

# Massachusetts Acute Hospital and Health System Financial Performance



Fiscal Year Data through March 31, 2018

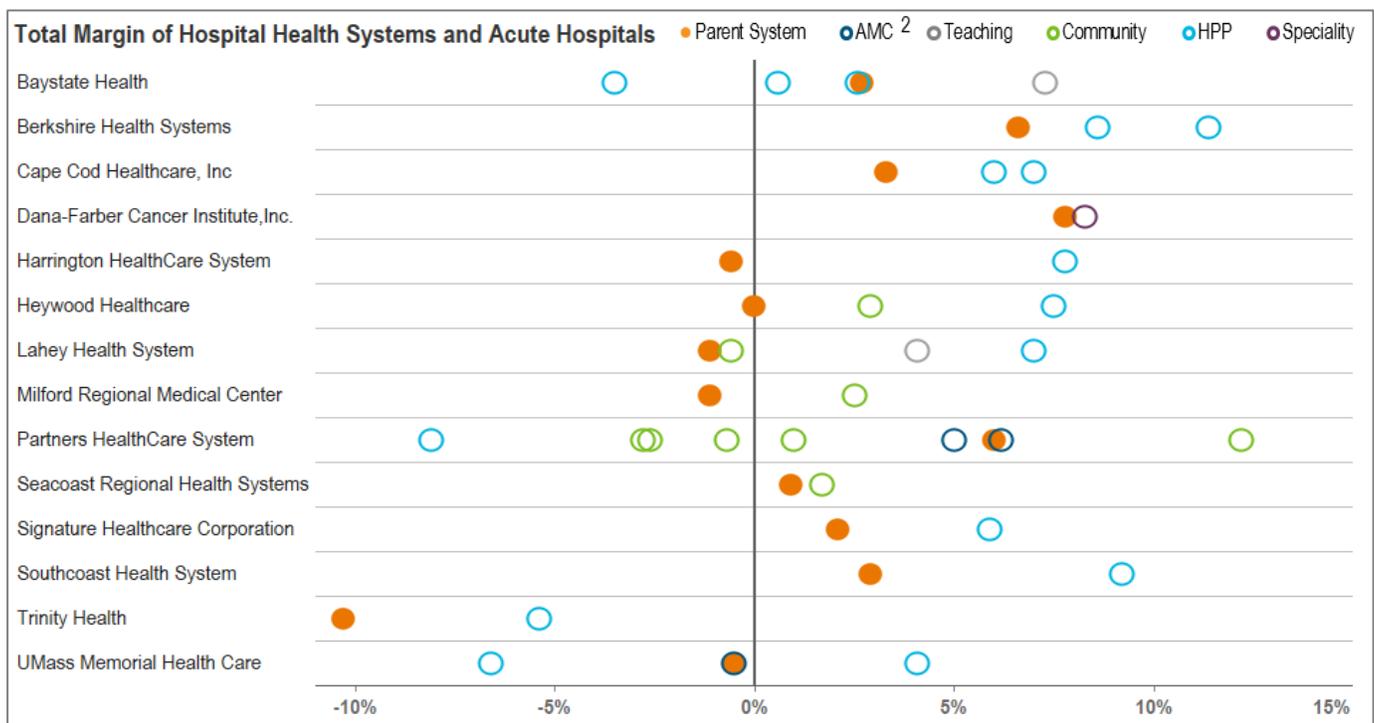
June 2018

## 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 March 31, 2018. All 61 acute hospitals and 14 of 30 HHS are included in this publication.

## 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.



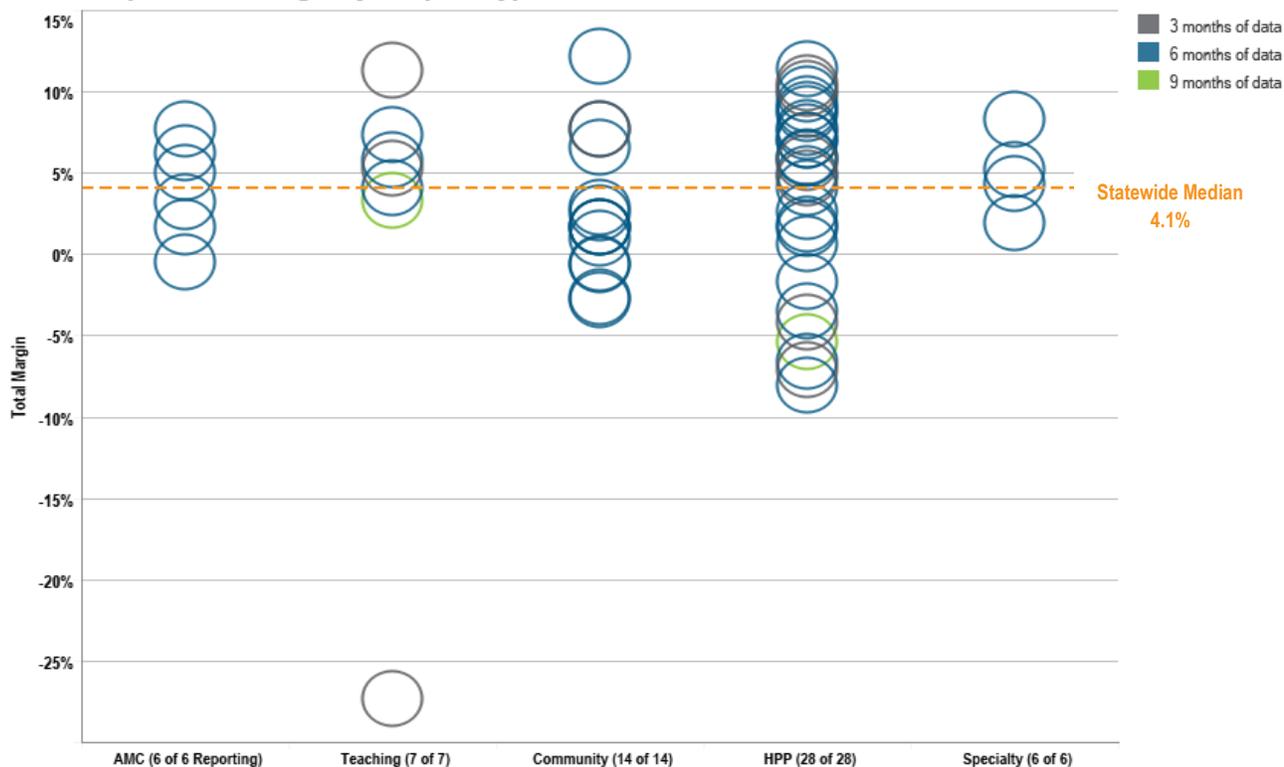
## Hospital Health System Key Findings

- Of the 14 health systems that submitted data, eight were profitable<sup>1</sup> through March 31, 2018.
- Four of the eight systems with positive total margins had negative operating margins, indicating that these systems rely on non-operating revenues to achieve overall profitability.
- Of the six systems that reported a loss, five included at least one hospital that reported a profit.
- In general, acute hospitals performed better than their respective health systems.
- Thirteen 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 March 31, 2018.

**Acute Hospital Total Margin by Hospital Type**



## Acute Hospital Key Findings

Overall acute hospital profitability, as measured by the median total margin, increased by 0.4 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 experiencing 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. Ten 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. Four hospitals reported negative net assets in the current period.

	3/31/2016	3/31/2017	3/31/2018
<b>Statewide Median</b> (61 of 61 hospitals)	3.5%	3.7%	4.1%
<b>AMC</b> (6 of 6 hospitals)	1.6%	2.7%	4.1%
<b>Teaching</b> (7 of 7 hospitals)	4.9%	3.6%	5.3%
<b>Community</b> (14 of 14 hospitals)	3.8%	4.7%	1.7%
<b>Community-HPP</b> (28 of 28 hospitals)	4.3%	4.6%	5.3%

<sup>1</sup> Profitable or profit indicates an excess of revenues over expenses.

<sup>2</sup> Academic Medical Center

<sup>3</sup> 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](#)

## Hospital Health Systems<sup>4</sup>

Entity	Hospital Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses (In Millions)	Net Assets (In Millions)
<b>Baystate Health</b>		<b>6</b>	<b>2.1</b>	<b>2.0%</b>	<b>2.7%</b>	<b>\$33.0</b>	<b>\$1,037.1</b>
Baystate Franklin	Community, High Public Payer	6	1.7	0.1%	0.6%	\$0.3	\$51.5
Baystate Medical Center €	Teaching Hospital	6	3.3	6.5%	7.3%	\$47.8	\$788.4
Baystate Noble	Community, High Public Payer	6	0.4	2.6%	2.6%	\$0.8	\$9.9
Baystate Wing	Community, High Public Payer	6	1.4	-5.0%	-3.5%	(\$1.5)	\$50.3
The system's results include the hospitals as well as Baystate Medical Practices, Baystate Westfield, and Health New England.							
<b>Berkshire Health Systems</b>		<b>6</b>	<b>1.6</b>	<b>1.4%</b>	<b>6.6%</b>	<b>\$21.3</b>	<b>\$463.0</b>
Berkshire Medical Center	Community, High Public Payer	6	1.3	5.7%	11.4%	\$30.2	\$424.2
Fairview Hospital	Community, High Public Payer	6	1.3	2.6%	8.6%	\$2.4	\$34.9
The system's results include the hospitals as well as Berkshire Faculty Services and Williamstown Medical Associates							
<b>Boston Children's Hospital and Subsidiaries</b>		<b>Did Not Participate<sup>5</sup></b>					
Boston Children's Hospital	Specialty Hospital	6	9.4	1.9%	4.3%	\$37.7	\$3,954.6
<b>Boston Medical Center Health System, Inc.</b>		<b>Did Not Participate</b>					
Boston Medical Center €	Academic Medical Center	6	2.4	1.1%	1.7%	\$11.8	\$1,292.7
<b>Cambridge Health Alliance</b>		<b>Did Not Participate</b>					
Cambridge Health Alliance €	Teaching Hospital	9	2.3	2.1%	3.3%	\$16.2	\$98.6
<b>Cape Cod Healthcare</b>		<b>6</b>	<b>1.5</b>	<b>0.8%</b>	<b>3.3%</b>	<b>\$15.0</b>	<b>\$728.2</b>
Cape Cod Hospital	Community, High Public Payer	6	2.1	4.8%	7.0%	\$19.6	\$423.2
Falmouth Hospital	Community, High Public Payer	6	1.2	1.8%	6.0%	\$5.0	\$231.1
The system's results include the hospitals as well as Medical Affiliates of Cape Cod							
<b>CareGroup</b>		<b>Did Not Participate</b>					
Beth Israel Deaconess Hospital - Milton	Community Hospital	6	2.8	6.3%	7.7%	\$4.6	\$86.9
Beth Israel Deaconess Hospital - Needham	Community Hospital	6	2.2	5.7%	6.6%	\$3.2	\$50.0
Beth Israel Deaconess Hospital - Plymouth	Community, High Public Payer	6	1.8	3.9%	4.9%	\$6.7	\$97.5
Beth Israel Deaconess Medical Center	Academic Medical Center	6	3.2	5.4%	7.7%	\$71.9	\$1,035.9
Mt. Auburn Hospital	Teaching Hospital	6	3.4	2.6%	5.8%	\$10.1	\$251.0
New England Baptist Hospital	Specialty Hospital	6	4.1	3.8%	5.2%	\$6.6	\$145.9
<b>Dana-Farber Cancer Institute and Subsidiaries</b>		<b>6</b>	<b>1.5</b>	<b>-3.8%</b>	<b>7.8%</b>	<b>\$70.7</b>	<b>\$1,640.9</b>
Dana-Farber Cancer Institute	Specialty Hospital	6	1.6	-3.5%	8.3%	\$73.9	\$1,666.9
The system's results include the hospital as well as Dana-Farber Cancer Care Network							
<b>Emerson Health System Inc. and Subsidiaries</b>		<b>Did Not Participate</b>					
Emerson Hospital	Community Hospital	6	1.5	0.5%	1.7%	\$2.2	\$48.6
<b>Foundation of the Massachusetts Eye and Ear Infirmary</b>		<b>Did Not Participate</b>					
Massachusetts Eye & Ear Infirmary	Specialty Hospital	6	1.1	-0.2%	1.9%	\$2.7	\$264.1
<b>Harrington HealthCare System, Inc.</b>		<b>6</b>	<b>3.4</b>	<b>-5.1%</b>	<b>-0.6%</b>	<b>(\$0.5)</b>	<b>\$73.6</b>
Harrington Hospital	Community, High Public Payer	6	3.8	2.6%	7.8%	\$5.7	\$72.3
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)
<b>Heywood Healthcare</b>		<b>6</b>	<b>1.6</b>	<b>-1.4%</b>	<b>0.0%</b>	<b>(\$0.0)</b>	<b>\$69.1</b>
Athol Hospital	Community, High Public Payer	6	0.9	7.3%	7.5%	\$1.0	\$7.7
Heywood Memorial Hospital	Community Hospital	6	1.2	1.0%	2.9%	\$1.8	\$54.3
The system's results include the hospitals as well as Heywood Medical Group							
<b>Lahey Health System</b>		<b>6</b>	<b>1.2</b>	<b>-1.8%</b>	<b>-1.1%</b>	<b>(\$11.3)</b>	<b>\$1,058.5</b>
Lahey Hospital and Medical Center	Teaching Hospital	6	2.9	4.8%	4.1%	\$20.2	\$174.1
Northeast Hospital	Community, High Public Payer	6	2.2	4.8%	7.0%	\$13.2	\$220.9
Winchester Hospital	Community Hospital	6	1.8	-2.1%	-0.6%	(\$0.8)	\$300.6
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.							
<b>Lawrence General Hospital and Affiliates</b>		<b>Did Not Participate</b>					
Lawrence General Hospital	Community, High Public Payer	6	1.8	0.1%	-1.7%	(\$2.1)	\$113.2
<b>Milford Regional Medical Center, Inc. and Affiliates</b>		<b>6</b>	<b>2.8</b>	<b>-1.9%</b>	<b>-1.1%</b>	<b>(\$1.6)</b>	<b>\$122.1</b>
Milford Regional Medical Center	Community Hospital	6	3.3	1.5%	2.5%	\$2.7	\$121.4
The system's results include the hospital as well as Tri-County Medical Associates, Inc.							
<b>Partners HealthCare</b>		<b>6</b>	<b>2.5</b>	<b>2.7%</b>	<b>6.0%</b>	<b>\$416.7</b>	<b>\$8,086.7</b>
Brigham & Women's Faulkner Hospital	Community Hospital	6	1.8	12.2%	12.2%	\$17.0	\$106.8
Brigham & Women's Hospital	Academic Medical Center	6	1.5	6.3%	6.2%	\$95.4	\$830.8
Cooley Dickinson Hospital	Community Hospital	6	0.5	-4.3%	-2.8%	(\$2.6)	\$10.3
Martha's Vineyard Hospital	Community Hospital	6	2.2	-4.4%	-0.7%	(\$0.3)	\$117.2
Massachusetts General Hospital	Academic Medical Center	6	1.7	5.0%	5.0%	\$99.4	\$2,496.7
Nantucket Cottage Hospital	Community Hospital	6	2.0	-9.5%	1.0%	\$0.3	\$131.1
Newton-Wellesley Hospital	Community Hospital	6	1.6	2.3%	-2.6%	(\$6.2)	\$196.9
North Shore Medical Center	Community, High Public Payer	6	2.9	-8.1%	-8.1%	(\$17.0)	(\$87.1)
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							
<b>Seacoast Regional Health System</b>		<b>6</b>	<b>2.5</b>	<b>-0.6%</b>	<b>0.9%</b>	<b>\$0.7</b>	<b>\$43.4</b>
Anna Jaques Hospital	Community Hospital	6	2.5	0.4%	1.7%	\$1.2	\$26.8
The system's results include the hospital as well as Seacoast Affiliated Group Practice							
<b>Shriners Hospitals for Children</b>		<b>Did Not Participate</b>					
Shriners Hospital for Children - Boston	Specialty Hospital	3	Shriners Hospital's financial metrics are not comparable to other hospitals.				\$45.3
Shriners Hospital for Children - Springfield	Specialty Hospital	3					\$10.5
<b>Signature Healthcare Corporation</b>		<b>6</b>	<b>1.2</b>	<b>-0.2%</b>	<b>2.1%</b>	<b>\$3.7</b>	<b>\$89.1</b>
Signature Healthcare Brockton Hospital	Community, High Public Payer	6	1.4	2.8%	5.9%	\$8.6	\$77.7
The system's results include the hospital as well as Signature Healthcare Medical Group							
<b>South Shore Health System Inc.</b>		<b>Did Not Participate</b>					
South Shore Hospital	Community Hospital	6	1.7	1.3%	1.7%	\$5.2	\$299.9

# 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)
<b>Southcoast Health Systems, Inc.</b>		<b>6</b>	<b>1.4</b>	<b>-0.8%</b>	<b>2.9%</b>	<b>\$15.2</b>	<b>\$730.0</b>
Southcoast Hospital Group	Community, High Public Payer	6	1.6	5.8%	9.2%	\$39.0	\$543.0
The system's results include the hospital as well as Southcoast Physicians Group							
<b>Steward Health Care</b>		<b>Did Not Participate</b>					
Morton Hospital	Community, High Public Payer	3	0.3	-4.2%	-4.2%	(\$1.3)	\$29.7
Nashoba Valley Medical Center	Community, High Public Payer	3	0.4	-7.1%	-7.1%	(\$1.0)	(\$1.9)
Steward Carney Hospital	Teaching Hospital	3	0.1	-27.3%	-27.3%	(\$7.8)	(\$64.6)
Steward Good Samaritan Medical Center	Community, High Public Payer	3	5.3	10.4%	10.5%	\$7.8	\$103.7
Steward Holy Family Hospital	Community, High Public Payer	3	1.8	5.6%	5.6%	\$3.5	\$42.8
Steward Norwood Hospital	Community Hospital	3	0.9	7.6%	7.7%	\$3.7	\$51.0
Steward Saint Anne's Hospital	Community, High Public Payer	3	25.4	10.1%	10.2%	\$6.7	\$187.0
Steward St. Elizabeth's Medical Center	Teaching Hospital	3	0.5	5.2%	5.3%	\$4.9	\$90.8
<b>Sturdy Memorial Foundation, Inc. and Affiliates</b>		<b>Did Not Participate</b>					
Sturdy Memorial Hospital	Community, High Public Payer	6	1.8	4.1%	8.9%	\$8.6	\$402.7
<b>Tenet Healthcare</b>		<b>Did Not Participate</b>					
MetroWest Medical Center	Community, High Public Payer	3	1.8	4.5%	4.7%	\$3.0	\$38.9
Saint Vincent Hospital ε	Teaching Hospital	3	1.6	11.6%	11.3%	\$13.4	\$428.8
<b>Trinity Health</b>		<b>9</b>	<b>0.9</b>	<b>-10.7%</b>	<b>-10.3%</b>	<b>(\$37.3)</b>	<b>\$17.1</b>
Mercy Medical Center	Community, High Public Payer	9	4.1	-5.8%	-5.4%	(\$11.8)	\$155.3
The system's results include the hospital as well as Mercy Specialist Physicians							
<b>UMass Memorial Health Care</b>		<b>6</b>	<b>1.3</b>	<b>-2.5%</b>	<b>-0.5%</b>	<b>(\$6.4)</b>	<b>\$991.1</b>
HealthAlliance-Clinton Hospital <sup>6</sup>	Community, High Public Payer	6	1.2	-7.4%	-6.6%	(\$6.7)	\$173.1
Marlborough Hospital	Community, High Public Payer	6	2.6	2.6%	4.1%	\$1.8	\$51.2
UMass Memorial Medical Center ε	Academic Medical Center	6	1.2	-0.9%	-0.5%	(\$4.1)	\$9.3
The system's results include the hospitals as well as UMass Memorial Medical Group							
<b>Valley Health System, Inc.</b>		<b>Did Not Participate</b>					
Holyoke Medical Center	Community, High Public Payer	6	1.4	1.5%	1.8%	\$1.4	(\$10.7)
<b>Wellforce -Circle Health<sup>7</sup></b>		<b>Did Not Participate</b>					
Lowell General Hospital	Community, High Public Payer	6	1.0	3.1%	1.6%	\$3.6	\$155.0
<b>Wellforce - Tufts Medical Center Parent</b>		<b>Did Not Participate</b>					
Tufts Medical Center	Academic Medical Center	6	1.4	1.7%	3.2%	\$14.1	\$121.8
<b>Wellforce - Hallmark Health</b>		<b>Did Not Participate</b>					
Hallmark Health	Community, High Public Payer	6	1.4	5.5%	9.8%	\$12.9	\$155.3

<sup>4</sup> Hospital health system financial data may also include non-healthcare entities.

<sup>6</sup>Clinton Hospital merged with Health Alliance Hospital effective 10/1/2017.

<sup>5</sup> Did Not Participate indicates that the HHS did not participate in voluntary filings.

<sup>7</sup> Wellforce is not financially consolidated.

ε Hospital meets the High Public Payer threshold.