

Massachusetts Acute Hospital and Health System Financial Performance

Fiscal Year Data through June 30, 2018



September 2018

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. Previously, CHIA collected data from HHS on a voluntary basis. This is the first report based on a recently adopted regulation requiring the submission of HHS and physician organization data. Data regarding 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 June 30, 2018. Cambridge Health Alliance and Trinity Health are not included in this report, as they have a June 30 fiscal year end and as such, their data is not due until October 10, 2018. Steward Health Care did not submit the required HHS or physician organization data.

Key Findings

Profitability

Financial performance was mixed among the four hospital cohorts. The AMC¹, teaching, and community-HPP cohorts² experienced increases in profitability while the community hospital median total margin decreased in the current period. The teaching hospital cohort experienced the largest increase between last year's period and the current period. Of the 24 hospital health systems that reported data, 18 reported a profit³. Of the 18 systems that reported a profit, five reported a negative operating margin but a positive total margin, indicating that non-operating margin is an important factor in overall financial performance. The majority of HHS affiliated physician organizations, 37 out of 41, reported a net loss.

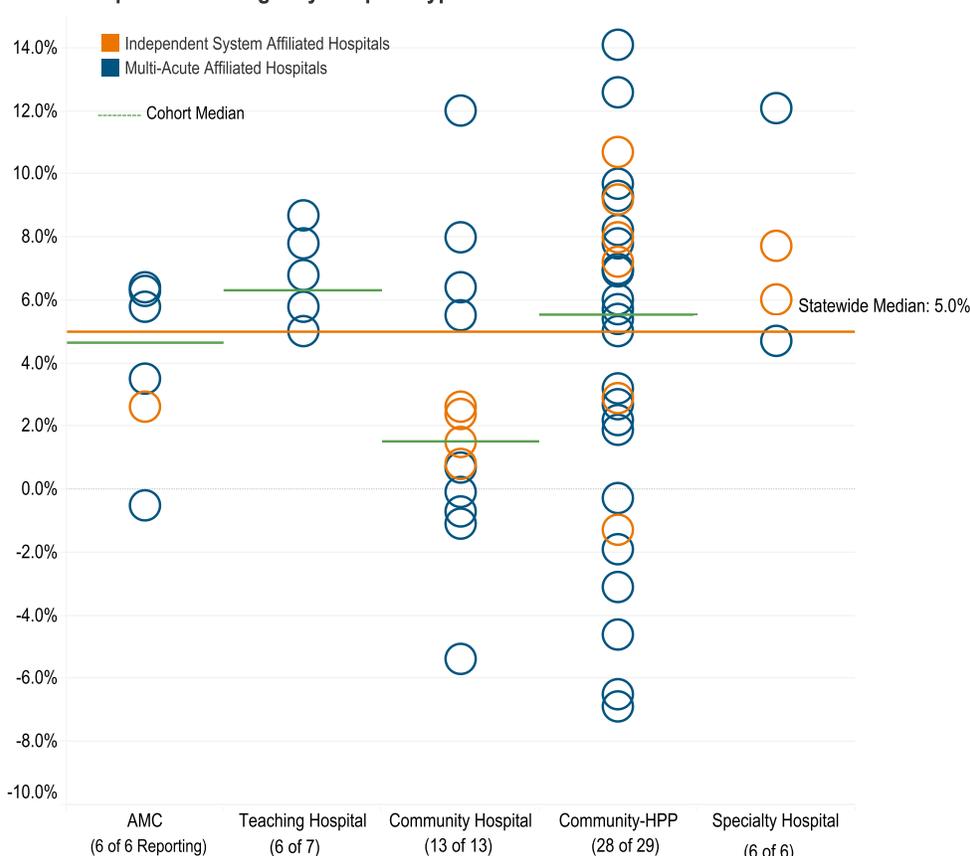
Liquidity

All hospital cohorts reported a median current ratio above 1.0, an indication that a hospital has sufficient current assets to meet current liabilities. Nine hospitals reported ratios below 1.0 but are all part of larger health systems. None of the 24 hospital health systems that reported data reported a current ratio below 1.0.

Solvency

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. Three of these hospitals were part of a larger system. Twenty-three of the 24 reporting hospital health systems reported positive net assets.

Acute Hospital Total Margin by Hospital Type



Note: Steward Carney has a margin of -25.2% and is not displayed on this graph. Shriners Hospital for Children profitability margins are not displayed on this graph as they are not comparable to other hospitals.

	June 30, 2016	June 30, 2017	June 30, 2018
Statewide Median	3.6%	3.8%	5.0%
Academic Medical Center	2.7%	3.6%	4.7%
Teaching Hospital	6.8%	3.8%	6.3%
Community Hospital	2.1%	3.8%	1.5%
Community-HPP	5.0%	4.6%	5.6%

¹ Academic Medical Center

² Acute hospital cohort designations are Academic Medical Center (AMC), Teaching Hospital, Community Hospital, and Community-High Public Payer (HPP).

³ Profitable or profit indicates an excess of revenues over expenses.

Specialty Hospitals are not considered a cohort. For further descriptions of the cohorts and specialty hospitals, see the [Technical Appendix](#).

All data in this report is unaudited quarterly data.

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



*Indicates that an HHS has an affiliated physician organization that has a total margin of <-30%. As such, they are not included in this graph. For more details, see the databook.

Hospital Health System⁴

Entity	Organization Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Net Assets
Baystate Health		9	2.1	2.3%	2.5%	\$45.8	\$1,050.9
Baystate Franklin	Community-High Public Payer	9	1.6	-0.8%	-0.3%	(\$0.2)	\$50.5
Baystate Medical Center ε	Teaching Hospital	9	3.6	7.0%	7.8%	\$76.7	\$804.5
Baystate Noble	Community-High Public Payer	9	0.4	2.7%	2.7%	\$1.2	\$12.5
Baystate Wing	Community-High Public Payer	9	1.2	-5.7%	-4.6%	(\$3.0)	\$49.3
Baystate Medical Practices	Physician Organization	9	-	-14.9%	-14.9%	(\$34.0)	-
Baystate Westfield Medical Corp.	Physician Organization	9	-	-47.0%	-47.0%	(\$4.4)	-
Berkshire Health Systems		9	1.6	1.3%	5.2%	\$25.0	\$467.8
Berkshire Medical Center	Community-High Public Payer	9	1.4	5.4%	9.7%	\$38.4	\$429.1
Fairview Hospital	Community-High Public Payer	9	1.3	3.8%	8.2%	\$3.5	\$35.7
Berkshire Faculty Services	Physician Organization	9	-	-47.5%	-47.5%	(\$14.8)	-
Berkshire Orthopedic Associates	Physician Organization	9	-	-38.3%	-38.3%	(\$2.1)	-
Boston Children's Hospital and Subsidiaries		9	1.8	1.7%	13.4%	\$285.6	\$5,845.3
Boston Children's Hospital	Specialty Hospital	9	8.8	2.3%	7.7%	\$104.9	\$3,861.1
Physicians Organization at Children's Hospital, Inc. and Foundation	Physician Organization	9	-	2.9%	9.8%	\$57.0	-
Boston Medical Center Health System, Inc.		9	1.6	-0.1%	0.9%	\$23.8	\$1,609.6
Boston Medical Center ε	Academic Medical Center	9	2.3	1.9%	2.6%	\$28.5	\$1,305.1
Boston University Affiliated Physicians	Physician Organization	9	-	-11.8%	-11.8%	(\$0.5)	-
BMC Faculty Practice Foundation	Physician Organization	9	-	-1.2%	-0.8%	(\$2.2)	-
Cambridge Health Alliance		Cambridge Health Alliance ε					
		Cambridge Health Alliance has a fiscal year end date of June 30 and therefore their data is due October 10, 2018					
Cape Cod Healthcare		9	1.8	1.4%	8.2%	\$60.0	\$770.5
Cape Cod Hospital	Community-High Public Payer	9	2.4	6.0%	7.8%	\$33.4	\$434.2
Falmouth Hospital	Community-High Public Payer	9	1.4	2.2%	5.7%	\$7.1	\$229.4
Medical Affiliates of Cape Cod, Inc	Physician Organization	9	-	-24.8%	-24.8%	(\$16.3)	-
CareGroup		9	3.2	1.0%	3.8%	\$102.5	\$1,961.5
Beth Israel Deaconess Hospital - Milton	Community Hospital	9	2.3	6.2%	8.0%	\$7.2	\$89.5
Beth Israel Deaconess Hospital - Needham	Community Hospital	9	2.1	6.1%	6.4%	\$4.7	\$51.6
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	9	1.6	4.3%	5.0%	\$10.5	\$111.7
Beth Israel Deaconess Medical Center	Academic Medical Center	9	3.1	2.8%	6.3%	\$87.8	\$1,056.7
Mt. Auburn Hospital	Teaching Hospital	9	3.2	3.0%	5.8%	\$15.3	\$250.5
New England Baptist Hospital	Specialty Hospital	9	3.9	3.0%	4.7%	\$9.1	\$148.9
The Affiliated Physicians Group	Physician Organization	9	-	-31.3%	-31.3%	(\$19.0)	-
Community Physicians Associates	Physician Organization	9	-	-53.7%	-53.7%	(\$1.6)	-
Harvard Medical Faculty Physicians	Physician Organization	9	-	2.4%	3.7%	\$17.6	-
Jordan Physicians Associates, Inc.	Physician Organization	9	-	-20.5%	-20.5%	(\$5.5)	-
Mount Auburn Professional Services	Physician Organization	9	-	-31.4%	-31.4%	(\$20.7)	-
New England Baptist Medical Associates	Physician Organization	9	-	-29.3%	-29.3%	(\$2.9)	-

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		9	1.3	-3.4%	5.5%	\$73.7	\$1,650.2
Dana-Farber Cancer Institute	Specialty Hospital	9	1.4	-3.1%	6.0%	\$78.8	\$1,678.2
Dana-Farber Cancer Care Network, Inc	Physician Organization	9	-	-19.0%	-19.0%	(\$5.1)	-
Emerson Health System Inc. and Subsidiaries		9	1.6	1.8%	2.6%	\$5.7	\$51.5
Emerson Hospital	Community Hospital	9	1.7	1.8%	2.6%	\$5.8	\$52.0
Harrington HealthCare System, Inc.		9	3.2	-4.7%	-1.3%	(\$1.6)	\$72.3
Harrington Hospital	Community-High Public Payer	9	3.7	3.1%	7.2%	\$7.9	\$71.2
Harrington Physician Services	Physician Organization	9	-	-50.5%	-50.5%	(\$9.5)	-
Heywood Healthcare		9	1.5	-1.4%	-0.2%	(\$0.3)	\$69.4
Athol Hospital	Community-High Public Payer	9	1.0	5.3%	5.4%	\$1.1	\$7.8
Heywood Memorial Hospital	Community-High Public Payer	9	1.2	1.6%	3.2%	\$3.0	\$54.4
Heywood Medical Group	Physician Organization	9	-	-24.9%	-24.9%	(\$4.2)	-
Lahey Health System		9	1.2	-1.2%	-0.5%	(\$7.3)	\$1,051.7
Lahey Hospital and Medical Center	Teaching Hospital	9	2.6	5.7%	5.0%	\$37.5	\$189.8
Northeast Hospital	Community-High Public Payer	9	2.4	5.1%	7.0%	\$19.9	\$226.7
Winchester Hospital	Community Hospital	9	1.8	-1.0%	0.7%	\$1.4	\$301.0
Lahey Clinic	Physician Organization	9	-	-22.4%	-22.9%	(\$50.1)	-
Lahey Physician Community Org	Physician Organization	9	-	-49.0%	-49.3%	(\$5.4)	-
Northeast Medical Practice	Physician Organization	9	-	-53.1%	-52.0%	(\$10.4)	-
Winchester Physician Association	Physician Organization	9	-	-9.2%	-9.2%	(\$2.7)	-
Lawrence General Hospital and Affiliates		9	2.1	-3.3%	-3.0%	(\$5.9)	\$110.8
Lawrence General Hospital	Community-High Public Payer	9	1.8	0.0%	-1.3%	(\$2.4)	\$115.9
Community Medical Associates, Inc.	Physician Organization	9	-	-70.9%	-71.0%	(\$2.2)	-
Milford Regional Medical Center, Inc. and Affiliates		9	2.6	-2.0%	-1.2%	(\$2.6)	\$121.5
Milford Regional Medical Center	Community Hospital	9	2.9	1.5%	2.4%	\$4.0	\$120.7
Milford Regional Physician Group	Physician Organization	9	-	-13.5%	-13.5%	(\$6.6)	-
Partners HealthCare		9	2.4	2.6%	6.6%	\$691.3	\$8,459.5
Brigham & Women's Faulkner Hospital	Community Hospital	9	1.7	11.9%	12.0%	\$25.1	\$106.8
Brigham & Women's Hospital	Academic Medical Center	9	1.4	6.5%	6.4%	\$148.9	\$839.7
Cooley Dickinson Hospital	Community Hospital	9	0.6	-2.1%	-0.7%	(\$1.0)	\$16.2
Martha's Vineyard Hospital	Community Hospital	9	2.0	-3.8%	-1.1%	(\$0.7)	\$116.5
Massachusetts Eye & Ear Infirmary	Specialty Hospital	9	1.7	4.5%	12.1%	\$9.8	\$297.2
Massachusetts General Hospital	Academic Medical Center	9	1.7	5.8%	5.8%	\$176.3	\$2,509.3
Nantucket Cottage Hospital	Community Hospital	9	3.4	-14.8%	-5.4%	(\$2.1)	\$128.8
Newton-Wellesley Hospital	Community Hospital	9	1.6	3.2%	-0.1%	(\$0.3)	\$196.2
North Shore Medical Center	Community-High Public Payer	9	3.0	-6.9%	-6.9%	(\$21.9)	(\$90.1)
Brigham and Women's Physicians Organization	Physician Organization	9	-	1.8%	3.5%	\$23.3	-
CD Practice Associates	Physician Organization	9	-	-35.1%	-35.1%	(\$9.7)	-
Massachusetts Eye and Ear Associates, Inc	Physician Organization	9	-	2.4%	2.4%	\$0.8	-

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 General Hospital Physicians Organization	Physician Organization	9	-	3.5%	5.5%	\$45.7	-
Newton-Wellesley Physician Hospital Group	Physician Organization	9	-	0.0%	-0.3%	(\$0.2)	-
North Shore Physicians Group	Physician Organization	9	-	-3.9%	-3.8%	(\$4.3)	-
Partners Community Physician Organization	Physician Organization	9	-	-7.9%	-5.8%	(\$4.7)	-
Seacoast Regional Health System		9	2.4	-0.5%	0.8%	\$0.9	\$43.7
Anna Jaques Hospital	Community Hospital	9	2.4	0.5%	1.5%	\$1.6	\$27.4
Seacoast Affiliated Group Practice	Physician Organization	9	-	-13.7%	-13.7%	(\$1.7)	-
Shriners Hospitals for Children		6	9.2	14.4%	14.4%	\$45.9	\$9,325.5
Shriners Hospital for Children - Boston*	Specialty Hospital	6					
Shriners Hospital for Children - Springfield*	Specialty Hospital	6					
Signature Healthcare Corporation		9	1.3	0.4%	3.8%	\$10.5	\$92.7
Signature Healthcare Brockton Hospital	Community-High Public Payer	9	1.5	3.5%	8.0%	\$18.0	\$84.0
Signature Healthcare Medical Group	Physician Organization	9	-	-13.1%	-13.1%	(\$7.5)	-
South Shore Health System Inc.		9	1.5	-0.1%	0.3%	\$1.9	\$364.6
South Shore Hospital	Community Hospital	9	1.8	0.6%	0.8%	\$3.8	\$299.9
Coastal Medical Associates, Inc.	Physician Organization	9	-	-4.1%	-4.1%	(\$2.4)	-
Southcoast Health Systems, Inc.		9	1.4	-0.4%	3.0%	\$23.7	\$736.6
Southcoast Hospital Group	Community-High Public Payer	9	1.6	6.0%	9.2%	\$58.6	\$548.1
Southcoast Physician Group	Physician Organization	9	-	-31.3%	-31.3%	(\$46.2)	-
Steward Health Care v		Steward Healthcare did not submit the required hospital health system data					
Morton Hospital	Community-High Public Payer	6	0.0	-1.9%	-1.9%	(\$1.2)	\$29.4
Nashoba Valley Medical Center	Community-High Public Payer	6	0.4	-3.1%	-3.1%	(\$0.9)	(\$2.0)
Steward Carney Hospital ε	Teaching Hospital	6	0.1	-25.2%	-25.2%	(\$14.4)	(\$72.2)
Steward Good Samaritan Medical Center	Community-High Public Payer	6	3.1	12.5%	12.6%	\$18.8	\$110.2
Steward Holy Family Hospital	Community-High Public Payer	6	2.0	6.9%	6.9%	\$8.6	\$44.2
Steward Norwood Hospital	Community Hospital	6	0.9	5.5%	5.5%	\$5.3	\$51.0
Steward Saint Anne's Hospital	Community-High Public Payer	6	6.7	14.0%	14.1%	\$19.3	\$198.7
Steward St. Elizabeth's Medical Center ε	Teaching Hospital	6	0.5	6.8%	6.8%	\$12.9	\$94.7
Steward Medical Group v	Physician Organization	6	Steward Healthcare did not submit the required physician organization data				
Sturdy Memorial Foundation, Inc. and Affiliates		9	1.5	1.9%	6.5%	\$11.9	\$456.7
Sturdy Memorial Hospital	Community-High Public Payer	9	1.5	5.8%	10.7%	\$15.6	\$409.7
Sturdy Memorial Associates, Inc.	Physician Organization	9	-	-12.5%	-12.6%	(\$4.8)	-

Hospital Health System

Entity	Organization Type	Months Reported	Current Ratio	Operating Margin	Total Margin	Excess (Deficit) of Revenue over Expenses	Net Assets
Tenet Healthcare		6	1.1	1.5%	0.6%	\$26.0	\$2,005.0
MetroWest Medical Center	Community-High Public Payer	6	1.5	1.9%	2.2%	\$2.7	\$53.4
Saint Vincent Hospital ε	Teaching Hospital	6	1.7	8.9%	8.7%	\$21.1	\$461.5
Metrowest Physician Services	Physician Organization	6	-	-24.3%	-24.3%	(\$1.4)	-
Saint Vincent Medical Company	Physician Organization	6	-	-44.8%	-44.8%	(\$7.9)	-
Trinity Health							
Mercy Medical Center	Trinity Health has a fiscal year end data of June 30 and therefore their data is due October 10, 2018						
Mercy Inpatient Medical Associates							
Mercy Medical Group							
Mercy Specialist Physicians							
Pioneer Valley Cardiology Associates							
Riverbend Medical Group							
UMass Memorial Health Care		9	1.4	-2.8%	-1.1%	(\$21.8)	\$979.9
HealthAlliance-Clinton Hospital ⁵	Community-High Public Payer	9	1.2	-7.6%	-6.5%	(\$9.8)	\$170.4
Marlborough Hospital	Community-High Public Payer	9	2.2	0.3%	1.9%	\$1.2	\$50.5
UMass Memorial Medical Center ε	Academic Medical Center	9	1.3	-0.9%	-0.5%	(\$4.1)	\$149.7
UMass Memorial Medical Group Inc.	Physician Organization	9	-	-10.2%	-9.9%	(\$39.6)	-
Valley Health System, Inc.		9	1.4	0.4%	0.6%	\$0.9	(\$0.1)
Holyoke Medical Center	Community-High Public Payer	9	1.4	2.7%	2.9%	\$3.7	(\$10.1)
Western Mass Physician Associates	Physician Organization	9	-	-43.0%	-43.0%	(\$2.9)	-
Wellforce⁶		9	1.4	0.1%	1.9%	\$28.7	\$591.8
Lowell General Hospital	Community-High Public Payer	9	1.2	4.0%	6.0%	\$21.8	\$161.2
MelroseWakefield Health	Community-High Public Payer	9	1.4	5.6%	9.3%	\$18.4	\$152.4
Tufts Medical Center	Academic Medical Center	9	1.4	2.3%	3.5%	\$23.3	\$129.1
Circle Health Physicians Inc	Physician Organization	9	-	-20.3%	-20.3%	(\$6.6)	-
Hallmark Health Medical Associates	Physician Organization	9	-	-41.8%	-41.8%	(\$10.5)	-
Tufts Medical Center Physician Organization	Physician Organization	9	-	-0.5%	-0.5%	(\$1.0)	-

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

⁶ Wellforce became financially consolidated in FY18

All dollar values are in millions

⁵Clinton Hospital merged with Health Alliance Hospital effective 10/1/2017.

ε Hospital meets the High Public Payer threshold.

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

Shriners Hospital Boston (SHB) and Shriners Hospital Springfield (SHS) are part of the national Shriners Hospitals for Children system (SHC) and are reliant upon support from the SHC endowment to cover the costs associated with fulfilling their mission to provide care to patients regardless of their ability to pay. This support is provided through transfers from the SHC's endowment to the hospitals, as these transfers are not considered revenue for the purpose of calculating profitability margin, SHB's and SHS's profitability margins are not comparable to other acute hospitals. Therefore, they have been excluded from the graphics but are included in the statewide median and the databook.

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