

Massachusetts Acute Hospital and Health System Financial Performance



Fiscal Year Data through December 31, 2017

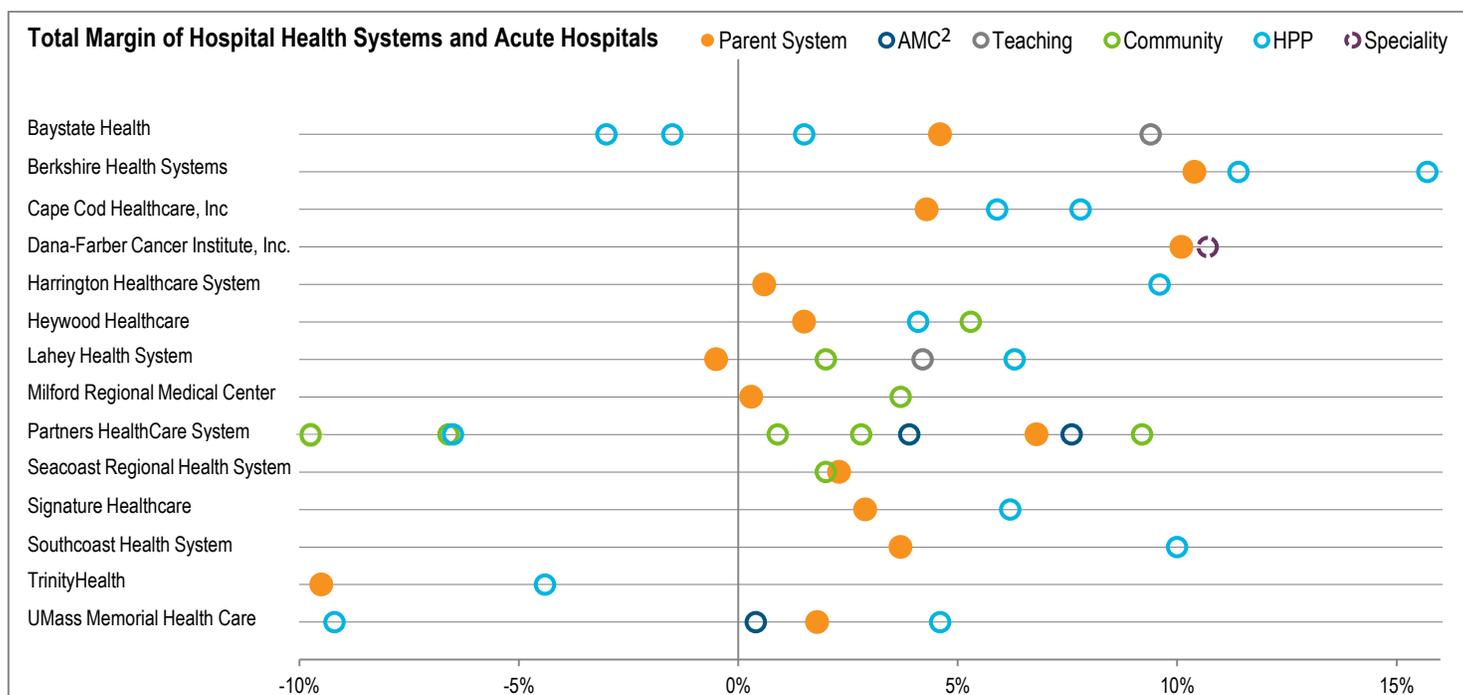
March 2018

About this Report

The Center for Health Information and Analysis (CHIA) reports on the financial performance of the Commonwealth's acute care hospitals and associated hospital health systems (HHS). As hospitals and HHS are evolving and expanding, CHIA is collecting quarterly financial data from HHS 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 profitability, liquidity, and solvency for the period ending December 31, 2017. Forty-nine of 61 acute hospitals and 14 of 28 HHS are included in this publication. All eight Steward Healthcare hospitals, the two Shriners' Hospitals for Children, and the two Tenet Healthcare hospitals, are not included in this report as they have a December 31 fiscal year end and as such, their data are not due until April 10, 2018.

Hospital Health Systems

This section reports on the total margin of the health systems and the constituent acute hospitals. The HHS includes the results of operations at the system level including the 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.

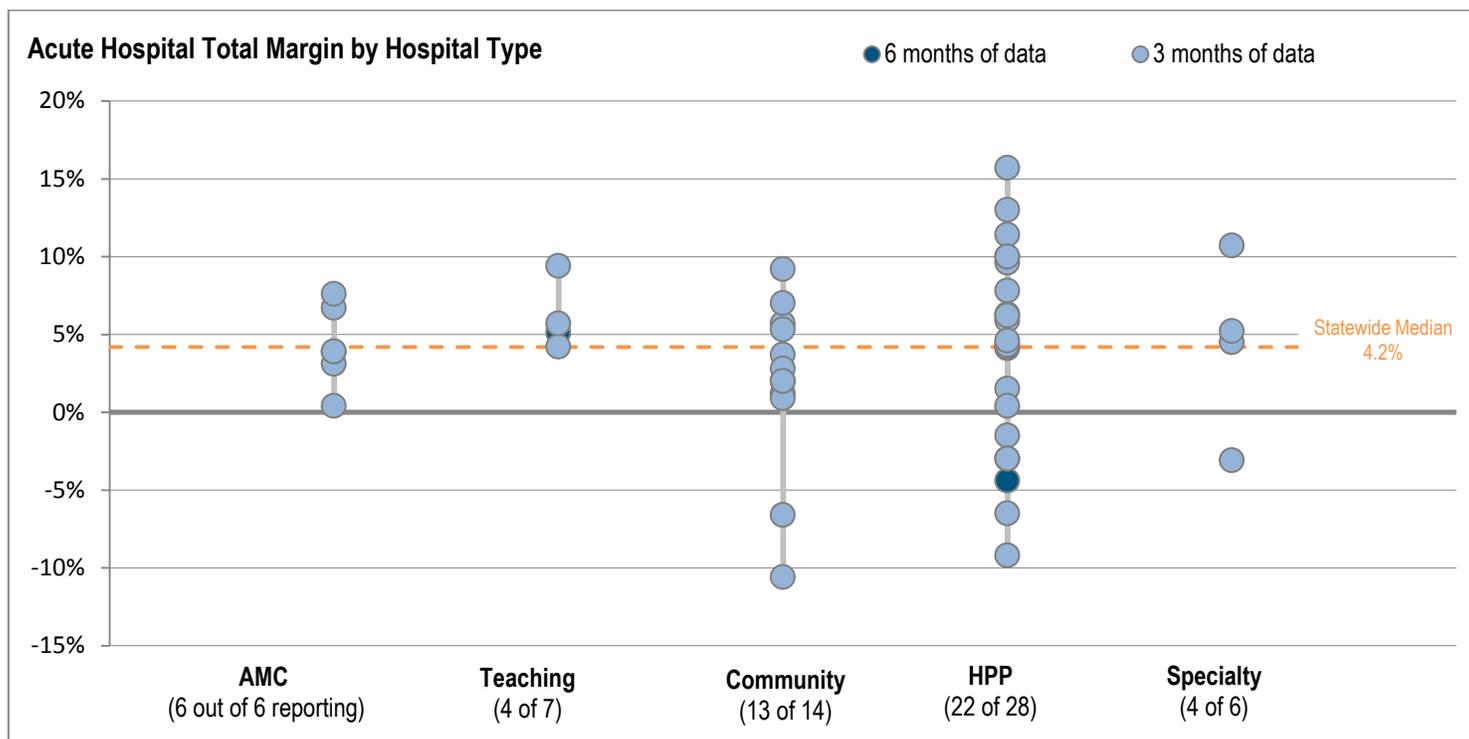


Hospital Health System Key Findings

- Of the 14 health systems that submitted data, 12 were profitable¹ through December 31, 2017.
- Seven of the 12 systems with positive total margins had negative operating margins, indicating that non-operating profits are important.
- Of the two systems that reported a loss, one system included hospitals that reported a profit, and one system included a hospital that reported a loss.
- In general, acute hospitals performed better than their respective health systems.
- All health systems reported a current ratio at or above 1.0, a benchmark which indicates short-term solvency.

Acute Hospitals

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



Acute Hospital Key Findings

Overall acute hospital profitability, as measured by the median total margin, increased by 0.7 percentage points from the same period in the prior year.

- Financial performance was mixed among the four hospital cohorts. The AMC, teaching, and community-HPP cohorts experienced increases in profitability while the community hospital median total margin decreased in the current period. The teaching hospital cohort experienced the largest increase in the current period.
- All cohorts reported a median current ratio above 1.0, an indication that a hospital has sufficient current assets to meet current liabilities. Three individual hospitals reported ratios below 1.0 but are all part of larger health systems.
- A negative net asset position indicates that total liabilities are greater than the hospitals' total assets. Two hospitals reported negative net assets in the current period.

	12/31/2015	12/31/2016	12/31/2017
Statewide Median⁴ (49 of 61 hospitals)	3.2%	3.5%	4.2%
AMC (6 of 6 hospitals)	2.0%	1.9%	3.9%
Teaching (4 of 7 hospitals)	7.1%	3.1%	5.4%
Community (13 of 14 hospitals)	1.8%	4.1%	2.0%
Community-HPP (22 of 28 hospitals)	4.3%	3.8%	4.5%

¹ Profitable or profit indicates an excess of revenues over expenses.

² Academic Medical Center

³ Acute hospital cohort designations are Academic Medical Center (AMC), Teaching Hospital, Community Hospital, and Community-High Public Payer (HPP). Specialty Hospitals are not considered a cohort. For further descriptions of the cohorts and specialty hospitals, see the [Technical Appendix](#)

⁴ The statewide medians include only hospitals that reported data for the period ending December 31, 2017.

Hospital Health Systems⁵

Entity	Hospital Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses (in millions)	Net Assets (in millions)
Baystate Health		3	2.0	3.0%	4.6%	\$29.3	\$1,032.8
Baystate Franklin	Community, High Public Payer	3	1.7	-2.3%	-1.5%	(\$0.4)	\$51.8
Baystate Medical Center ε	Teaching Hospital	3	3.2	6.9%	9.4%	\$31.0	\$785.1
Baystate Noble	Community, High Public Payer	3	0.7	1.5%	1.5%	\$0.2	\$7.8
Baystate Wing	Community, High Public Payer	3	1.1	-4.7%	-3.0%	(\$0.6)	\$50.9
The system's results include the hospitals as well as Baystate Medical Practices, Baystate Westfield, and Health New England.							
Berkshire Health Systems		3	1.6	1.2%	10.4%	\$17.1	\$460.4
Berkshire Medical Center	Community, High Public Payer	3	1.3	5.6%	15.7%	\$21.2	\$421.1
Fairview Hospital	Community, High Public Payer	3	1.4	1.0%	11.4%	\$1.6	\$34.6
The system's results include the hospitals as well as Berkshire Faculty Services and Williamstown Medical Associates							
Boston Children's Hospital and Subsidiaries		Did Not Participate⁶					
Boston Children's Hospital	Specialty Hospital	3	9.5	0.8%	4.5%	\$19.4	\$3,869.9
Boston Medical Center Health System, Inc.		Did Not Participate					
Boston Medical Center ε	Academic Medical Center	3	2.3	2.5%	3.1%	\$10.5	\$1,292.3
Cambridge Health Alliance		Did Not Participate					
Cambridge Health Alliance ε	Teaching Hospital	6	2.4	3.9%	5.1%	\$16.9	\$99.2
Cape Cod Healthcare		3	1.5	1.5%	4.3%	\$10.1	\$729.5
Cape Cod Hospital	Community, High Public Payer	3	1.8	5.4%	7.8%	\$10.9	\$416.6
Falmouth Hospital	Community, High Public Payer	3	1.3	1.3%	5.9%	\$2.5	\$232.6
The system's results include the hospitals as well as Medical Affiliates of Cape Cod							
CareGroup		Did Not Participate					
Beth Israel Deaconess Hospital - Milton	Community Hospital	3	2.5	4.5%	5.7%	\$1.6	\$83.6
Beth Israel Deaconess Hospital - Needham	Community Hospital	3	2.1	6.6%	7.0%	\$1.7	\$48.2
Beth Israel Deaconess Hospital - Plymouth	Community, High Public Payer	3	1.8	3.4%	4.2%	\$2.9	\$91.6
Beth Israel Deaconess Medical Center	Academic Medical Center	3	3.1	3.8%	6.7%	\$30.5	\$990.2
Mt. Auburn Hospital	Teaching Hospital	3	3.1	3.2%	5.7%	\$5.0	\$253.8
New England Baptist Hospital	Specialty Hospital	3	4.2	4.2%	5.2%	\$3.4	\$142.2
Dana-Farber Cancer Institute and Subsidiaries		3	1.4	-4.2%	10.1%	\$46.1	\$1,600.3
Dana-Farber Cancer Institute	Specialty Hospital	3	1.5	-3.9%	10.7%	\$47.8	\$1,624.8
The system's results include the hospital as well as Dana-Farber Cancer Care Network							
Emerson Health System Inc. and Subsidiaries		Did Not Participate					
Emerson Hospital	Community Hospital	3	1.5	-0.1%	1.2%	\$0.7	\$47.1
Foundation of the Massachusetts Eye and Ear Infirmary		Did Not Participate					
Massachusetts Eye & Ear Infirmary	Specialty Hospital	3	1.1	-4.5%	-3.1%	(\$2.2)	\$259.8
Harrington HealthCare System, Inc.		3	3.6	-6.5%	0.6%	\$0.3	\$74.7
Harrington Hospital	Community, High Public Payer	3	4.0	1.3%	9.6%	\$3.6	\$73.2
The system's results include the hospital as well as Harrington Physician Services							

Hospital Health Systems

Entity	Hospital Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses (in millions)	Net Assets (in millions)
Heywood Healthcare		3	1.5	-1.1%	1.5%	\$0.7	\$69.7
Athol Hospital	Community, High Public Payer	3	0.9	3.9%	4.1%	\$0.3	\$6.6
Heywood Memorial Hospital	Community Hospital	3	1.2	1.7%	5.3%	\$1.7	\$54.8
The system's results include the hospitals as well as Heywood Medical Group							
Lahey Health System		3	1.3	-1.2%	-0.5%	(\$2.5)	\$1,068.8
Lahey Hospital and Medical Center	Teaching Hospital	3	2.6	4.9%	4.2%	\$10.2	\$166.0
Northeast Hospital	Community, High Public Payer	3	2.0	4.1%	6.3%	\$5.9	\$215.1
Winchester Hospital	Community Hospital	3	1.9	0.4%	2.0%	\$1.4	\$286.3
The system's results include the hospitals as well as Lahey Clinic Inc., Lahey Physician Community Organization, Inc., Northeast Medical Practice, and Winchester Physicians							
Lawrence General Hospital and Affiliates		Did Not Participate					
Lawrence General Hospital	Community, High Public Payer	3	1.7	-0.6%	-3.0%	(\$1.9)	\$113.4
Milford Regional Medical Center, Inc. and Affiliates		3	2.7	-1.5%	0.3%	\$0.2	\$123.1
Milford Regional Medical Center	Community Hospital	3	3.3	1.5%	3.7%	\$2.0	\$122.4
The system's results include the hospital as well as Tri-County Medical Associates, Inc.							
Partners HealthCare		3	2.3	3.2%	6.8%	\$242.2	\$7,853.8
Brigham & Women's Faulkner Hospital	Community Hospital	3	1.8	9.1%	9.2%	\$6.1	\$101.6
Brigham & Women's Hospital	Academic Medical Center	3	1.5	7.7%	7.6%	\$58.1	\$770.9
Cooley Dickinson Hospital	Community Hospital	3	0.4	-8.1%	-6.6%	(\$3.1)	\$7.0
Martha's Vineyard Hospital	Community Hospital	3	2.1	-6.7%	0.9%	\$0.2	\$118.0
Massachusetts General Hospital	Academic Medical Center	3	1.6	3.8%	3.9%	\$38.9	\$2,446.3
Nantucket Cottage Hospital	Community Hospital	3	1.3	-22.2%	-10.6%	(\$1.2)	\$125.1
Newton-Wellesley Hospital	Community Hospital	3	2.1	3.2%	2.8%	\$3.5	\$247.6
North Shore Medical Center	Community, High Public Payer	3	2.5	-6.5%	-6.5%	(\$6.9)	(\$82.0)
The system's results include the hospitals as well as McLean Hospital, Spaulding Hospital Cambridge, Spaulding Rehabilitation Hospital, Spaulding Rehabilitation Hospital of Cape Cod, 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		3	2.6	0.3%	2.3%	\$0.9	\$44.1
Anna Jaques Hospital	Community Hospital	3	2.5	0.3%	2.0%	\$0.7	\$26.4
The system's results include the hospital as well as Seacoast Affiliated Group Practice							
Shriners Hospitals for Children		The Shriners' Hospitals for Children are due on April 10, 2018					
Shriners Hospital for Children - Boston	Specialty Hospital						
Shriners Hospital for Children - Springfield	Specialty Hospital						
Signature Healthcare Corporation		3	1.1	-1.0%	2.9%	\$2.6	\$89.1
Signature Healthcare Brockton Hospital	Community, High Public Payer	3	1.2	1.5%	6.2%	\$4.6	\$74.8
The system's results include the hospital as well as Signature Healthcare Medical Group							
South Shore Health System Inc.		Did Not Participate					
South Shore Hospital	Community Hospital	3	1.6	1.7%	2.0%	\$3.0	\$296.0

Hospital Health Systems

Entity	Hospital Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses (in millions)	Net Assets (in millions)
Southcoast Health Systems, Inc.		3	1.4	-1.9%	3.7%	\$9.9	\$731.1
Southcoast Hospital Group	Community, High Public Payer	3	1.5	5.0%	10.0%	\$21.6	\$547.3
The system's results include the hospital as well as Southcoast Physicians Group							
Steward Health Care							
Morton Hospital	Community, High Public Payer	The Steward Health Care hospitals data are due on April 10, 2018					
Nashoba Valley Medical Center	Community, High Public Payer						
Steward Carney Hospital	Teaching Hospital						
Steward Good Samaritan Medical Center	Community, High Public Payer						
Steward Holy Family Hospital	Community, High Public Payer						
Steward Norwood Hospital	Community Hospital						
Steward Saint Anne's Hospital	Community, High Public Payer						
Steward St. Elizabeth's Medical Center ε	Teaching Hospital						
Sturdy Memorial Foundation, Inc. and Affiliates		Did Not Participate					
Sturdy Memorial Hospital	Community, High Public Payer	3	11.8	4.7%	10.0%	\$4.7	\$416.0
Tenet Healthcare							
MetroWest Medical Center	Community, High Public Payer	The Tenet Healthcare hospitals data are due on April 10, 2018					
Saint Vincent Hospital ε	Teaching Hospital						
Trinity Health		6	1.1	-10.0%	-9.5%	(\$23.3)	\$35.5
Mercy Medical Center	Community, High Public Payer	6	4.2	-5.0%	-4.4%	(\$6.4)	\$163.1
The system's results include the hospital as well as Mercy Medical Group and Mercy Specialist Physicians							
UMass Memorial Health Care		3	1.4	-1.2%	1.8%	\$11.7	\$1,005.1
HealthAlliance-Clinton Hospital ⁷	Community, High Public Payer	3	1.3	-11.3%	-9.2%	(\$4.6)	\$175.8
Marlborough Hospital	Community, High Public Payer	3	2.7	1.9%	4.6%	\$1.0	\$50.5
UMass Memorial Medical Center ε	Academic Medical Center	3	1.3	0.1%	0.4%	\$1.5	\$47.1
The system's results include the hospitals as well as UMass Memorial Medical Group							
Valley Health System, Inc.		Did Not Participate					
Holyoke Medical Center	Community, High Public Payer	3	1.4	0.2%	0.4%	\$0.1	(\$11.3)
Wellforce⁸ - Circle Health		Did Not Participate					
Lowell General Hospital	Community, High Public Payer	3	1.1	1.2%	4.3%	\$5.4	\$160.9
Wellforce⁸ - Tufts Medical Center Parent		Did Not Participate					
Tufts Medical Center	Academic Medical Center	3	1.4	1.3%	3.9%	\$8.5	\$115.8
Wellforce⁸ - Hallmark Health		Did Not Participate					
Hallmark Health	Community, High Public Payer	3	1.4	5.3%	13.0%	\$8.8	\$155.4

⁵ Hospital health system financial data may also include non-healthcare entities.

⁷ Clinton Hospital merged with Health Alliance Hospital effective 10/1/2017.

⁶ Did Not Participate indicates that the HHS did not participate in voluntary filings.

⁸ Wellforce is not financially consolidated.

ε Hospital meets the High Public Payer threshold.