

HFY 2023 MASSACHUSETTS HOSPITAL PROFILES

Introduction

The Hospital Fiscal Year (HFY) 2023 Massachusetts Hospital Profiles provide descriptive and comparative information on acute and non-acute hospitals based on hospital characteristics, services, payer mix, utilization trends, top discharges, and financial performance and cost trends over a five-year period. The data included in this report is reflective of the health care landscape in HFY 2023. **This publication does not account for any recent changes, including the Steward hospital closures or changes of ownership.**

The HFY 2023 publication includes an individual profile for each acute hospital, a consolidated profile for each non-acute hospital cohort, and a comprehensive [databook](#). This executive summary focuses on statewide acute hospital findings. Aggregate and provider-specific results can be found in individual hospital profiles and the [interactive dashboard](#) on CHIA's website. To see the non-acute and acute hospital profiles, refer to the [HFY 2023 Hospital Profiles Compendium](#).

Overview

In HFY 2023, there were 60 acute care hospitals in Massachusetts. Of the 60 hospitals, 10 were for-profit hospitals, all of which were part of multi-acute hospital systems. There were 50 non-profit hospitals in Massachusetts, 37 of which are part of larger multi-acute systems and 13 of which are part of individual hospital systems.

Acute 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 considered cohorts of similar hospitals. Specialty hospitals are not considered a cohort, because of their unique patient populations and services. In HFY 2023, there were six AMCs, seven teaching hospitals, seven community hospitals, 35 community-HPP hospitals, and five specialty hospitals.

In HFY 2023, there were 38 non-acute care hospitals in Massachusetts. Of the 38 hospitals, 23 were for-profit hospitals and 15 were non-profit.

Non-acute hospitals are categorized into five types—behavioral health hospitals, rehabilitation hospitals, chronic care hospitals, specialty hospitals, and state-operated facilities (Department of Mental Health and Department of Public Health facilities). For HFY 2023, there were 13 behavioral health hospitals, nine rehabilitation hospitals, four chronic care hospitals, three specialty hospitals, and nine state-operated facilities.

Acute Hospital Financial Performance

Profitability

Profitability metrics measure the ability of the hospital to generate a surplus. There are three profitability metrics reported in Hospital Profiles: total margin, operating margin, and non-operating margin. Total margin reflects the excess of total revenues over total expenses (including operating and non-operating activities), as a percentage of total revenue. Operating margin reflects the excess of operating revenues over operating expenses, including patient care and other activities, as a percentage of total revenue. Non-operating margin includes items that are not related to operations, such as investment income, contributions, gains from the sale of assets and other unrelated business activities, and unrealized gains and losses, as a percentage of total revenue.

The statewide acute hospital median total margin in HFY 2023 was 2.2 percent an increase of 6.4 percentage points compared with the prior fiscal year. Similarly, the statewide acute hospital median operating margin (0.2 percent) and non-operating margin (1.6 percent) increased from the prior year.

Aggregate operating revenues increased by \$3.6 billion (9.4 percent) from HFY 2022 to HFY 2023 after increasing by \$2.0 billion (5.4 percent) in the prior hospital fiscal year. Aggregate expenses increased \$3.0 billion (7.6 percent) from HFY 2022 to HFY 2023 after increasing by \$3.2 billion (8.9 percent) in the prior hospital fiscal year.

In HFY 2023, acute hospitals reported \$74.4 million in federal COVID-19 relief funds and \$269.2 million in state relief funds as operating revenue. These funds are included in both the total and operating margins.

The financial performance of hospital health systems is also important for understanding the greater context in which hospitals operate. For more information about the financial performance of hospital health systems and greater detail on acute hospital financials, please see the [HFY 2023 Massachusetts Acute Hospital and Health System Financial Performance Report](#).

Solvency and Liquidity

Solvency and capital structure metrics measure how a hospital's assets are financed and their ability to take on more debt. Liquidity metrics measure the hospital's ability to meet short-term obligations and generate cash for operations.

There are four solvency and capital structure ratios included in Hospital Profiles: Debt Service Coverage Ratio, Cash Flow to Total Debt, Equity Financing, and Average Age of Plant.

There is one liquidity measure included in Hospital Profiles, the Current Ratio metric. A ratio of 1.0 or higher indicates financial stability because current liabilities could be adequately covered by existing current assets. In HFY 2023, 43 of the 60 acute hospitals had a current ratio of 1.0 or higher.

More information on the financial performance metrics can be found in the [HFY 2023 Massachusetts Acute Hospital and Health System Financial Performance Report](#).

Acute Hospital Utilization

Between HFY 2022 and HFY 2023, aggregate acute hospital inpatient discharges increased by 2.6 percent and aggregate inpatient days increased by 0.6 percent. In HFY 2023, acute hospitals reported 14,802 staffed beds.

Statewide outpatient visits decreased by 1.1 percent between HFY 2022 and HFY 2023. The AMC and community hospital cohorts reported an increase in aggregate outpatient visits (at 0.8 percent and 13.2 percent, respectively), while the teaching and community-HPP cohorts saw a decrease (-6.5 percent and -1.8 percent, respectively).

Emergency department visits increased by 3.0 percent between HFY 2022 and HFY 2023. All cohorts saw an increase in aggregate emergency department visits, with the community hospital cohort experiencing the greatest percent increase during this time period.

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.

Hospital Profiles also reports the distribution of discharges by community to provide a sense of each hospital's inpatient service area. Communities with fewer than 25 discharges are suppressed for confidentiality.

For more information, please contact:



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