

Massachusetts Acute Hospital Financial Performance Fiscal Year Data through June 30, 2016



September 2016

About this Report

This report provides an update on the profitability, liquidity, and solvency of acute hospitals for the fiscal period ending June 30, 2016 (Current Period). Fifty three of sixty five acute hospitals in Massachusetts are included in this publication. Two hospitals were not 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 displayed and included in statewide medians.

There are a number of factors to consider when evaluating the financial performance of a hospital, including whether the entity is part of a larger system responsible for other lines of business like a physicians group or a health plan. This data is not currently available on a quarterly basis. It is, however, included on an annualized basis as part of CHIA's *Hospital System Profiles*. For additional information, see <http://www.chiamass.gov/massachusetts-acute-hospital-profiles-systems>.

Key Findings

- The median total margin of hospitals reporting in the current period (53 of 65) has remained consistent compared to the same period in the prior year (ending June 30, 2015) at 3.6%. Forty one hospitals in the current period were profitable.
- The statewide median current ratio of 1.8 remained stable compared to the same period in both FY14 and FY15. The AMC and community-DSH cohorts had increases in median current ratio, while the teaching cohort median decreased.
- Five acute hospitals reported negative net assets in the current period.

Profitability

Acute hospital profitability, as measured by median total margin, was 3.6% in the current period, consistent with the same period of the prior year (FY15). The six reporting teaching hospitals had the highest median total margin of 8.4%. The three remaining cohorts' median total margin decreased during the same time period. Community hospitals had the largest decline in median total margin. Academic Medical Centers had the lowest median total margin of all cohorts at 2.7%.

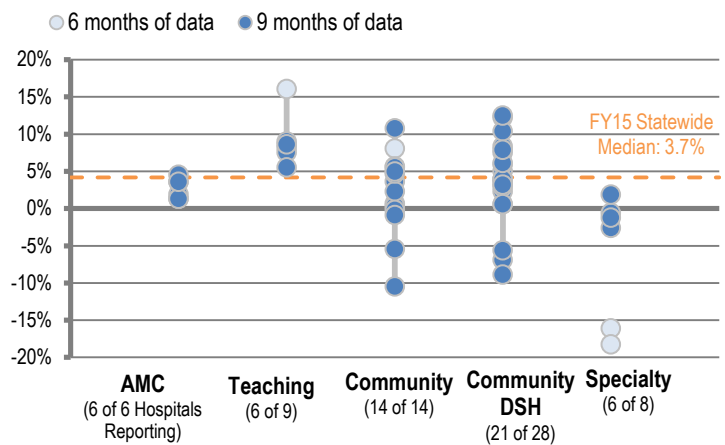
Liquidity

Acute hospital liquidity, as measured by the statewide median current ratio is unchanged for reporting hospitals from the prior year at 1.8. A current ratio above 1.0 indicates that a hospital has sufficient current assets to meet current liabilities. Three hospitals reported a current ratio less than 1.0, with two hospitals reporting a current ratio less than 0.7. All three hospitals are components of larger health systems.

Solvency

Net assets reflect the difference between a hospital's total assets and total liabilities and can be used to assess solvency. Five hospitals reported negative net assets in the current period; four of those hospitals are components of larger health systems. Two of the five hospitals also had negative net assets in the prior year period.

Acute Hospital Total Margins (Data as of 06/30/16)



Median Total Margin Trend by Cohort

	6/30/2014	6/30/2015	6/30/2016
Statewide Median (53 of 65 hospitals)	3.7%	3.6%	3.6%
AMC (6 of 6 hospitals)	3.6%	3.3%	2.7%
Teaching (6 of 9 hospitals)	8.8%	6.6%	8.4%
Community (14 of 14 hospitals)	2.7%	4.3%	2.9%
Community-DSH (21 of 28 hospitals)	4.2%	4.6%	3.9%

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

Sixty three hospitals were required to report data as of 6/30/16. Two hospitals are excluded due to differences in accounting methods. Statewide medians include specialty hospitals.

Massachusetts Acute Hospital Financial Performance

Fiscal Year Data through June 30, 2016

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 (12) have a 12/31/16 fiscal year end and this report contains 6 months of their data:									
Kindred Hospital - Boston	S	Kindred Healthcare	6	-16.1%	-16.1%	0.0%	2.0	(\$0.8)	(\$0.8)
Kindred Hospital - Boston North Shore	S	Kindred Healthcare	6	-18.3%	-18.3%	0.0%	2.8	(\$18.0)	(\$0.9)
Morton Hospital	D	Steward Health Care	6						
Nashoba Valley Medical Center	D	Steward Health Care	6						
Steward Carney Hospital^	T	Steward Health Care	6						
Steward Good Samaritan Medical Center	D	Steward Health Care	6						
Steward Holy Family Hospital	D	Steward Health Care	6						
Steward Norwood Hospital	D	Steward Health Care	6						
Steward Saint Anne's Hospital	D	Steward Health Care	6						
Steward St. Elizabeth's Medical Center^	T	Steward Health Care	6						
MetroWest Medical Center	C	Tenet Healthcare	6	8.0%	7.8%	0.2%	1.7	(\$52.9)	\$10.3
Saint Vincent Hospital^	T	Tenet Healthcare	6	16.0%	16.0%	0.0%	1.8	\$422.6	\$36.6
These hospitals (49) have a 9/30/16 fiscal year end. This report contains 9 months of their data:									
Baystate Franklin Medical Center	D	Baystate Health	9	5.0%	4.1%	0.9%	2.3	\$54.7	\$3.7
Baystate Mary Lane Hospital	C	Baystate Health	9	-5.5%	-7.1%	1.7%	1.5	\$16.0	(\$1.0)
Baystate Medical Center^	T	Baystate Health	9	8.2%	5.5%	2.7%	3.2	\$674.1	\$73.5
Baystate Noble Hospital	D	Baystate Health	9	2.3%	2.1%	0.2%	0.3	\$1.5	\$1.0
Baystate Wing Hospital	D	Baystate Health	9	-6.9%	-7.7%	0.8%	1.4	\$39.4	(\$3.7)
Berkshire Medical Center^	T	Berkshire Health	9	9.0%	6.4%	2.6%	1.2	\$352.3	\$32.3
Fairview Hospital	D	Berkshire Health	9	5.9%	3.2%	2.7%	1.1	\$28.2	\$2.3
Cape Cod Hospital	D	Cape Cod Healthcare	9	8.3%	7.1%	1.2%	1.8	\$330.9	\$31.2
Falmouth Hospital	D	Cape Cod Healthcare	9	12.2%	9.7%	2.5%	1.8	\$203.7	\$15.0
Beth Israel Deaconess Hospital - Milton	C	CareGroup	9	5.6%	4.9%	0.7%	2.3	\$72.5	\$4.5
Beth Israel Deaconess Hospital - Needham	C	CareGroup	9	3.6%	3.1%	0.5%	2.2	\$80.0	\$2.2
Beth Israel Deaconess Hospital - Plymouth	D	CareGroup	9	2.9%	1.8%	1.0%	1.8	\$78.9	\$5.2
Beth Israel Deaconess Medical Center	A	CareGroup	9	1.9%	1.1%	0.7%	3.0	\$867.9	\$22.6
Mount Auburn Hospital	T	CareGroup	9	8.6%	6.4%	2.3%	4.2	\$264.5	\$22.7
New England Baptist Hospital	S	CareGroup	9	-1.3%	0.8%	-2.1%	3.6	\$117.9	(\$2.3)
Athol Memorial Hospital	D	Heywood Healthcare	9	0.5%	0.2%	0.3%	0.6	\$3.3	\$0.1
Heywood Hospital	D	Heywood Healthcare	9	3.9%	2.7%	1.2%	1.3	\$53.9	\$3.2
Lahey Hospital & Medical Center	T	Lahey Health System	9	5.5%	5.3%	0.2%	2.3	\$178.8	\$37.5
Northeast Hospital	C	Lahey Health System	9	4.7%	3.4%	1.3%	1.8	\$202.1	\$12.4
Winchester Hospital	C	Lahey Health System	9	10.7%	2.8%	7.9%	2.0	\$258.4	\$24.5
Brigham and Women's Faulkner Hospital	T	Partners HealthCare	9	7.5%	7.6%	-0.1%	1.6	\$109.2	\$14.3
Brigham and Women's Hospital	A	Partners HealthCare	9	3.6%	3.6%	0.0%	1.4	\$471.2	\$72.5
Cooley Dickinson Hospital	C	Partners HealthCare	9	5.5%	5.4%	0.1%	0.9	\$60.6	\$7.5
Martha's Vineyard Hospital	D	Partners HealthCare	9	0.6%	-1.2%	1.8%	2.5	\$107.3	\$0.3
Massachusetts General Hospital	A	Partners HealthCare	9	4.5%	4.6%	-0.2%	1.8	\$2,349.6	\$123.1
Nantucket Cottage Hospital	C	Partners HealthCare	9	-10.5%	-19.4%	8.9%	1.3	\$78.4	(\$3.3)
Newton-Wellesley Hospital	C	Partners HealthCare	9	-0.9%	-0.6%	-0.3%	1.1	\$213.8	(\$3.0)
North Shore Medical Center	D	Partners HealthCare	9	-8.9%	-9.1%	0.2%	2.3	(\$18.1)	(\$28.4)
Clinton Hospital	D	UMass Memorial HC	9	-5.6%	-6.6%	0.9%	1.8	\$16.1	(\$1.1)
HealthAlliance Hospital	D	UMass Memorial HC	9	3.9%	3.4%	0.6%	2.3	\$160.9	\$5.2
Marlborough Hospital	D	UMass Memorial HC	9	7.5%	6.1%	1.4%	1.5	\$37.3	\$4.8
UMass Memorial Medical Center^	A	UMass Memorial HC	9	3.5%	3.1%	0.4%	1.7	\$287.8	\$43.2
Lowell General Hospital	D	Wellforce	9	3.2%	2.1%	1.1%	1.7	\$161.1	\$10.6
Tufts Medical Center	A	Wellforce	9	1.3%	0.1%	1.2%	1.4	\$103.9	\$7.2
Anna Jaques Hospital	C	Individual	9	0.6%	1.1%	-0.5%	2.4	\$22.2	\$0.6
Boston Children's Hospital	S	Individual	9	-0.6%	2.6%	-3.2%	8.2	\$3,087.2	(\$6.6)
Boston Medical Center^	A	Individual	9	1.3%	0.6%	0.7%	2.2	\$1,191.2	\$11.7
Dana-Farber Cancer Institute	S	Individual	9	1.8%	-3.6%	5.4%	1.2	\$1,363.0	\$18.1
Emerson Hospital	C	Individual	9	0.3%	2.3%	-2.0%	2.2	\$42.9	\$0.5
Hallmark Health	C	Individual	9	2.3%	-1.5%	3.8%	4.0	\$173.3	\$4.7
Harrington Memorial Hospital	D	Individual	9	10.4%	8.0%	2.4%	3.4	\$65.5	\$10.7
Holyoke Medical Center	D	Individual	9	3.4%	3.2%	0.2%	1.5	(\$12.1)	\$3.6
Lawrence General Hospital	D	Individual	9	3.9%	3.1%	0.8%	1.7	\$123.3	\$7.2
Massachusetts Eye and Ear Infirmary	S	Individual	9	-2.6%	-2.6%	0.0%	1.1	\$216.7	(\$4.8)
Milford Regional Medical Center	C	Individual	9	-0.2%	-1.1%	0.8%	3.2	\$118.9	(\$0.4)
Signature Healthcare Brockton Hospital	D	Individual	9	6.1%	5.1%	1.0%	1.4	\$66.0	\$12.4
South Shore Hospital	C	Individual	9	5.0%	5.7%	-0.7%	2.0	\$254.7	\$21.1
Southcoast Hospitals Group	D	Individual	9	7.9%	6.9%	0.9%	1.9	\$524.8	\$48.7
Sturdy Memorial Hospital	D	Individual	9	12.4%	8.3%	4.2%	15.0	\$357.9	\$16.4
These hospitals (2) have a 6/30/16 fiscal year. The data for these hospitals are due October 10, 2016:									
Cambridge Health Alliance^	T	Individual	12						
Mercy Medical Center	D	Individual	12						

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.