

Massachusetts Acute Hospital and Health System Financial Performance

Fiscal Year Data through December 31, 2018



March 2019

About this Report

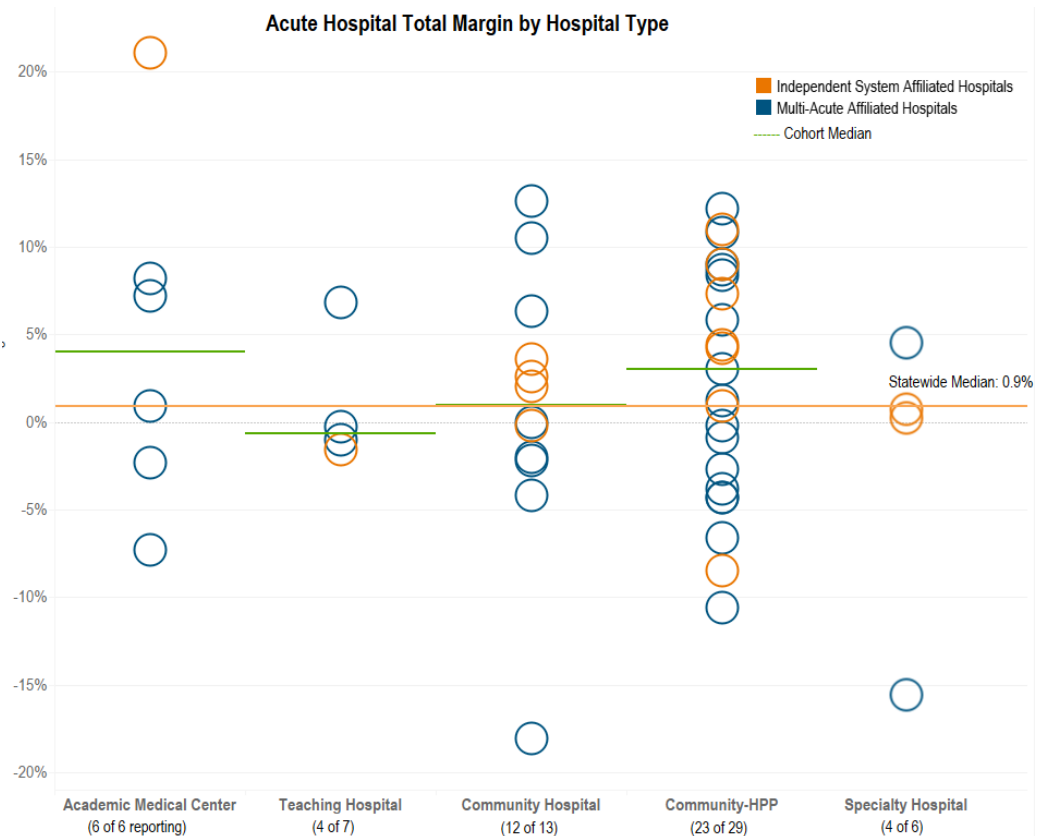
The Center for Health Information and Analysis (CHIA) reports on the financial performance of the Commonwealth's acute care hospitals, associated hospital health systems (HHS), and affiliated physician organizations. This report provides a quarterly update on profitability, liquidity, and solvency for the period ending December 31, 2018. Data regarding HHS and physician organizations 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 includes 23 of the 24 HHS required to submit data. Trinity Health did not submit the required HHS data; however, Trinity did submit hospital and physician organization data. Steward Health Care, Shriners Hospital for Children and Tenet Healthcare are not included in this report as those organizations have a December 31 fiscal year end and as such, the data is not due until April 10, 2019.

Key Findings

Profitability - Hospitals

Overall acute hospital profitability¹, as measured by the median total margin, decreased by 3.3 percentage points in comparison to the same period of the prior year. This change was mostly influenced by non-operating performance, as operating margins increased for most cohorts. All four hospital cohorts² experienced a decreased median non-operating margin. In contrast, the median operating margin for 3 of 4 cohorts increased year over year.

The AMC³ cohort had the only increase in overall profitability, while the teaching hospital cohort experienced the largest decrease between last year's period and the current period.



Liquidity

All hospital cohorts reported a median current ratio above 1.0, an indication that they have sufficient current assets to meet current liabilities. Four hospitals reported ratios below 1.0 but all are part of larger health systems. None of the 23 hospital health systems that reported data had a current ratio below 1.0.

Solvency

A negative net asset position indicates that total liabilities are greater than the hospital's total assets. Two hospitals reported negative net assets in the current period. All of the 23 hospital health systems reported positive net assets.

	December 31, 2016	December 31, 2017	December 31, 2018
Statewide Median	3.5%	4.2%	0.9%
AMC	1.9%	3.9%	4.1%
Teaching Hospital	3.1%	5.4%	-0.7%
Community Hospital	4.3%	2.0%	1.0%
Community-HPP	3.6%	4.6%	3.0%

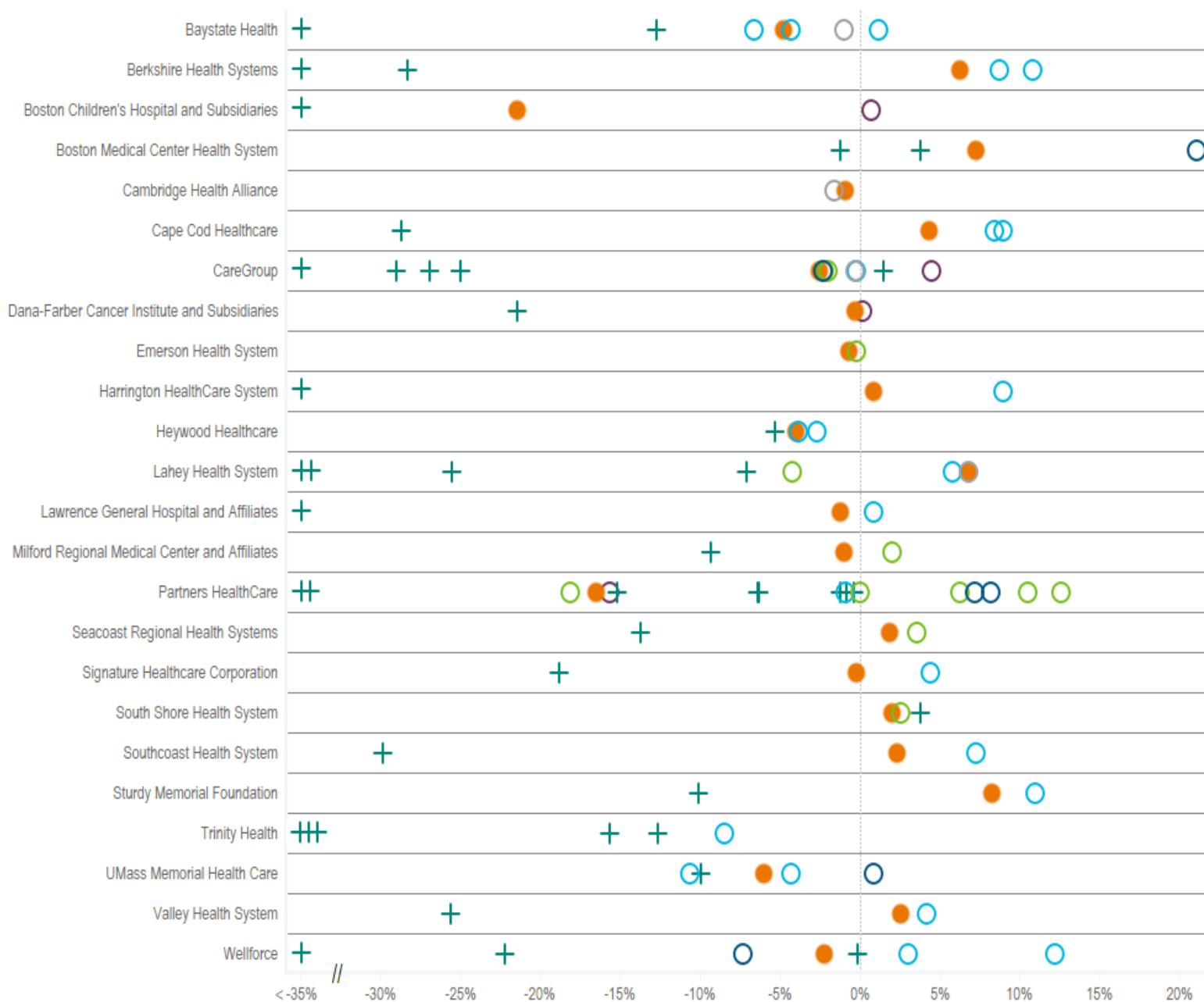
¹ Profitable or profit indicates an excess of revenues over expenses.

² 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](#).

³ Academic Medical Center

Total Margin of Hospital Health Systems, Acute Hospitals, and Affiliated Physician Organizations

● Parent System ● AMC ○ Teaching ● Community ● HPP ● Specialty + Physician Organization



Note: Some affiliated physician organizations had margins of <math><-30\%</math>. In order to display all entities in one graph there is an axis break at -30% to account for those organizations. For more details, see the [databook](#).

Profitability – Hospital Health Systems and Physician Organizations

Of the 23 hospital health systems that reported data, only 10 reported a profit. Of the 13 systems that reported a loss, seven reported a positive operating margin, indicating that non-operating income is an important factor in overall financial performance. The majority of HHS affiliated physician organizations (43 out of 46) reported a net loss.

For most of the hospital health systems included in this report, this data reflects their first quarter results and may not be indicative of their final annual financial performance.

Hospital Health System⁴

Entity	Organization Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Net Assets
Baystate Health		3	2.2	3.1%	-4.8%	(\$27.0)	\$1,065.8
Baystate Franklin	Community-High Public Payer	3	1.6	2.3%	1.2%	\$0.3	\$51.8
Baystate Medical Center ε	Teaching Hospital	3	3.4	8.7%	-1.0%	(\$3.1)	\$811.6
Baystate Noble	Community-High Public Payer	3	0.5	-4.1%	-4.3%	(\$0.6)	\$18.5
Baystate Wing	Community-High Public Payer	3	1.2	-4.4%	-6.6%	(\$1.4)	\$47.7
Baystate Medical Practices	Physician Organization	3	-	-12.7%	-12.7%	(\$10.4)	-
Baystate Westfield Medical Corp.	Physician Organization	3	-	-50.0%	-50.0%	(\$1.6)	-
Berkshire Health Systems		3	1.7	1.7%	6.3%	\$10.6	\$463.5
Berkshire Medical Center	Community-High Public Payer	3	1.4	5.7%	10.8%	\$14.8	\$422.9
Fairview Hospital	Community-High Public Payer	3	1.3	3.6%	8.7%	\$1.3	\$34.9
Berkshire Faculty Services	Physician Organization	3	-	-43.4%	-43.4%	(\$4.9)	-
Berkshire Orthopaedic Associates	Physician Organization	3	-	-28.3%	-28.3%	(\$0.6)	-
Boston Children's Hospital and Subsidiaries		3	1.8	2.0%	-21.4%	(\$114.8)	\$5,763.3
Boston Children's Hospital	Specialty Hospital	3	8.8	3.9%	0.7%	\$3.1	\$4,086.5
Physicians Organization at Children's Hospital and Foundation	Physician Organization	3	-	0.8%	-51.0%	(\$62.2)	-
Boston Medical Center Health System, Inc.		3	1.6	6.5%	7.3%	\$69.8	\$1,644.0
Boston Medical Center ε	Academic Medical Center	3	1.9	20.4%	21.1%	\$84.9	\$1,372.8
Boston University Affiliated Physicians	Physician Organization	3	-	3.8%	3.8%	\$0.1	-
BMC Faculty Practice Foundation	Physician Organization	3	-	-1.5%	-1.2%	(\$1.1)	-
Cambridge Health Alliance		6	5.2	-2.8%	-0.9%	(\$2.9)	\$239.1
Cambridge Health Alliance ε	Teaching Hospital	6	2.0	-2.9%	-1.6%	(\$5.2)	\$20.0
Cape Cod Healthcare		3	1.7	1.0%	4.3%	\$10.6	\$758.6
Cape Cod Hospital	Community-High Public Payer	3	2.3	6.2%	9.0%	\$13.4	\$437.6
Falmouth Hospital	Community-High Public Payer	3	1.4	2.2%	8.4%	\$3.7	\$219.6
Medical Affiliates of Cape Cod	Physician Organization	3	-	-28.7%	-28.7%	(\$6.4)	-
CareGroup		3	3.0	1.1%	-2.5%	(\$21.8)	\$1,980.2
Beth Israel Deaconess Hospital - Milton	Community Hospital	3	2.0	0.6%	-2.0%	(\$0.6)	\$89.8
Beth Israel Deaconess Hospital - Needham	Community Hospital	3	1.6	-1.5%	-2.2%	(\$0.5)	\$54.1
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	3	1.7	0.3%	-0.2%	(\$0.1)	\$115.9
Beth Israel Deaconess Medical Center	Academic Medical Center	3	2.8	3.7%	-2.3%	(\$10.2)	\$1,074.1
Mount Auburn Hospital	Teaching Hospital	3	2.8	2.4%	-0.3%	(\$0.3)	\$264.5
New England Baptist Hospital	Specialty Hospital	3	4.9	4.4%	4.5%	\$2.7	\$150.2
The Affiliated Physicians Group	Physician Organization	3	-	-25.0%	-25.0%	(\$5.9)	-
Community Physicians Associates	Physician Organization	3	-	-64.4%	-64.4%	(\$0.7)	-
Harvard Medical Faculty Physicians	Physician Organization	3	-	3.6%	1.5%	\$2.3	-
Jordan Physicians Associates	Physician Organization	3	-	-25.0%	-25.0%	(\$2.3)	-
Mount Auburn Professional Services	Physician Organization	3	-	-29.0%	-29.0%	(\$5.7)	-
New England Baptist Medical Associates	Physician Organization	3	-	-26.9%	-26.9%	(\$0.8)	-

Hospital Health System

Entity	Organization Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Net Assets
Dana-Farber Cancer Institute and Subsidiaries		3	1.8	-12.5%	-0.3%	(\$1.2)	\$1,739.1
Dana-Farber Cancer Institute	Specialty Hospital	3	1.9	-12.3%	0.2%	\$0.7	\$1,770.3
Dana-Farber Cancer Care Network	Physician Organization	3	-	-21.6%	-21.4%	(\$1.9)	-
Emerson Health System and Subsidiaries		3	1.6	-0.4%	-0.7%	(\$0.5)	\$56.8
Emerson Hospital	Community Hospital	3	1.6	-0.5%	-0.2%	(\$0.1)	\$57.3
Harrington HealthCare System		3	2.8	-3.5%	0.9%	\$0.4	\$71.3
Harrington Hospital	Community-High Public Payer	3	3.0	3.8%	9.0%	\$3.3	\$69.9
Harrington Physician Services	Physician Organization	3	-	-46.8%	-46.8%	(\$2.9)	-
Heywood Healthcare		3	1.4	0.9%	-4.0%	(\$1.7)	\$66.5
Athol Hospital	Community-High Public Payer	3	0.9	-2.9%	-2.7%	(\$0.2)	\$8.4
Heywood Hospital	Community-High Public Payer	3	1.2	3.3%	-3.8%	(\$1.1)	\$51.0
Heywood Medical Group	Physician Organization	3	-	-5.3%	-5.3%	(\$0.3)	-
Lahey Health System		3	1.1	6.7%	6.8%	\$17.7	\$1,059.1
Lahey Hospital and Medical Center	Teaching Hospital	3	0.8	6.7%	6.8%	\$17.7	\$8.3
Northeast Hospital	Community-High Public Payer	3	2.2	5.5%	5.8%	\$5.5	\$225.9
Winchester Hospital	Community Hospital	3	1.5	-3.5%	-4.2%	(\$2.9)	\$278.7
Lahey Clinic	Physician Organization	3	-	-23.2%	-25.5%	(\$19.1)	-
Lahey Physician Community Org	Physician Organization	3	-	-43.0%	-43.2%	(\$2.5)	-
Northeast Medical Practice	Physician Organization	3	-	-48.9%	-45.1%	(\$3.4)	-
Winchester Physician Association	Physician Organization	3	-	-7.1%	-7.1%	(\$0.8)	-
Lawrence General Hospital and Affiliates		3	2.1	-1.4%	-1.2%	(\$0.8)	\$111.3
Lawrence General Hospital	Community-High Public Payer	3	1.8	1.2%	0.9%	\$0.6	\$116.0
Community Medical Associates	Physician Organization	3	-	-104.1%	-104.3%	(\$0.8)	-
Milford Regional Medical Center and Affiliates		3	2.5	0.5%	-1.0%	(\$0.7)	\$123.1
Milford Regional Medical Center	Community Hospital	3	3.0	4.1%	2.0%	\$1.1	\$122.1
Milford Regional Physician Group	Physician Organization	3	-	-9.2%	-9.3%	(\$1.7)	-
Partners HealthCare		3	2.7	4.9%	-16.5%	(\$462.8)	\$9,723.1
Brigham & Women's Faulkner Hospital	Community Hospital	3	1.7	12.5%	12.6%	\$9.1	\$107.7
Brigham & Women's Hospital	Academic Medical Center	3	1.4	7.5%	7.2%	\$58.4	\$856.6
Cooley Dickinson Hospital	Community Hospital	3	0.7	5.4%	6.3%	\$3.2	\$28.7
Martha's Vineyard Hospital	Community Hospital	3	2.1	-3.6%	-18.1%	(\$3.5)	\$115.6
Massachusetts Eye & Ear Infirmary	Specialty Hospital	3	1.5	-1.8%	-15.6%	(\$9.8)	\$302.6
Massachusetts General Hospital	Academic Medical Center	3	1.7	9.0%	8.2%	\$88.1	\$2,457.4
Nantucket Cottage Hospital	Community Hospital	3	5.6	-6.0%	10.5%	\$1.4	\$150.1
Newton-Wellesley Hospital	Community Hospital	3	1.5	0.2%	0.0%	\$0.0	\$191.1
North Shore Medical Center	Community-High Public Payer	3	2.8	-1.2%	-0.9%	(\$1.0)	(\$96.1)
Brigham and Women's Physicians Organization	Physician Organization	3	-	2.4%	-6.4%	(\$13.0)	-
CD Practice Associates	Physician Organization	3	-	-37.9%	-37.9%	(\$3.9)	-

Hospital Health System

Entity	Organization Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Net Assets
Partners HealthCare, cont.							
Massachusetts Eye and Ear Associates	Physician Organization	3	-	-0.8%	-0.8%	(\$0.3)	-
Massachusetts General Hospital Physicians Organization	Physician Organization	3	-	5.4%	-6.3%	(\$16.0)	-
Nantucket Physician Organization	Physician Organization	3	-	-48.1%	-48.1%	(\$0.6)	-
Newton-Wellesley Physician Hospital Group	Physician Organization	3	-	-0.6%	-0.4%	(\$0.1)	-
North Shore Physicians Group	Physician Organization	3	-	-1.3%	-1.2%	(\$0.5)	-
Partners Community Physician Organization	Physician Organization	3	-	-6.4%	-15.2%	(\$3.7)	-
Seacoast Regional Health System		3	2.0	2.3%	1.9%	\$0.7	\$50.0
Anna Jaques Hospital	Community Hospital	3	3.0	4.2%	3.6%	\$1.3	\$34.2
Seacoast Affiliated Group Practice	Physician Organization	3	-	-13.7%	-13.7%	(\$0.6)	-
Shriners Hospitals for Children							
Shriners Hospital for Children - Boston	Shriners Hospital for Children has a fiscal year end date of December 31 and therefore their data is due April 10, 2019						
Shriners Hospital for Children - Springfield							
Signature Healthcare Corporation		3	1.2	-0.7%	-0.2%	(\$0.2)	\$97.9
Signature Healthcare Brockton Hospital	Community-High Public Payer	3	1.3	3.7%	4.4%	\$3.3	\$87.5
Signature Healthcare Medical Group	Physician Organization	3	-	-18.8%	-18.8%	(\$3.5)	-
South Shore Health System		3	2.0	2.2%	2.0%	\$3.7	\$401.6
South Shore Hospital	Community Hospital	3	1.7	2.9%	2.6%	\$4.1	\$328.1
Coastal Medical Associates	Physician Organization	3	-	3.8%	3.8%	\$0.8	-
Southcoast Health Systems		3	1.5	-1.3%	2.3%	\$6.4	\$711.3
Southcoast Hospital Group	Community-High Public Payer	3	1.5	4.6%	7.3%	\$16.1	\$521.3
Southcoast Physician Group	Physician Organization	3	-	-29.8%	-29.8%	(\$14.9)	-
Steward Health Care							
Morton Hospital	Steward Health Care has a fiscal year end date of December 31 and therefore their data is due April 10, 2019						
Nashoba Valley Medical Center							
Steward Carney Hospital							
Steward Good Samaritan Medical Center							
Steward Holy Family Hospital							
Steward Norwood Hospital							
Steward Saint Anne's Hospital							
Steward St. Elizabeth's Medical Center							
Steward Medical Group							
Sturdy Memorial Foundation and Affiliates		3	1.6	3.2%	8.3%	\$5.5	\$462.0
Sturdy Memorial Hospital	Community-High Public Payer	3	1.5	6.8%	11.0%	\$5.7	\$413.2
Sturdy Memorial Associates	Physician Organization	3	-	-10.1%	-10.1%	(\$1.4)	-

Hospital Health System

Entity	Organization Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Net Assets
Tenet Healthcare							
MetroWest Medical Center							
Saint Vincent Hospital ε							
Metrowest Physician Services							
Saint Vincent Medical Company							
Tenet Healthcare has a fiscal year end date of December 31 and therefore their data is due April 10, 2019							
Trinity Health							
Trinity Health did not submit the required hospital health system data in time for this publication							
Mercy Medical Center	Community-High Public Payer	6	3.6	-7.7%	-8.5%	(\$13.0)	\$142.2
Mercy Inpatient Medical Associates	Physician Organization	6	-	-15.6%	-15.6%	(\$1.4)	-
Mercy Medical Group	Physician Organization	6	-	-79.1%	-79.1%	(\$2.5)	-
Mercy Specialist Physicians	Physician Organization	6	-	-89.0%	-89.0%	(\$1.2)	-
Pioneer Valley Cardiology Associates	Physician Organization	6	-	-56.6%	-56.6%	(\$2.2)	-
Riverbend Medical Group	Physician Organization	6	-	-12.6%	-12.6%	(\$6.1)	-
UMass Memorial Health Care		3	1.5	-2.3%	-6.0%	(\$37.1)	\$975.7
HealthAlliance-Clinton Hospital	Community-High Public Payer	3	1.1	-5.7%	-10.6%	(\$5.0)	\$158.8
Marlborough Hospital	Community-High Public Payer	3	1.8	0.1%	-4.3%	(\$0.9)	\$47.4
UMass Memorial Medical Center ε	Academic Medical Center	3	1.2	0.5%	0.9%	\$4.0	\$171.4
UMass Memorial Medical Group	Physician Organization	3	-	-8.5%	-9.9%	(\$13.2)	-
Valley Health System		3	1.5	2.4%	2.6%	\$1.3	\$9.8
Holyoke Medical Center	Community-High Public Payer	3	1.4	3.8%	4.2%	\$1.8	(\$0.2)
Western Mass Physician Associates	Physician Organization	3	-	-25.6%	-25.6%	(\$0.7)	-
Wellforce⁵		3	1.3	1.3%	-2.2%	(\$10.5)	\$583.4
Lowell General Hospital	Community-High Public Payer	3	1.2	2.9%	3.0%	\$3.6	\$153.3
MelroseWakefield Health	Community-High Public Payer	3	1.4	4.6%	12.2%	\$8.0	\$138.7
Tufts Medical Center	Academic Medical Center	3	1.3	2.6%	-7.3%	(\$14.8)	\$137.8
Circle Health Physicians	Physician Organization	3	-	-22.2%	-22.2%	(\$2.7)	-
Hallmark Health Medical Associates	Physician Organization	3	-	-44.4%	-44.4%	(\$4.1)	-
Wellforce Tufts Medical Center Physician Organization	Physician Organization	3	-	0.0%	-0.1%	(\$0.1)	-

⁴ Hospital health system financial data may also include non-healthcare entities.

⁵ Wellforce became financially consolidated in FY18.

ε Indicates a Hospital meets the High Public Payer threshold.

- Indicates current ratio and net assets are not collected from the physician organization.

All dollar values are in millions