.9%	(\$9.2)	\$703.0	Southcoast Hospital Group	H	6	1.6	4.5%	6.4%	\$26.2	\$530.3
The system's results include the hospital as well as Southcoast Physicians Group										
Steward Health Care										
DNP			Morton Hospital	H	The Steward Health Care hospitals did not submit the required hospital level financial data filings to be included in this publication					
			Nashoba Valley Medical Center	H						
			Steward Camey Hospital [€]	T						
			Steward Good Samaritan Medical Center	H						
			Steward Holy Family Hospital	H						
			Steward Norwood Hospital	C						
			Steward Saint Anne's Hospital	H						
			Steward St. Elizabeth's Medical Center [€]	T						
Sturdy Memorial Foundation, Inc. and Affiliates										
DNP			Sturdy Memorial Hospital	H	6	15.1	5.1%	11.4%	\$10.7	\$364.2
Tenet Healthcare										
DNP			MetroWest Medical Center	H	3	2.1	5.1%	5.3%	\$3.2	(\$59.2)
			Saint Vincent Hospital [€]	T	3	2.0	15.1%	15.1%	\$17.2	\$450.9
Trinity Health										
-1.8%	(\$6.7)	\$71.3	Mercy Medical Center	H	9	4.1	2.4%	3.4%	\$7.5	\$161.7
The system's results include the hospital as well as Mercy Medical Group and Mercy Specialist Physicians										
UMass Memorial Health Care										
2.5%	\$31.3	\$890.3	Clinton Hospital	H	6	1.9	-6.7%	-5.5%	(\$0.8)	\$14.3
			HealthAlliance Hospital	H	6	2.5	2.4%	4.0%	\$3.7	\$167.2
			Marlborough Hospital	H	6	2.6	5.0%	7.4%	\$3.2	\$43.8
			UMass Memorial Medical Center [€]	A	6	1.3	0.7%	1.4%	\$11.8	\$116.3
			The system's results include the hospitals as well as UMass Memorial Medical Group							
Valley Health System, Inc.										
DNP			Holyoke Medical Center	H	6	1.6	1.2%	2.3%	\$1.7	(\$15.1)
Wellforce [∨]										
Circle Health Inc.- DNP			Lowell General Hospital	H	6	1.4	1.5%	1.5%	\$3.5	\$164.6
Tufts Medical Center Parent- DNP			Tufts Medical Center	A	6	1.6	0.5%	2.1%	\$8.4	\$105.6
Hallmark Health Corporation- DNP			Hallmark Health	C	6	4.0	-0.3%	4.6%	\$6.4	\$155.1

A = Academic Medical Center T = Teaching Hospital C = Community Hospital H = Community High Public Payer Hospital (HPP) S = Specialty Hospital

[®] Hospital health system financial data may also include non-healthcare entities.
DNP indicates that the hospital health system did not participate in voluntary filings.
All dollars values are in millions.

[∨] Wellforce is not financially consolidated.
[€] Hospital meets the High Public Payer threshold.

Center for Health Information and Analysis

501 Boylston Street, Boston, MA 02116
617.701.8100 www.chiamass.gov