

Massachusetts Acute Hospital and Health System Financial Performance

Cumulative Fiscal Year Data through September 30, 2022



DECEMBER 2022

About this Report

The Center for Health Information and Analysis (CHIA) reports quarterly 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 fiscal year-to-date period ending September 30, 2022. Steward Health Care provided its hospital data; however, it did not submit the required HHS or physician organization data. Most hospitals and health systems have a September 30 fiscal year end and as such, data for those hospitals are not due until January 2023.

COVID-19 relief funding was distributed beginning in April 2020 and a portion of this funding was reported as operating revenue. Most of the relief funding was received and reported in fiscal years 2020 and 2021, but some entities continued to recognize that funding through the period ending September 30, 2022.

Entity	Organization Type	Months Reported	Operating Margin	Non-Operating Margin	Total Margin	COVID Funding in Operating Revenue ¹	Excess (Deficit) of Revenue over Expenses	Current Ratio	Net Assets
Cambridge Health Alliance		3	-7.5%	0.6%	-6.8%	\$0.0	(\$14.3)	3.5	\$281.9
Cambridge Health Alliance ε	Teaching Hospital	3	-7.4%	0.6%	-6.8%	\$0.0	(\$14.2)	3.5	\$275.0
Shriners Hospitals for Children		9	-35.3%	31.5%	-3.8%	\$0.0	(\$28.4)	8.0	\$9,305.4
Shriners Hospital for Children - Boston*	Specialty Hospital	9	* Shriners Hospital Boston (SHB) and Shriners Hospital Springfield 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.						
Shriners Hospital for Children - Springfield*	Specialty Hospital	9							
Steward Health Care		Steward Health Care did not submit the required hospital health system data							
Morton Hospital	Community-High Public Payer	9	-1.7%	0.0%	-1.7%	\$0.0	(\$2.0)	1.6	\$23.0
Nashoba Valley Medical Center	Community-High Public Payer	9	-6.0%	0.0%	-6.0%	\$0.0	(\$3.2)	1.8	\$8.0
Steward Carney Hospital ε	Teaching Hospital	9	-30.8%	0.0%	-30.8%	\$0.0	(\$23.3)	1.1	\$7.9
Steward Good Samaritan Medical Center	Community-High Public Payer	9	6.6%	0.0%	6.6%	\$0.0	\$15.4	1.7	\$31.3
Steward Holy Family Hospital	Community-High Public Payer	9	-1.9%	0.0%	-1.9%	\$0.0	(\$3.8)	1.7	\$20.4
Steward Norwood Hospital	Community-High Public Payer	9	-39.6%	0.0%	-39.6%	\$0.0	(\$11.9)	0.1	(\$10.3)
Steward Saint Anne's Hospital	Community-High Public Payer	9	12.6%	0.0%	12.6%	\$0.0	\$30.5	2.3	\$43.3
Steward St. Elizabeth's Medical Center ε	Teaching Hospital	9	-2.0%	0.0%	-2.0%	\$0.0	(\$6.7)	1.9	\$65.1
Steward Medical Group	Physician Organization	Steward Health Care did not submit the required physician organization data							
Tenet Healthcare		9	5.9%	-3.7%	2.2%	\$154.0	\$309.0	1.4	\$4,575.0
MetroWest Medical Center	Community-High Public Payer	9	-8.8%	0.4%	-8.4%	\$3.7	(\$13.4)	1.8	\$56.7
Saint Vincent Hospital ε	Teaching Hospital	9	-2.7%	0.0%	-2.7%	\$0.0	(\$8.2)	2.4	\$283.5
Metrowest Physician Services	Physician Organization	9	-36.0%	0.0%	-36.0%	\$0.2	(\$2.8)	-	-
Saint Vincent Medical Company	Physician Organization	9	-59.5%	0.0%	-59.5%	\$0.0	(\$14.1)	-	-
Trinity Health		3	-3.2%	-9.1%	-12.3%	\$0.9	(\$565.0)	1.9	\$16,400.9
Mercy Medical Center	Community-High Public Payer	3	-6.9%	-0.2%	-7.1%	\$0.0	(\$5.0)	1.6	\$58.0
Mercy Inpatient Medical Associates	Physician Organization	3	-62.4%	0.0%	-62.4%	\$0.0	(\$2.2)	-	-
Mercy Medical Group	Physician Organization	3	-36.9%	0.0%	-36.9%	\$0.0	(\$0.5)	-	-
Mercy Specialist Physicians	Physician Organization	3	-14.7%	0.0%	-14.7%	\$0.0	(\$0.0)	-	-
Pioneer Valley Cardiology Associates	Physician Organization	3	-19.8%	0.0%	-19.8%	\$0.0	(\$0.7)	-	-
Riverbend Medical Group	Physician Organization	3	-37.5%	0.0%	-37.5%	\$0.0	(\$5.8)	-	-

Notes:

All dollar values are in millions.

¹ Sum of amounts reported as Other Operating Revenue: Federal COVID-19 Relief Funds and Other Operating Revenue: State & Other COVID-19 Relief Funds. This value does not include COVID-19 relief funds reported on other line items.

ε Indicates a hospital meets the High Public Payer threshold.

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

REPORT NOTES

Description of Financial Metrics

Financial ratio analysis is one critical component of assessing an entity's financial condition. As part of this quarterly financial performance report, the Center for Health Information and Analysis (CHIA) collects data and reports on profitability, liquidity, and solvency metrics. The measures are used for hospitals and hospital health systems. The physician organizations only report on profitability metrics. Below are the descriptions and calculations for each.

Operating Margin

Operating income is income from normal operations of an entity, including patient care and other activities, such as research, gift shops, parking, and cafeteria, minus the expenses associated with such activities. Operating margin is a critical ratio that measures how profitable the entity is when looking at the performance of its primary activities.

Of note, some federal and state COVID-19 relief funds received may be included in the entity's operating income.

Operating Margin = (Total Operating Revenue - Total Expenses Including Nonrecurring Gains Losses) / Total Unrestricted Revenue, Gains, and Other Support

Non-Operating Margin

Non-operating income or loss is net of expenses and includes items that are not related to operations, such as investment income, contributions, gains from the sale of assets, and other unrelated business activities.

Non-Operating Margin = Total Non-Operating Revenue / Total Unrestricted Revenue, Gains, and Other Support

Total Margin

This ratio evaluates the overall profitability of the entity using both operating surplus (or loss) and non-operating surplus (or loss).

Total Margin = Total Excess of Revenue, Gains, and Other Support Over Expenses / Total Unrestricted Revenue, Gains, and Other Support

COVID Funding in Operating Revenue

This metric sums all sources of COVID-19 relief funding that was recorded as other operating revenue in the financial statements during this reporting period. This may include COVID-19 relief funding received under the CARES Act, HHS public health and social service emergency funds, private foundation grants or contributions, or state relief funds.

COVID Funding in Operating Revenue = Other Operating Revenue: Federal COVID-19 Relief Funds + Other Operating Revenue: State & Other COVID-19 Relief Funds

Current Ratio

This ratio measures an entity's ability to meet its current liabilities with its current assets. A ratio of 1.0 or higher indicates that current liabilities could be adequately covered by the entity's existing current assets.

Current Ratio = Total Current Assets / Total Current Liabilities

Other Measures

The following are individual line items from the hospital and health system standardized financial filing:

- **Total Excess of Revenue, Gains, and Other Support Over Expenses:** Total dollar amount of surplus or loss derived from all operating and non-operating activities
- **Net Patient Service Revenue (NPSR):** Revenue an entity would expect to collect for services provided, including premium revenue, less contractual allowances. NPSR is the primary source of revenue for an entity.
- **Other Operating Revenue: Federal COVID-19 Relief Funds:** Revenue an entity received from the federal government related to the COVID-19 pandemic and reported as operating revenue.
- **Other Operating Revenue: State & Other COVID-19 Relief Funds:** Revenue an entity received from the state government or source other than the federal government related to the COVID-19 pandemic and reported as operating revenue.
- **Net Assets:** For not-for-profit entities, this represents the difference between the assets and liabilities of an entity, comprised of retained earnings from operations and contributions from donors. Changes from year to year are attributable to two major categories: (1) increases and/or decreases in Unrestricted Net Assets, which are affected by operations, and (2) changes in Restricted Net Assets (restricted contributions). The for-profit equivalent of Total Net Assets is Owner's Equity.

Data Caveats

Tenet Healthcare is a nationwide health system and their health system level financial metrics represent that of the entire system.

Data represents the period through September 30, 2022 and is not necessarily an indication of the financial position that an entity will have at its fiscal year end.

All COVID Funding metrics are presented as reported by the hospital or entity.

There was an accounting change (ASU 2016-01) adopted by most hospitals beginning in FY 2020 in which unrealized gains and losses on investments are recognized as non-operating income.

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