

EXECUTIVE SUMMARY:

FY 2019 MASSACHUSETTS HOSPITAL PROFILES

Introduction

The FY 2019 Massachusetts Hospital Profiles provide descriptive and comparative information on acute and non-acute hospitals based on hospital characteristics, services, payer mix, utilization trends, cost trends, financial performance, and quality over a five-year period.

The FY 2019 publication includes an individual profile for each acute hospital, a consolidated profile for each non-acute hospital cohort, and a comprehensive [databook](#). Additionally, this publication includes an [interactive dashboard](#) for all acute hospitals. The interactive dashboard allows users to select data views by individual hospital, hospital type, and hospital health system. This executive summary focuses on statewide findings. Aggregate and provider-specific results can be found in individual hospital profiles and the interactive dashboard on CHIA's website.*

* The executive summary includes thumbnails of the charts referenced throughout, which link to the full version of the chart in the interactive report for easier viewing.

Overview

In FY 2019, there were 61 acute care hospitals in Massachusetts. Of these 61 hospitals, 12 were for-profit hospitals, all of which were part of a multi-acute hospital system. There were 49 non-profit hospitals in Massachusetts, 35 of which are components of a larger multi-acute system, and 14 of which are components of an individual hospital system (see interactive chart A).

Hospitals are categorized into five types—Academic Medical Centers (AMCs), teaching hospitals, community hospitals, community-High Public Payer (HPP) hospitals, and specialty hospitals. For analytical purposes, AMCs, teaching hospitals, community hospitals, and community-HPP hospitals are also considered cohorts of similar hospitals. Specialty hospitals are not considered a cohort, due to their unique patient populations and services. For FY 2019, there were six AMCs, seven teaching hospitals, 12 community hospitals, 30 community-HPP hospitals, and six specialty hospitals.

Hospital Utilization

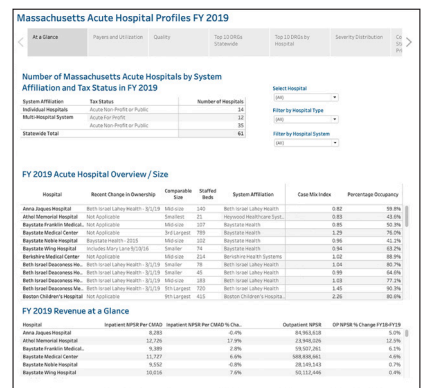
Between FY 2018 and FY 2019, statewide hospital inpatient discharges decreased by 0.4%. Community hospitals had the largest increase in inpatient discharges, a 1.7% increase. The teaching hospital and community-HPP cohorts experienced a decrease in inpatient discharges, while the AMC cohort remained largely stable.

Inpatient hospitalizations are frequently categorized into Diagnosis Related Groups (DRGs), which quantify the predicted resources required to provide care to patients with different medical conditions. Consistent with previous years, the most frequently occurring DRG in Massachusetts was normal neonate births. The community-HPP cohort, which includes the most hospitals, treated the greatest share of patients for eight of the 10 discharges among hospital cohorts (see interactive chart B).

CHIA also examined the distribution of discharges by grouping all DRGs into five severity quintiles. The first quintile represented the least severe discharges and the fifth quintile represented the most complex discharges. AMCs and teaching hospitals combined treated 39% of the least severe cases in 2019, while 60% of cases at this level of care were provided in community hospital settings (community and community-HPP hospitals). Conversely, AMCs and teaching hospitals provided care to 71% of the most severe cases, while 18% of these cases received care in community hospitals. Specialty hospitals provided care to 10% of the most severe cases.

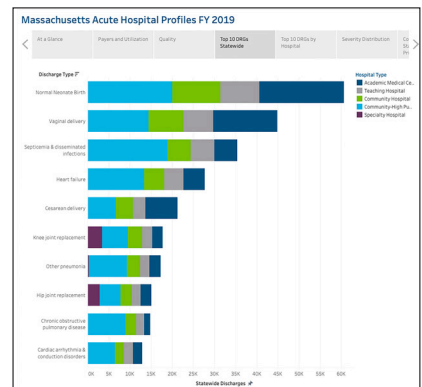
Statewide outpatient visits increased by 3.7% between FY 2018 and FY 2019. The AMC cohort experienced the greatest increase in outpatient visits at 7.7% during this time period. Emergency department visits increased slightly between FY 2018 and FY 2019. The AMC and teaching hospital cohorts saw an increase, while the community and community-HPP cohorts experienced a decrease.

A At a Glance



Click images to see the detailed graphic and the full interactive report.

B Top 10 Discharges Statewide



Click images to see the detailed graphic and the full interactive report.

Hospital Commercial Price

Relative price is a calculated measure that compares different provider prices within a payer’s network for a standard mix of insurance products to the average of all providers’ prices in the network. Statewide relative price (S-RP) is a consolidated cross payer measure of commercial payer relative price levels. Based on the CY 2018 S-RP analysis, AMCs had the highest median commercial relative price at 1.22. The community-HPP cohort had the lowest average commercial relative price at 0.87. Community hospitals had the highest variation in S-RP within a cohort, although much of the variation was driven by high relative prices at a small number of geographically isolated hospitals (see interactive chart C).

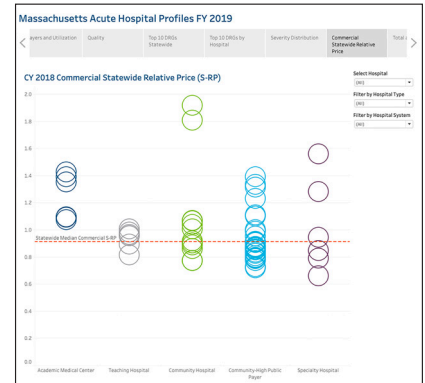
Hospital Financial Performance

Total margin reflects the excess of total revenues over total expenses, including operating and non-operating activities, such as investment income, as a percentage of total revenue. The acute hospital statewide median total margin was 3.5%, a decrease of 1.0 percentage points between 2018 and 2019. The Academic Medical Center and community-HPP cohorts experienced a decrease in total margin, while the teaching hospital and community hospital cohorts increased. The community hospital cohort experienced the largest change in total margin, an increase of 3.5 percentage points.

Operating margin reflects the excess of operating revenues over operating expenses. The statewide acute hospital median operating margin of 2.5% represented a decrease of 0.2 percentage points from the prior year. The community-HPP cohort experienced a decrease in median operating margin, while the teaching hospital and community hospital cohorts increased. The AMC cohort remained stable. The teaching hospital cohort had the most significant change in median operating margin, an increase of 3.5 percentage points.

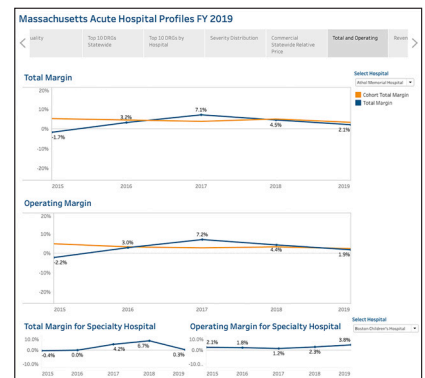
The financial performance of hospital health systems is important to understanding the greater context in which hospitals operate. For more information about the financial performance of hospital health systems, please see the FY 2019 Massachusetts Acute Hospital and Health System Financial Performance Report [here](#).

C Commercial Statewide Relative Price



Click images to see the detailed graphic and the full interactive report.

D Financial Data



Click images to see the detailed graphic and the full interactive report.

For more information, please contact:

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