

Massachusetts Acute Hospital Financial Performance Fiscal Year Data through December 31, 2014



March 2015

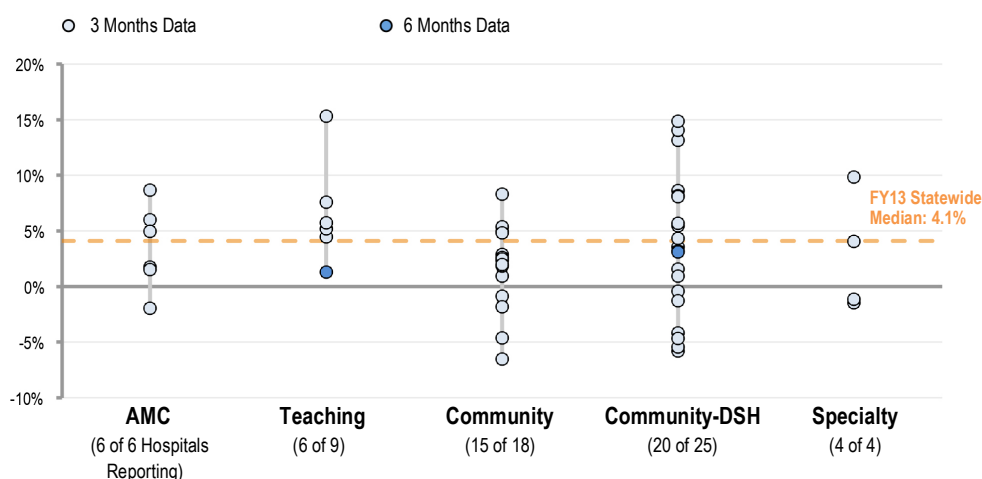
About this Report

This report provides an update on the profitability, liquidity, and solvency of acute care hospitals for the fiscal period ending December 31, 2014 (Current Period). Fifty one of the sixty two acute hospitals in Massachusetts are included in this analysis, as not all hospitals are required to report data by the date of this publication. This report compares hospital financial performance in the current period to the same point in time in the prior year for the same group of hospitals, and to the prior year's statewide performance. Acute hospitals are grouped into the following cohorts: Academic Medical Centers (AMCs), teaching hospitals, community hospitals, and community-Disproportionate Share Hospitals (DSH). Specialty hospitals are not considered a cohort but are included in the prior year statewide median.

Key Findings

- Among hospitals reporting for the current period (51 of 62), profitability increased from the same period in the prior year (ending December 31, 2013) for three of the four hospital cohorts. The current period total margin among reporting hospitals is 1% lower than the FY13 statewide median total margin for all hospitals.
- The statewide median current ratio increased from the same period in the prior year among reporting hospitals. The median current ratio for the AMC and teaching hospital cohorts decreased, while the median current ratio for community and community-DSH hospitals increased.
- One acute hospital reported negative net assets.

Acute Hospital Total Margins (Data as of 12/31/14)



Profitability

Acute hospital profitability, as measured by median total margin, increased for all cohorts except teaching hospitals during the current period. Statewide performance decreased 0.2% from the same period in the prior year, driven by a 2.8% decline in the teaching cohort. Despite this decline, teaching hospitals remained the most profitable cohort, with a median total margin of 5.5% for the current period. Community-DSH hospitals experienced the largest increase in profitability from the prior year.

Median Total Margin Trend by Cohort*

	12/31/12	12/31/13	12/31/14
Statewide Median (51 of 62 hospitals)	2.7%	3.3%	3.1%
AMC (6 of 6 hospitals)	1.0%	3.0%	3.3%
Teaching (6 of 9 hospitals)	6.8%	8.3%	5.5%
Community (15 of 18 hospitals)	2.7%	2.0%	2.4%
Community-DSH (20 of 25 hospitals)	3.1%	2.8%	3.4%

Liquidity

Acute hospital liquidity, as measured by the median current ratio, increased slightly from the same period in the prior year to 1.8 for the reporting hospitals. A current ratio above 1.0 indicates a hospital has sufficient current assets to meet current liabilities. Three hospitals reported a current ratio below 0.7.

Solvency

Net assets are the difference between a hospital's total assets and total liabilities and can be used to assess solvency. One hospital reported negative net assets in the current period.

For additional information and descriptions of the metrics, please see Technical Appendix and Databook.

*Only hospitals that were required to report data as of 12/31/14 were included in cohort median total margins for prior periods. Statewide medians include specialty hospitals.

Massachusetts Acute Hospital Financial Performance
Fiscal Year Data through December 31, 2014

Hospital Name	Cohort	System Affiliation	Months Reported	Profitability			Liquidity	Solvency	Profit (Loss) in Millions
				Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Net Assets in Millions	
These hospitals (11) have a 12/31/14 fiscal year end:									
Morton Hospital	D	Steward Health Care							
Nashoba Valley Medical Center	C	Steward Health Care							
Quincy Medical Center	D	Steward Health Care							
Steward Carney Hospital^	T	Steward Health Care							
Steward Good Samaritan Medical Center	D	Steward Health Care							
Steward Holy Family Hospital	D	Steward Health Care							
Steward Norwood Hospital	C	Steward Health Care							
Steward Saint Anne's Hospital	D	Steward Health Care							
Steward St. Elizabeth's Medical Center^	T	Steward Health Care							
MetroWest Medical Center	C	Tenet Healthcare							
Saint Vincent Hospital^	T	Tenet Healthcare							

The data for these hospitals are due April 10, 2015

These hospitals (49) have a 9/30/15 fiscal year end and this report contains 3 months of data:

Baystate Franklin Medical Center	D	Baystate Health	3	5.5%	5.0%	0.5%	2.0	\$44.9	\$1.3
Baystate Mary Lane Hospital	C	Baystate Health	3	-6.5%	-7.2%	0.6%	1.7	\$18.5	(\$0.5)
Baystate Medical Center^	T	Baystate Health	3	4.5%	5.4%	-0.9%	3.3	\$674.4	\$12.3
Baystate Wing Hospital	D	Baystate Health	3	-1.3%	-2.0%	0.8%	1.6	\$46.9	(\$0.2)
Berkshire Medical Center^	T	Berkshire Health	3	15.3%	6.3%	9.0%	1.2	\$322.8	\$17.8
Fairview Hospital	D	Berkshire Health	3	13.2%	5.4%	7.8%	1.1	\$24.5	\$1.7
Cape Cod Hospital	D	Cape Cod Healthcare	3	8.6%	5.1%	3.5%	1.5	\$281.4	\$10.2
Falmouth Hospital	D	Cape Cod Healthcare	3	8.1%	0.5%	7.7%	1.2	\$179.5	\$3.2
Beth Israel Deaconess Hospital - Milton	C	CareGroup	3	2.5%	-0.3%	2.7%	1.9	\$72.2	\$0.5
Beth Israel Deaconess Hospital - Needham	C	CareGroup	3	2.0%	1.5%	0.5%	2.0	\$37.9	\$0.4
Beth Israel Deaconess Hospital - Plymouth	C	CareGroup	3	2.9%	1.4%	1.5%	1.9	\$79.0	\$1.5
Beth Israel Deaconess Medical Center	A	CareGroup	3	1.5%	0.7%	0.9%	3.2	\$910.8	\$5.6
Mount Auburn Hospital	T	CareGroup	3	7.6%	5.6%	2.0%	5.1	\$274.7	\$6.3
New England Baptist Hospital	S	CareGroup	3	4.0%	2.4%	1.6%	3.7	\$128.7	\$2.5
Athol Memorial Hospital	D	Heywood Healthcare	3	-5.8%	-6.1%	0.4%	0.5	\$4.0	(\$0.3)
Heywood Hospital	D	Heywood Healthcare	3	4.3%	3.8%	0.5%	1.1	\$53.5	\$1.1
Lahey Hospital & Medical Center	T	Lahey Health System	3	5.7%	6.2%	-0.5%	2.2	\$170.0	\$11.8
Northeast Hospital	C	Lahey Health System	3	4.8%	4.5%	0.4%	2.1	\$210.9	\$4.1
Brigham and Women's Faulkner Hospital	T	Partners HealthCare	3	5.2%	5.2%	0.0%	1.3	\$75.2	\$2.9
Brigham and Women's Hospital	A	Partners HealthCare	3	6.0%	6.0%	0.0%	1.3	\$401.0	\$39.3
Cooley Dickinson Hospital	C	Partners HealthCare	3	-4.6%	-4.6%	0.0%	1.0	\$77.6	(\$1.8)
Martha's Vineyard Hospital	D	Partners HealthCare	3	-4.2%	-3.3%	-0.9%	2.0	\$101.8	(\$0.7)
Massachusetts General Hospital	A	Partners HealthCare	3	5.0%	5.0%	-0.1%	1.5	\$1,916.2	\$42.3
Nantucket Cottage Hospital	C	Partners HealthCare	3	-1.8%	-8.9%	7.1%	2.2	\$67.0	(\$0.2)
Newton-Wellesley Hospital	C	Partners HealthCare	3	5.4%	5.9%	-0.5%	1.2	\$174.4	\$6.1
North Shore Medical Center	D	Partners HealthCare	3	-4.7%	-4.4%	-0.3%	2.0	\$27.6	(\$4.9)
Clinton Hospital	D	UMass Memorial HC	3	-5.5%	-7.7%	2.2%	2.1	\$18.3	(\$0.4)
HealthAlliance Hospital	D	UMass Memorial HC	3	3.6%	2.9%	0.6%	1.7	\$153.5	\$1.5
Marlborough Hospital	D	UMass Memorial HC	3	3.2%	2.0%	1.2%	1.4	\$29.3	\$0.7
UMass Memorial Medical Center^	A	UMass Memorial HC	3	1.7%	1.4%	0.3%	1.5	\$300.3	\$6.4
Anna Jaques Hospital	C	Individual	3	0.9%	-1.2%	2.2%	3.3	\$26.2	\$0.3
Boston Children's Hospital	S	Individual	3	-1.3%	5.6%	-6.9%	8.2	\$2,944.5	(\$4.3)
Boston Medical Center^	A	Individual	3	8.7%	1.8%	6.9%	1.9	\$1,216.5	\$25.4
Dana-Farber Cancer Institute	S	Individual	3	9.8%	-1.9%	11.7%	1.2	\$1,351.9	\$28.6
Emerson Hospital	C	Individual	3	-0.9%	-0.3%	-0.6%	2.2	\$50.4	(\$0.4)
Hallmark Health	C	Individual	3	8.3%	-0.6%	8.8%	4.1	\$180.3	\$5.7
Harrington Memorial Hospital	D	Individual	3	8.1%	4.1%	4.0%	3.3	\$75.6	\$2.5
Holyoke Medical Center	D	Individual	3	1.6%	1.3%	0.3%	1.5	\$4.1	\$0.5
Lawrence General Hospital	D	Individual	3	0.9%	0.1%	0.8%	2.2	\$127.1	\$0.5
Lowell General Hospital	C	Individual	3	2.4%	1.9%	0.5%	1.6	\$169.1	\$2.4
Massachusetts Eye and Ear Infirmary	S	Individual	3	-1.3%	-3.1%	1.9%	1.4	\$231.4	(\$0.7)
Milford Regional Medical Center	C	Individual	3	5.0%	3.8%	1.1%	3.8	\$118.4	\$2.4
Noble Hospital	D	Individual	3	-0.4%	-0.5%	0.1%	0.4	(\$6.5)	(\$0.1)
Signature Healthcare Brockton Hospital	D	Individual	3	5.7%	4.3%	1.3%	1.3	\$57.1	\$3.6
South Shore Hospital	C	Individual	3	2.6%	3.0%	-0.4%	1.8	\$229.4	\$3.3
Southcoast Hospitals Group	D	Individual	3	14.0%	6.7%	7.3%	1.8	\$504.0	\$29.1
Sturdy Memorial Hospital	D	Individual	3	14.9%	6.9%	8.0%	13.3	\$363.7	\$6.4
Tufts Medical Center	A	Individual	3	-1.9%	-3.7%	1.8%	1.2	\$132.2	(\$3.4)
Winchester Hospital	C	Individual	3	1.9%	1.6%	0.2%	1.1	\$251.4	\$1.3

These hospitals (2) have a 6/30/15 fiscal year end and this report contains 6 months of data:

Cambridge Health Alliance^	T	Individual	6	1.3%	0.1%	1.2%	0.4	\$59.9	\$3.7
Mercy Medical Center	D	Individual	6	3.1%	3.1%	0.1%	3.3	\$141.4	\$4.1

A: Academic Medical Center C: Community Hospital D: Community-DSH Hospital T: Teaching Hospital S: Specialty Hospital ^: Hospital meets DSH criteria.

Note: Profitability percentages may not add due to rounding.

For additional information and descriptions of the metrics, please see Technical Appendix and Databook.