



Massachusetts Acute Hospital Financial Performance: Fiscal Year 2008

Division of Health Care Finance and Policy

June 2009

About this Report

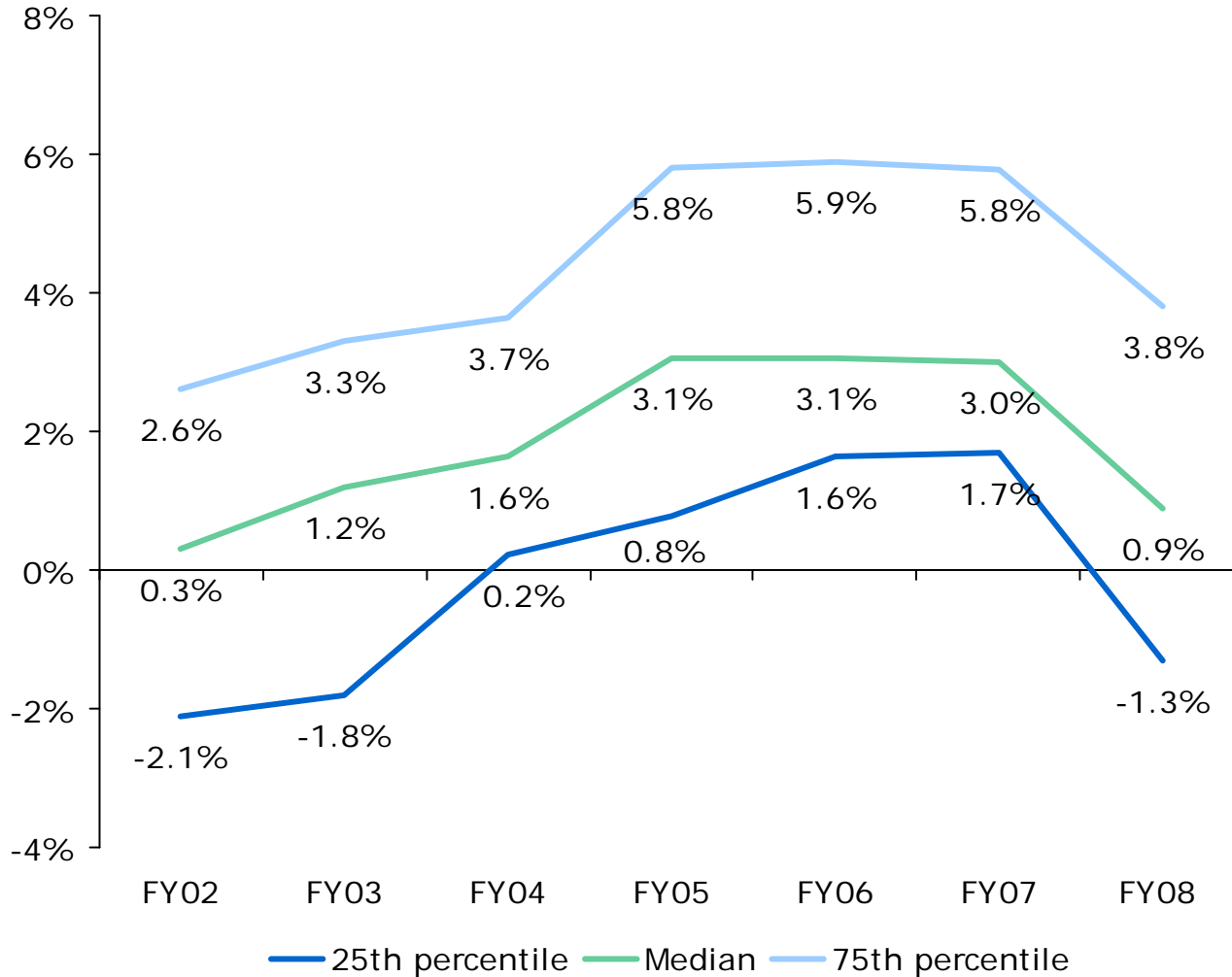
This report is prepared in response to M.G.L. c. 118G, section 6A, which requires the Division of Health Care Finance and Policy (DHCFP) to assess and report on Massachusetts acute hospital financial performance. It provides a statewide analysis of acute hospital audited financial data over a seven-year period (fiscal year 2002 through fiscal year 2008). The report examines hospital profitability, liquidity, and capital structure ratios in order to monitor the financial status of acute hospitals. Presented are industry analyses by quartiles and medians and comparisons of financial performance trends of different hospital cohorts: teaching, community, and disproportionate share hospitals (DSHs). The report is accompanied by individual hospital fact sheets detailing financial trends, which are available on the DHCFP website: www.mass.gov/dhcfp.

Summary of Findings for Fiscal Year 2008

- Overall, Massachusetts acute hospital financial performance declined in fiscal year 2008 (FY08) from FY07.
- Many hospitals reported profitable financial performance, but fewer than in FY07; 65% reported positive total margins in FY08 compared with 89% in FY07. Reflecting the economic climate, one third of hospitals experienced non-operating losses in FY08.
- Liquidity remained fairly stable: acute hospitals took a few days longer to pay bills in FY08 than in FY07.
- Debt ratios declined primarily due to declining total income across the industry in FY08.
- Teaching versus Community Hospital Performance
 - Both teaching and community hospitals reported declines in median total margins, but only community hospitals reported declines in median operating margins. Non-operating margins declined significantly more for teaching hospitals than for community hospitals in FY08.
- Disproportionate Share Hospital Performance
 - For the first time in seven years, disproportionate share hospitals' median total margin was negative. However, disproportionate share hospitals' operating profits slightly improved while all other hospitals as a group experienced declines in FY08. Disproportionate share hospitals took about a week longer to pay their bills than all other hospitals in FY08.



Acute Hospital Total Margin



Many hospitals experienced declines in total profits with the financially weakest hospitals showing the steepest decline in FY08 compared with FY07.

Twenty-three hospitals (35%) reported a total loss during FY08.

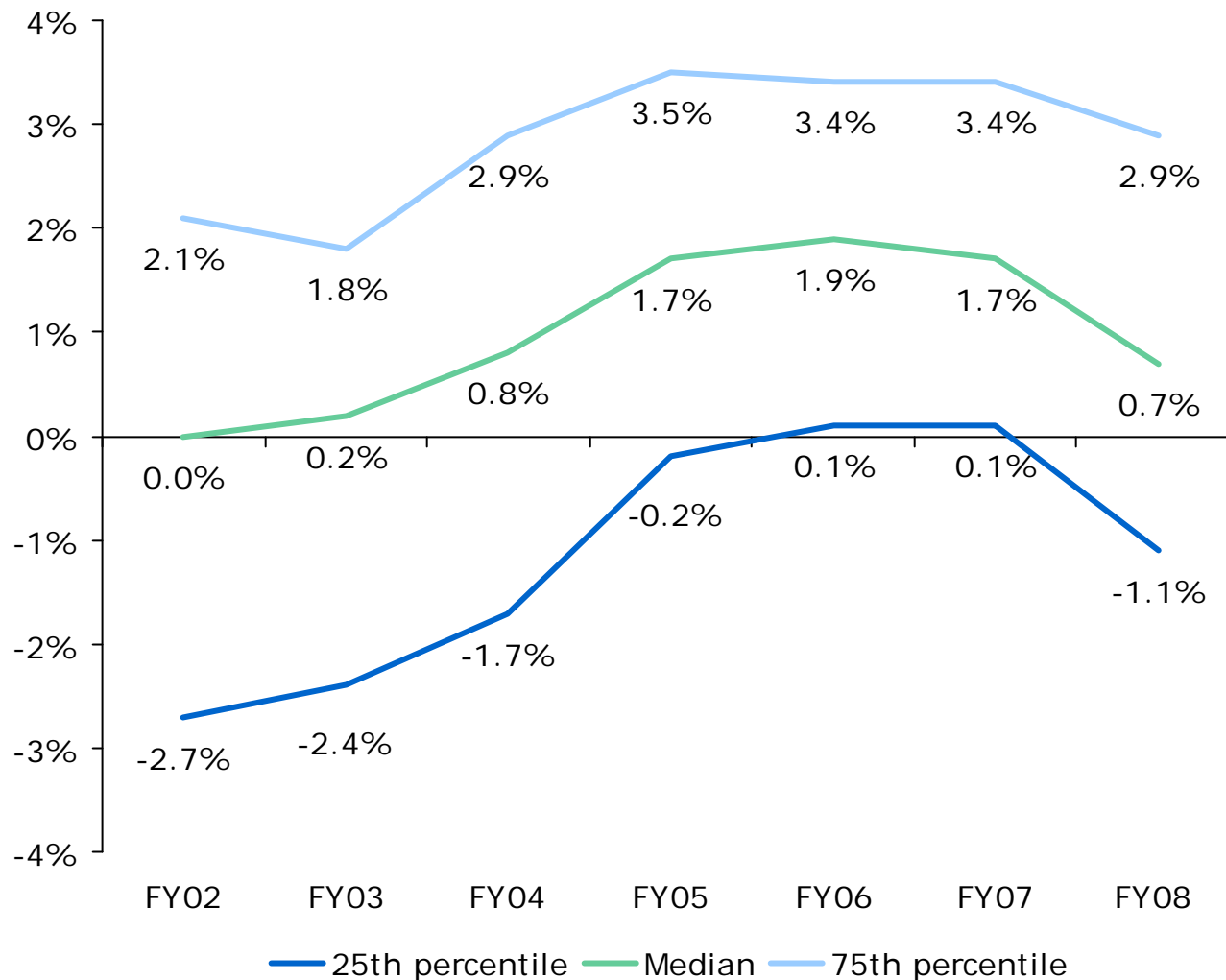
Benchmark: Northeast US median FY07 = 2.7%

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Total margin is the ratio of total income to total revenue.



Acute Hospital Operating Margin



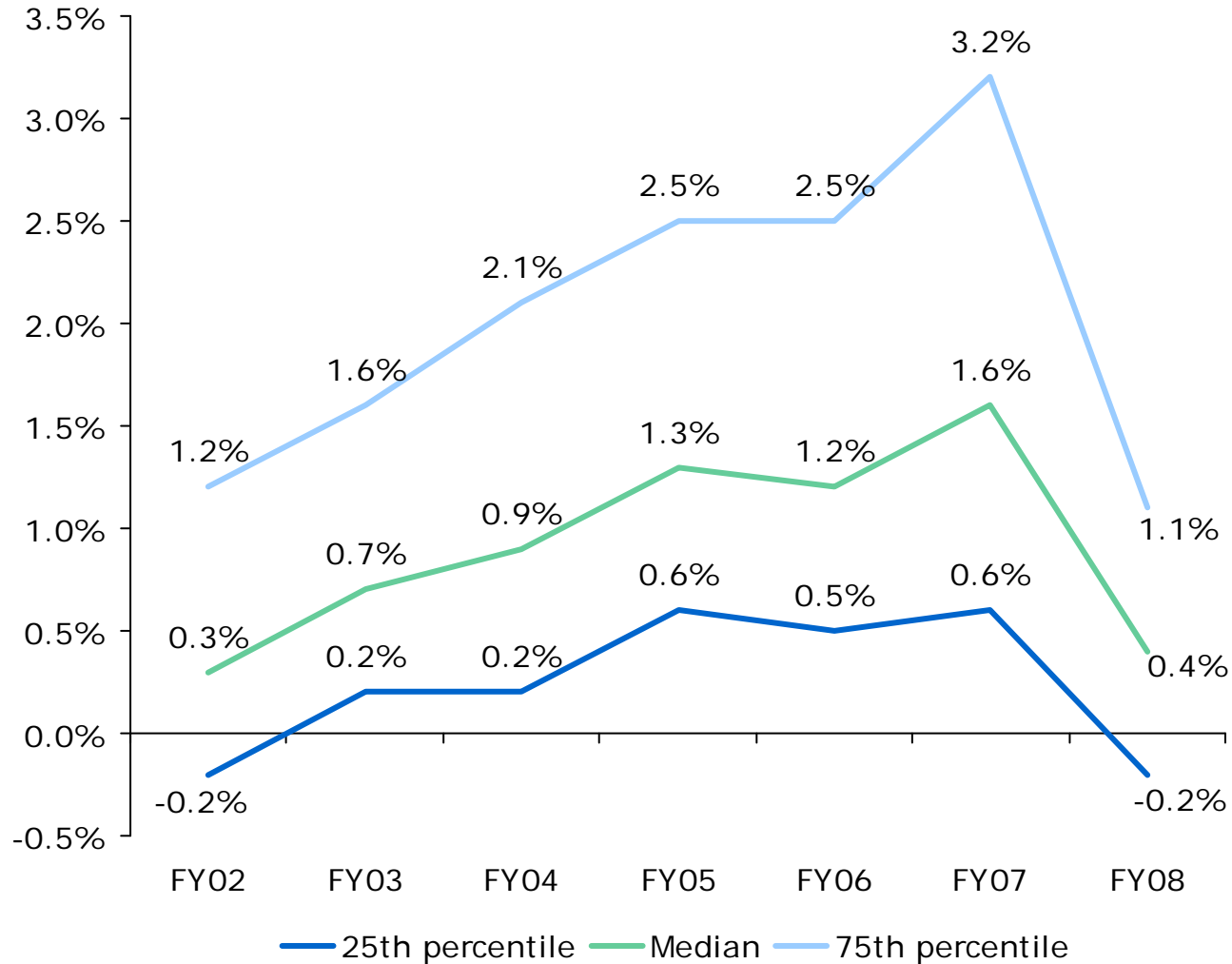
Overall, operating margins declined, with the median operating margin declining from 1.7% in FY07 to 0.7% in FY08.

Twenty-six hospitals (40%) reported a loss from operations during FY08.

Note: Operating margin is the ratio of operating income to total revenue.



Acute Hospital Non-Operating Margin



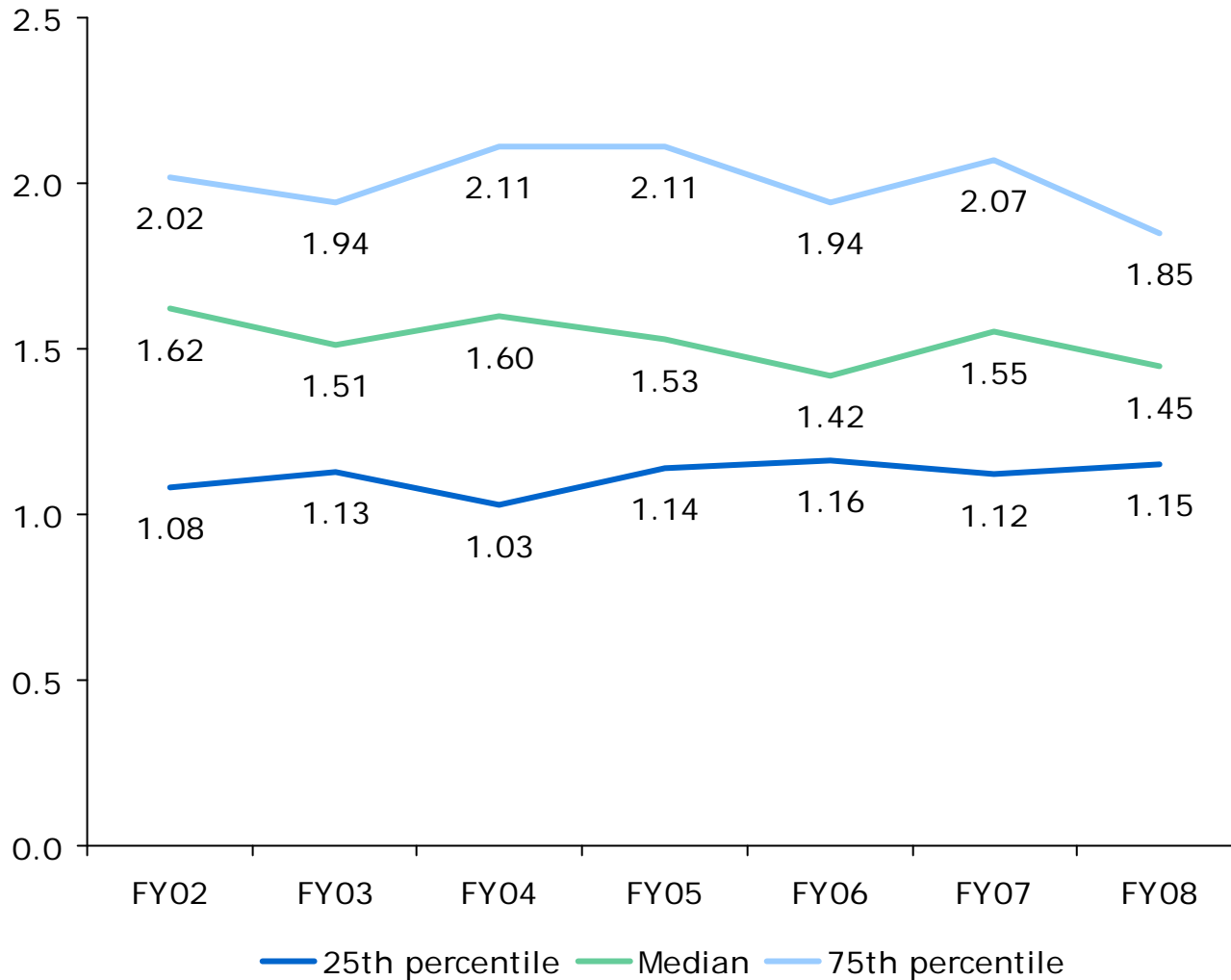
Compared with FY07, many hospitals' non-operating margins declined during FY08.

Twenty one hospitals (32%) reported a non-operating loss during FY08.

Note: Non-operating margin is the ratio of non-operating income to total revenue.



Acute Hospital Current Ratio



A high current ratio indicates the ability to meet current liabilities and a lower probability of financial insolvency.

Massachusetts acute hospitals' short term liquidity declined with the median current ratio falling to 1.45 in FY08 from 1.55 in FY07.

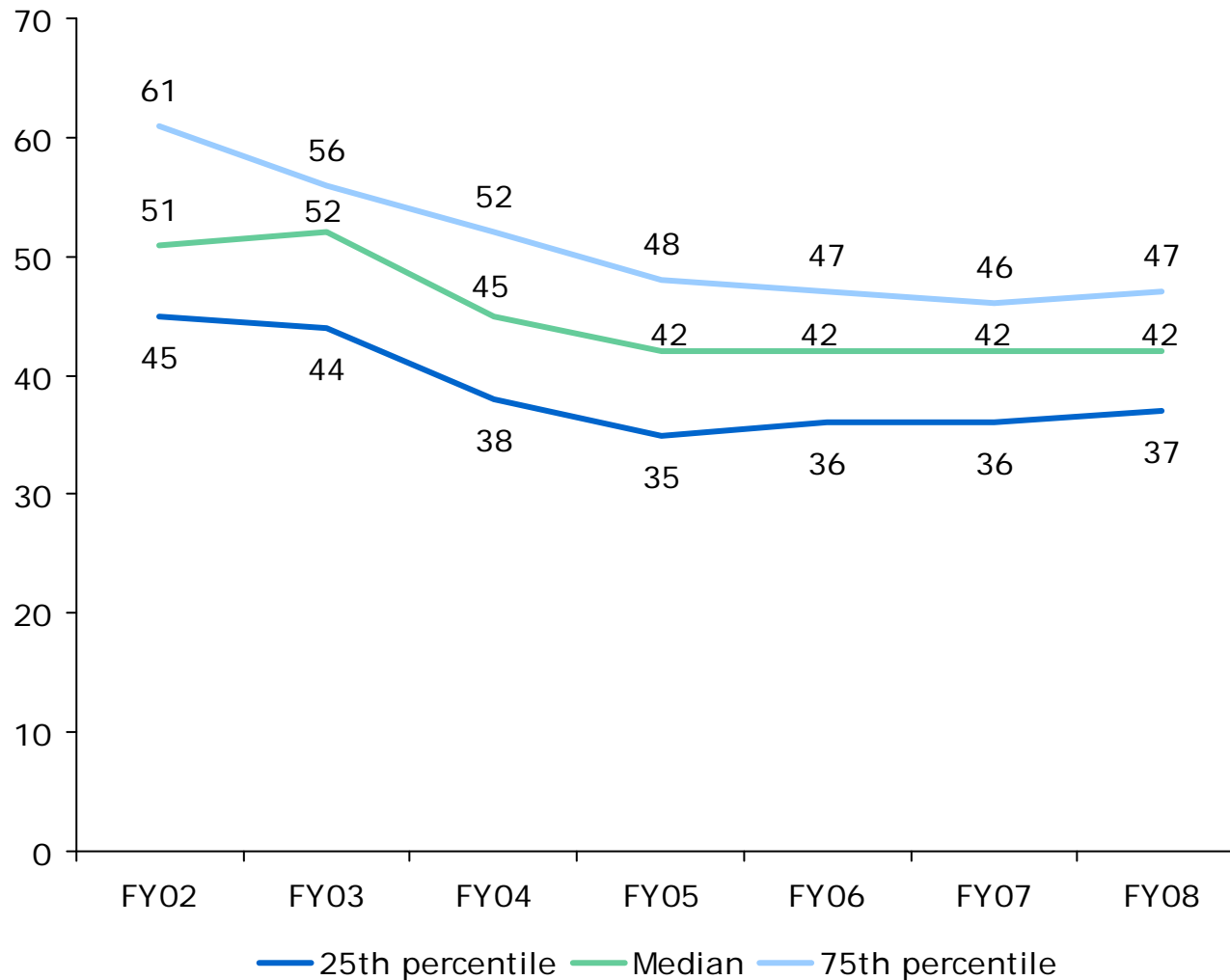
Benchmark: Northeast US median FY07 = 1.53

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Current ratio is the ratio of current assets to current liabilities.



Acute Hospital Days in Accounts Receivable



The days in accounts receivable ratio measures the average number of days that patient receivables are outstanding, or the average collection period.

The median number of days taken to collect revenue maintained a stable trend of 42 days in FY08.

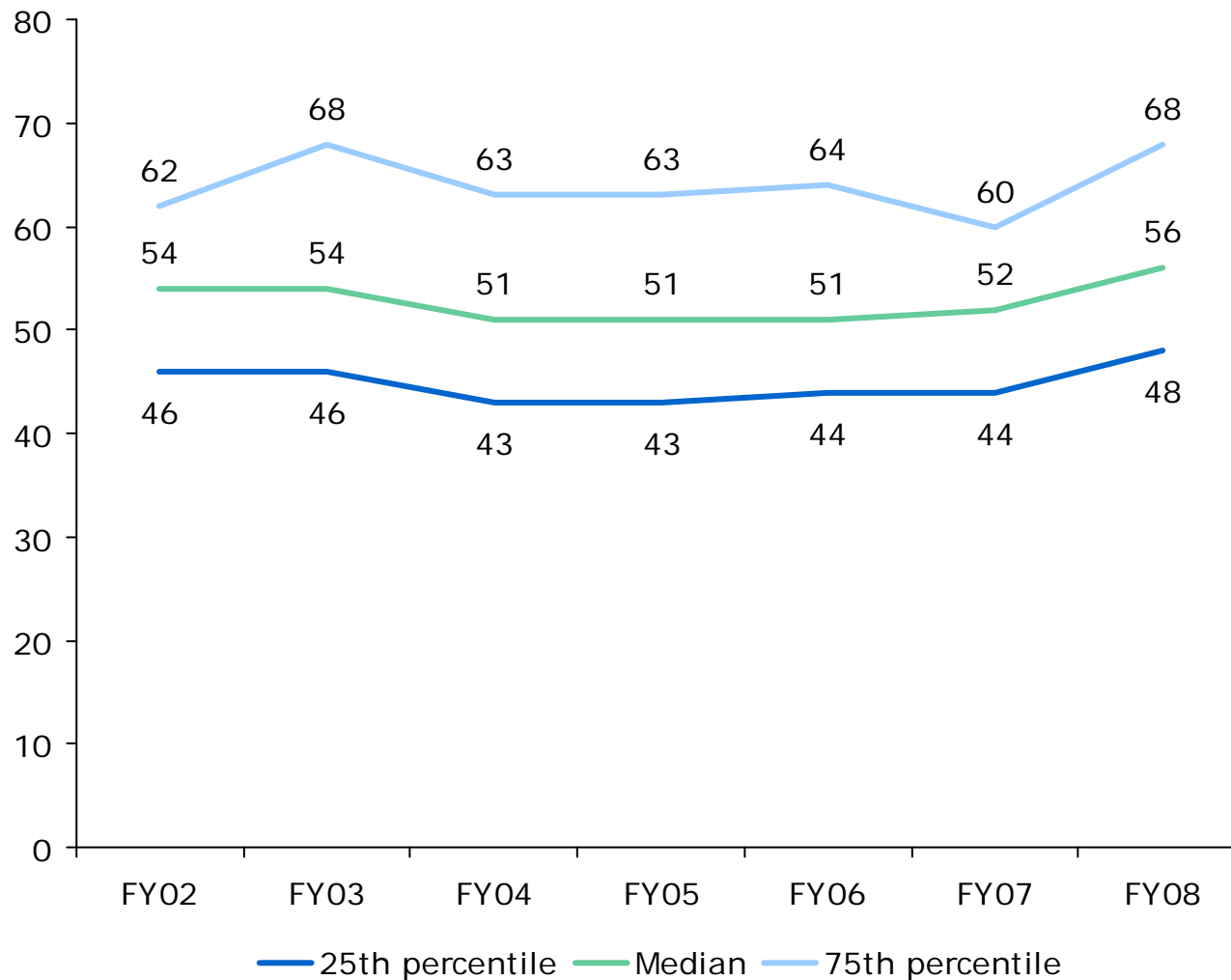
**Benchmark: Northeast US
median FY07 = 46.8**

Benchmark Source: 2009
Almanac of Hospital Financial and
Operating Indicators, INGENIX

Note: Days in accounts receivable is the ratio of net patient accounts receivable to net patient service revenue/(quarters of data x 91.25).



Acute Hospital Average Payment Period



The average payment period ratio measures the time it takes to pay current liabilities. High values indicate potential liquidity problems.

Massachusetts acute hospitals took longer to pay bills in FY08 with the median number of days taken to pay creditors increasing to 56 days in FY08 from 52 days in FY07.

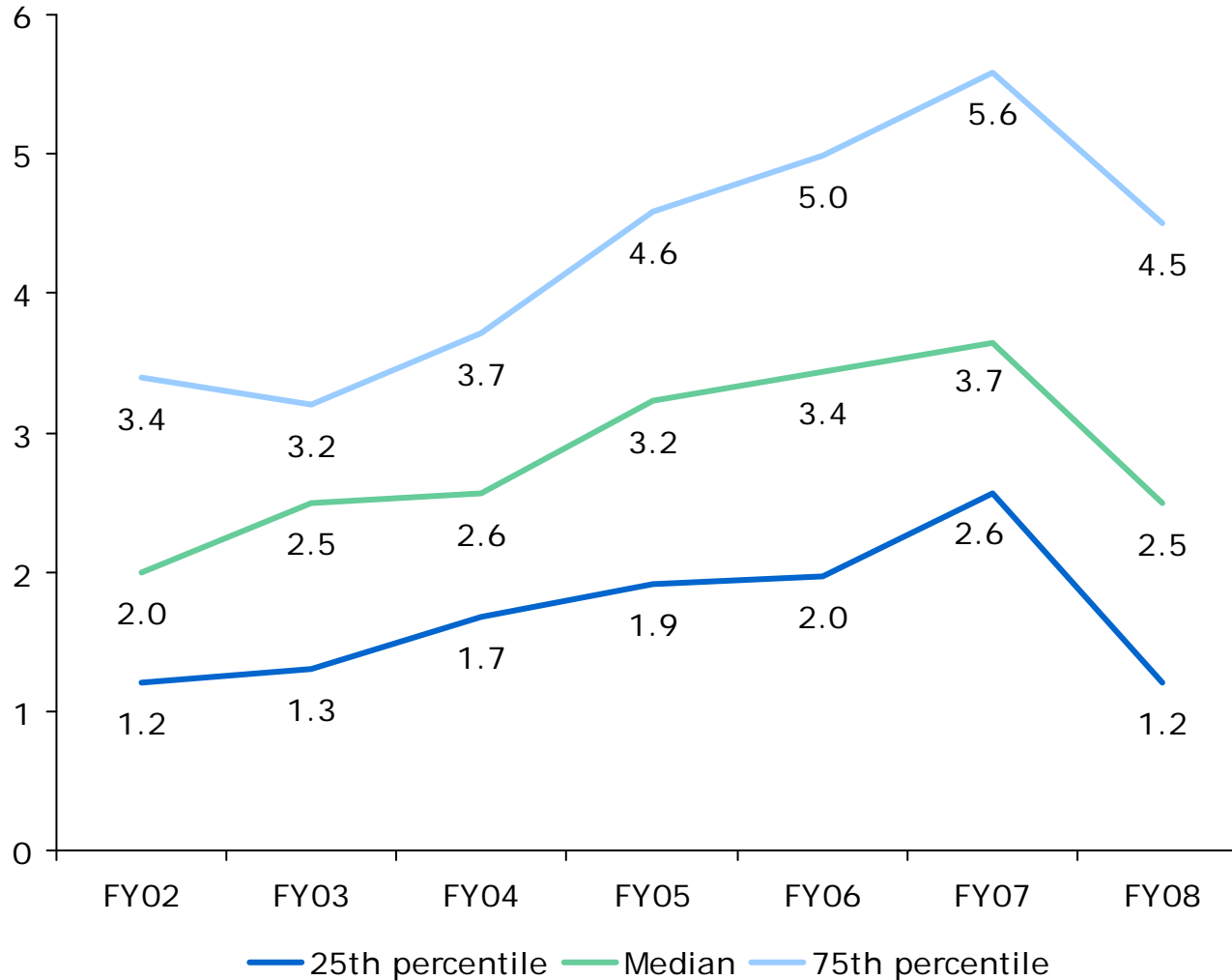
Benchmark: Northeast US median FY07 = 60.7

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Average payment period is the ratio of current liabilities less estimated third-party settlements to total expenses less depreciation and amortization/quarters of data x 91.25.



Acute Hospital Debt Service Coverage



Debt service coverage measures the ability to meet principal and interest payments in the coming year.

This ratio declined in FY08 due to declining total income across the industry.

Better coverage, as evidenced by a higher value, results in a better bond rating.

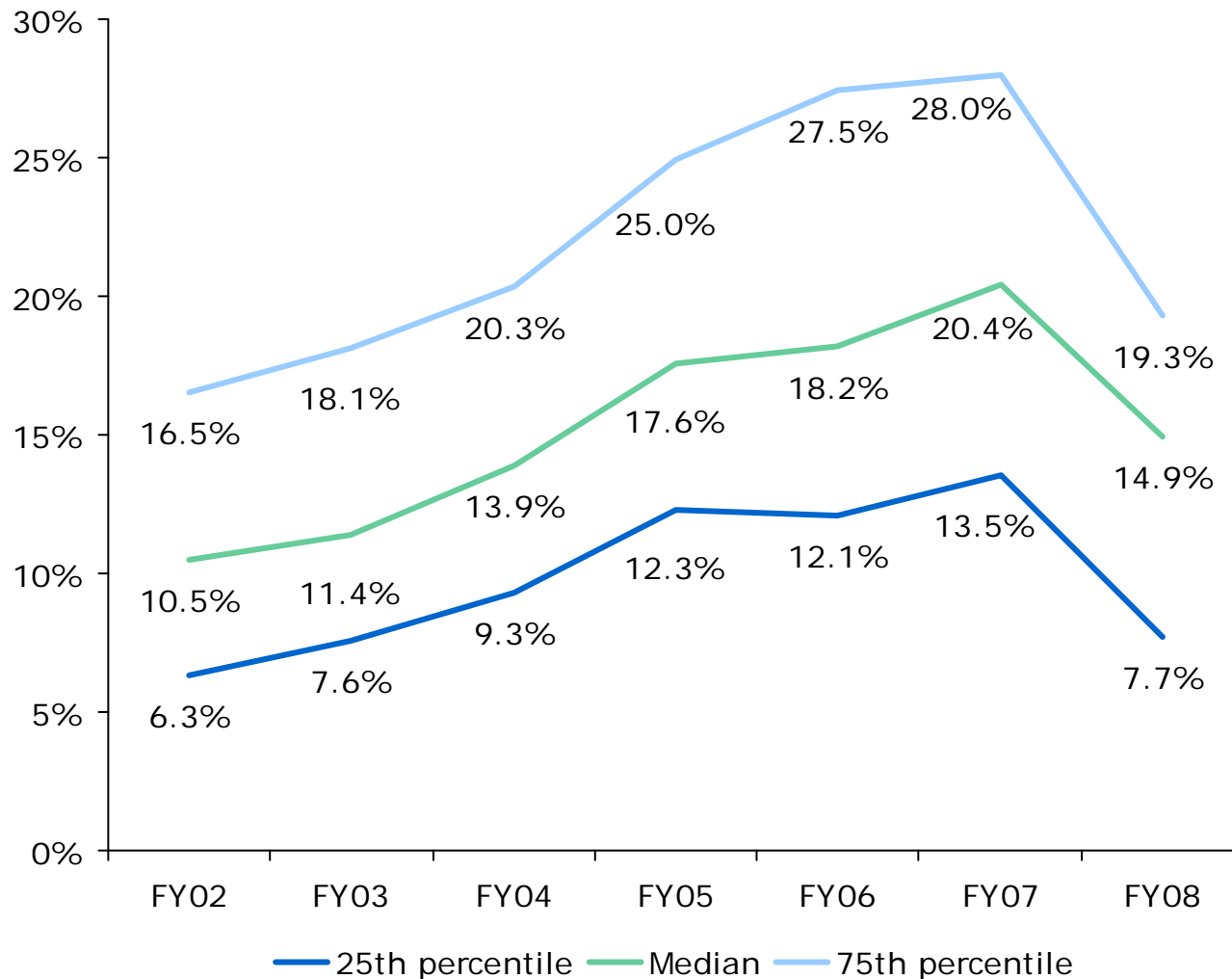
Benchmark: Northeast US median FY07 = 3.52

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Debt service coverage is the ratio of total income plus interest expense plus depreciation and amortization to interest expense plus current portion of long-term debt.



Acute Hospital Cash Flow to Total Debt



Cash flow to total debt is the ratio of cash flow to current and long-term debt and indicates the potential for future financial problems or insolvency.

This ratio declined in FY08 due to declining total income across the industry, and in some cases increasing debt.

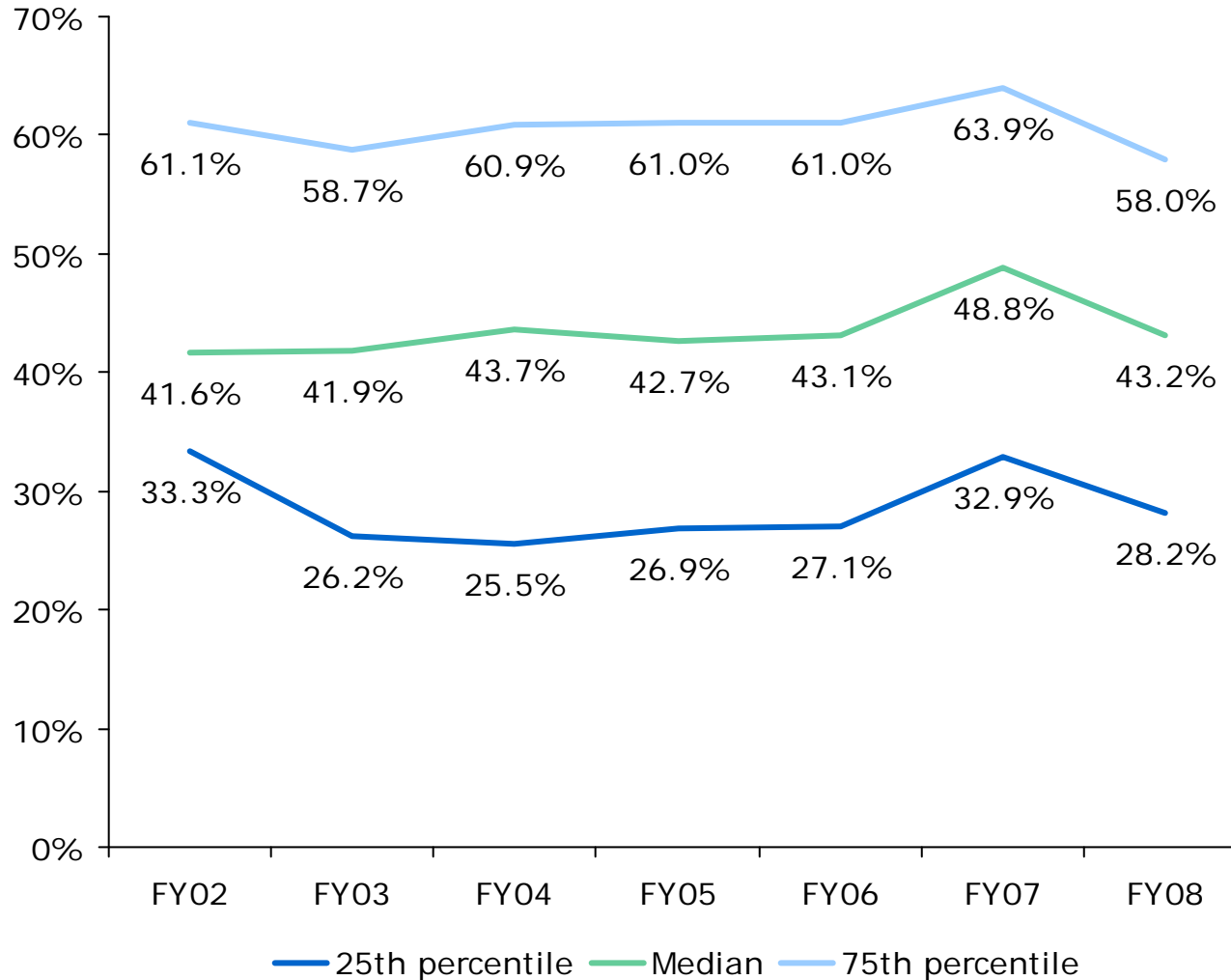
Benchmark: Northeast US median FY07 = 17.8%

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Cash flow to total debt is the ratio of total income plus depreciation and amortization to total current liabilities plus total long-term debt.



Acute Hospital Equity Financing



The equity financing ratio measures the proportion of total assets financed with equity.

In FY08 acute hospitals' equity financing declined, reflecting some hospitals' declining position in net assets.

Benchmark: Northeast US median FY07 = 48.3%

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Equity financing is the ratio of total net assets to total assets.



Teaching and Community Hospitals

- In this analysis, the Division of Health Care Finance and Policy defined teaching hospitals according to the Medicare Payment Advisory Commission's (MedPAC) definition of a major teaching hospital: at least 25 full time equivalent medical school residents per one hundred inpatient beds.
- Based on this definition and using a 2006 base year, the 15 hospitals listed below were assigned to the teaching cohort for all the years of this analysis.

Teaching Hospitals

Baystate Medical Center
 Beth Israel Deaconess Medical Center
 Boston Medical Center
 Brigham and Women's Hospital
 Cambridge Health Alliance
 Caritas St. Elizabeth's Medical Center
 Children's Hospital Boston
 Dana-Farber Cancer Institute
 Lahey Clinic
 Massachusetts Eye and Ear Infirmary
 Massachusetts General Hospital
 Mount Auburn Hospital
 Saint Vincent Hospital
 Tufts Medical Center
 UMass Memorial Medical Center

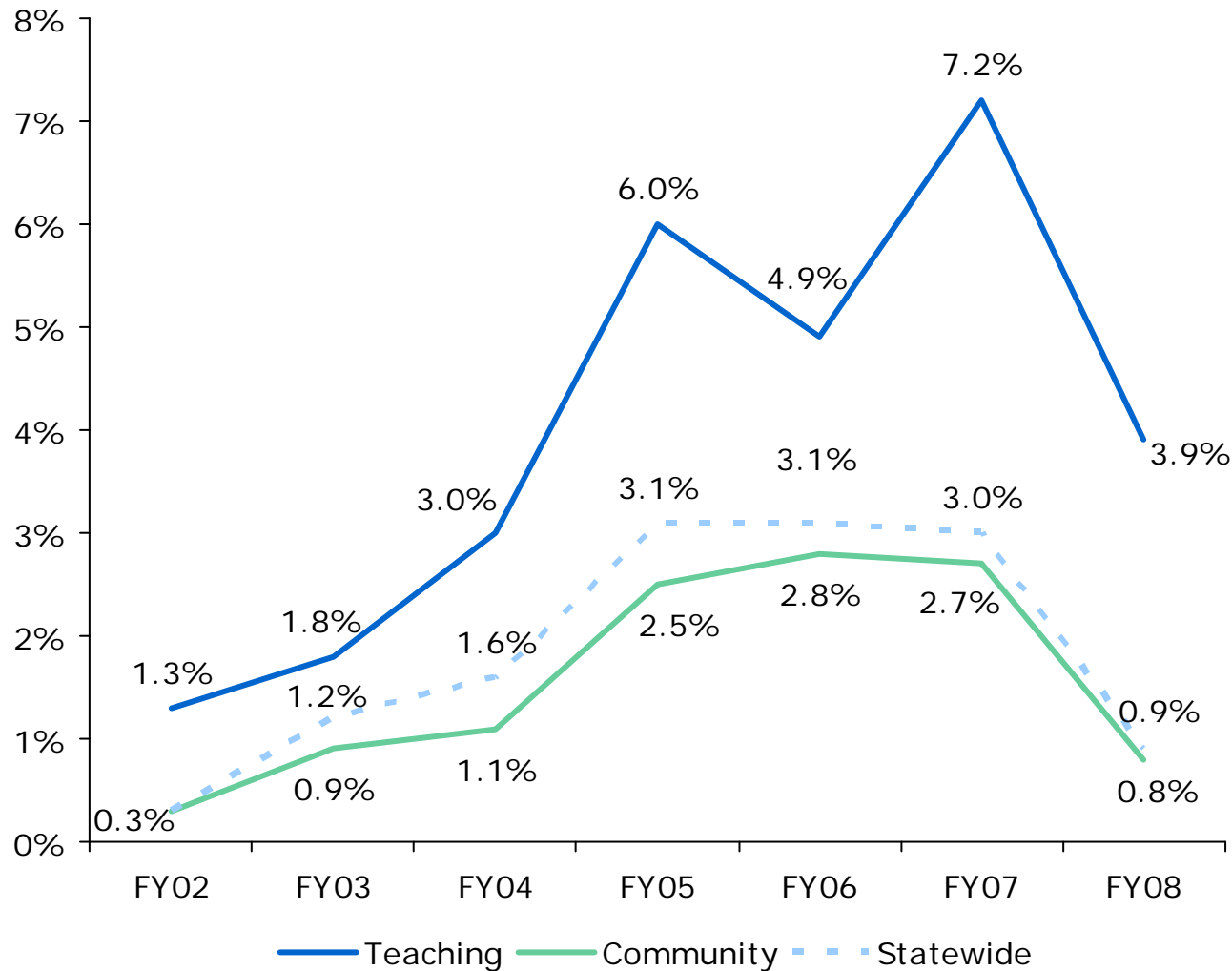
Community Hospitals

Anna Jaques Hospital
 Athol Memorial Hospital
 Baystate Franklin Medical Center
 Baystate Mary Lane Hospital
 Berkshire Medical Center
 Beth Israel Deaconess Hospital-Needham
 Cape Cod Hospital
 Caritas Carney Hospital
 Caritas Good Samaritan Medical Center
 Caritas Holy Family Hospital
 Caritas Norwood Hospital
 Clinton Hospital
 Cooley Dickinson Hospital
 Emerson Hospital
 Fairview Hospital
 Falmouth Hospital
 Faulkner Hospital
 Hallmark Health
 Harrington Memorial Hospital
 Health Alliance Hospital
 Heywood Hospital
 Holyoke Medical Center
 Hubbard Regional Hospital
 Jordan Hospital
 Lawrence General Hospital
 Lowell General Hospital
 Marlborough Hospital
 Martha's Vineyard Hospital
 Mercy Medical Center
 Merrimack Valley Hospital
 MetroWest Medical Center
 Milford Regional Medical Center
 Milton Hospital
 Morton Hospital and Medical Center
 Nantucket Cottage Hospital
 Nashoba Valley Medical Center
 New England Baptist Hospital
 Newton-Wellesley Hospital
 Noble Hospital
 North Adams Regional Hospital
 North Shore Medical Center
 Northeast Hospital
 Quincy Medical Center
 Saint Anne's Hospital
 Saints Medical Center
 Signature Healthcare Brockton Hospital
 South Shore Hospital
 Southcoast Hospitals Group
 Sturdy Memorial Hospital
 Winchester Hospital
 Wing Memorial Hospital and Medical Centers



Acute Hospital Median Total Margin

Teaching vs. Community Hospitals



Teaching hospitals had higher profitability than community hospitals in each of the past seven years. However, both teaching and community hospitals experienced declines in median total margin in FY08 compared with FY07.

The median total margin was 3.9% for teaching hospitals compared with 0.8% for community hospitals in FY08.

Benchmark: Northeast US median FY07 = 2.7%

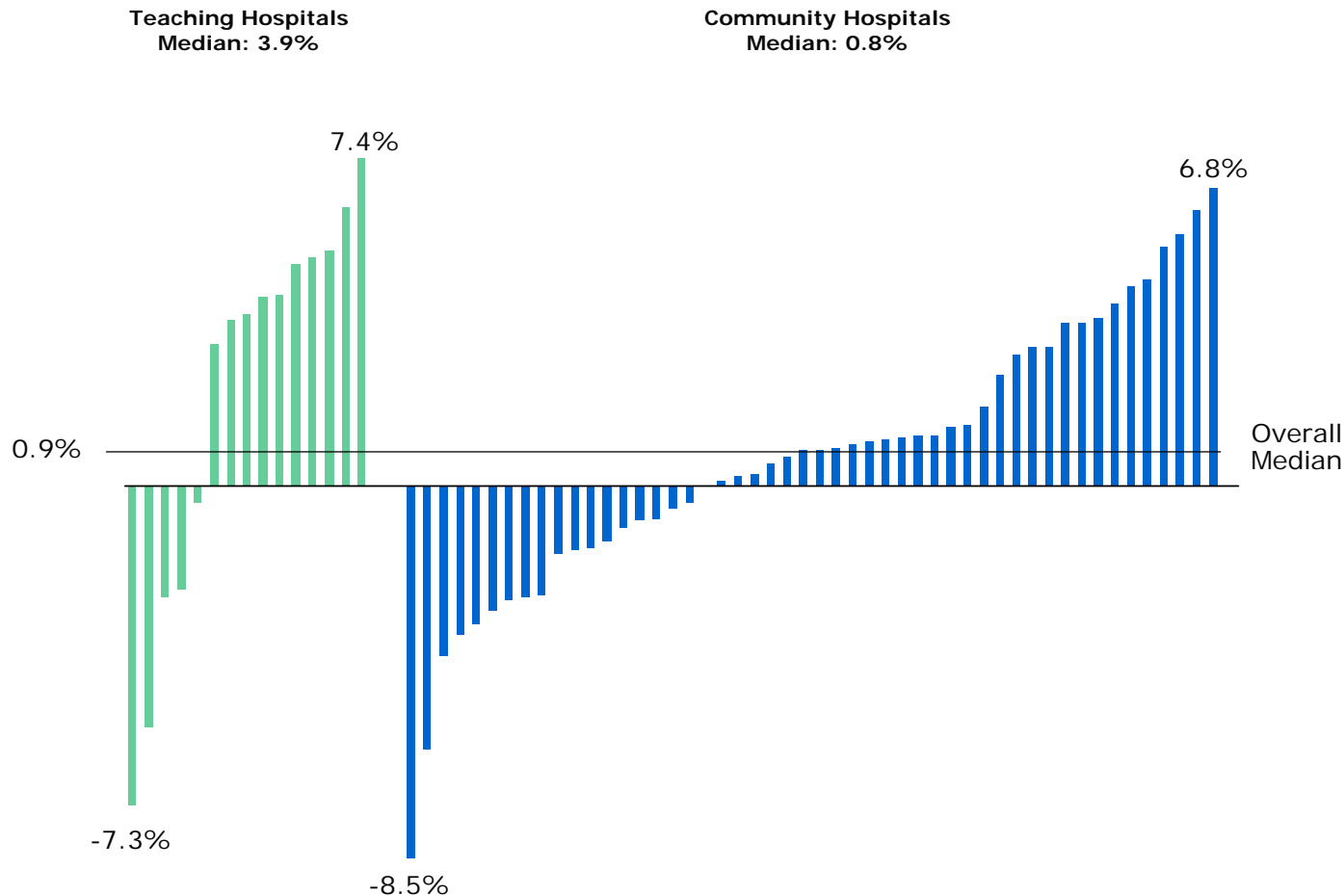
Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Total margin is the ratio of total income to total revenue.



Acute Hospital Total Margin

Teaching vs. Community Hospitals, FY08



The overall financial performance of acute hospitals varies widely by teaching status.

Five teaching hospitals (33%) reported losses in FY08 compared with one (7%) in FY07. Eighteen community hospitals (36%) reported losses in FY08 compared with six (12%) in FY07.

Benchmark: Northeast US median FY07 = 2.7%

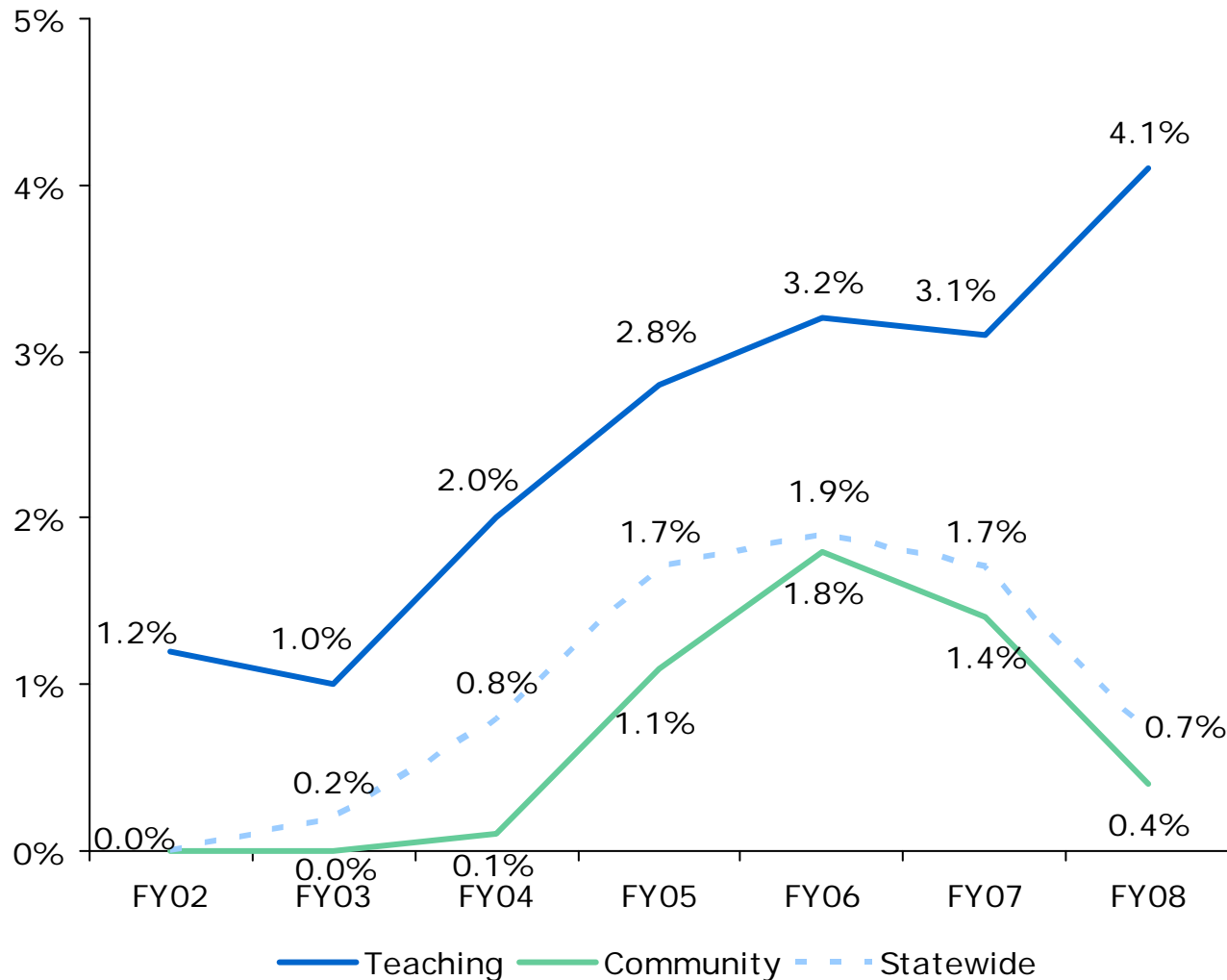
Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Total margin is the ratio of total income to total revenue.



Acute Hospital Median Operating Margin

Teaching vs. Community Hospitals



The median operating margin declined for community hospitals and increased slightly for teaching hospitals in FY08 compared with FY07.

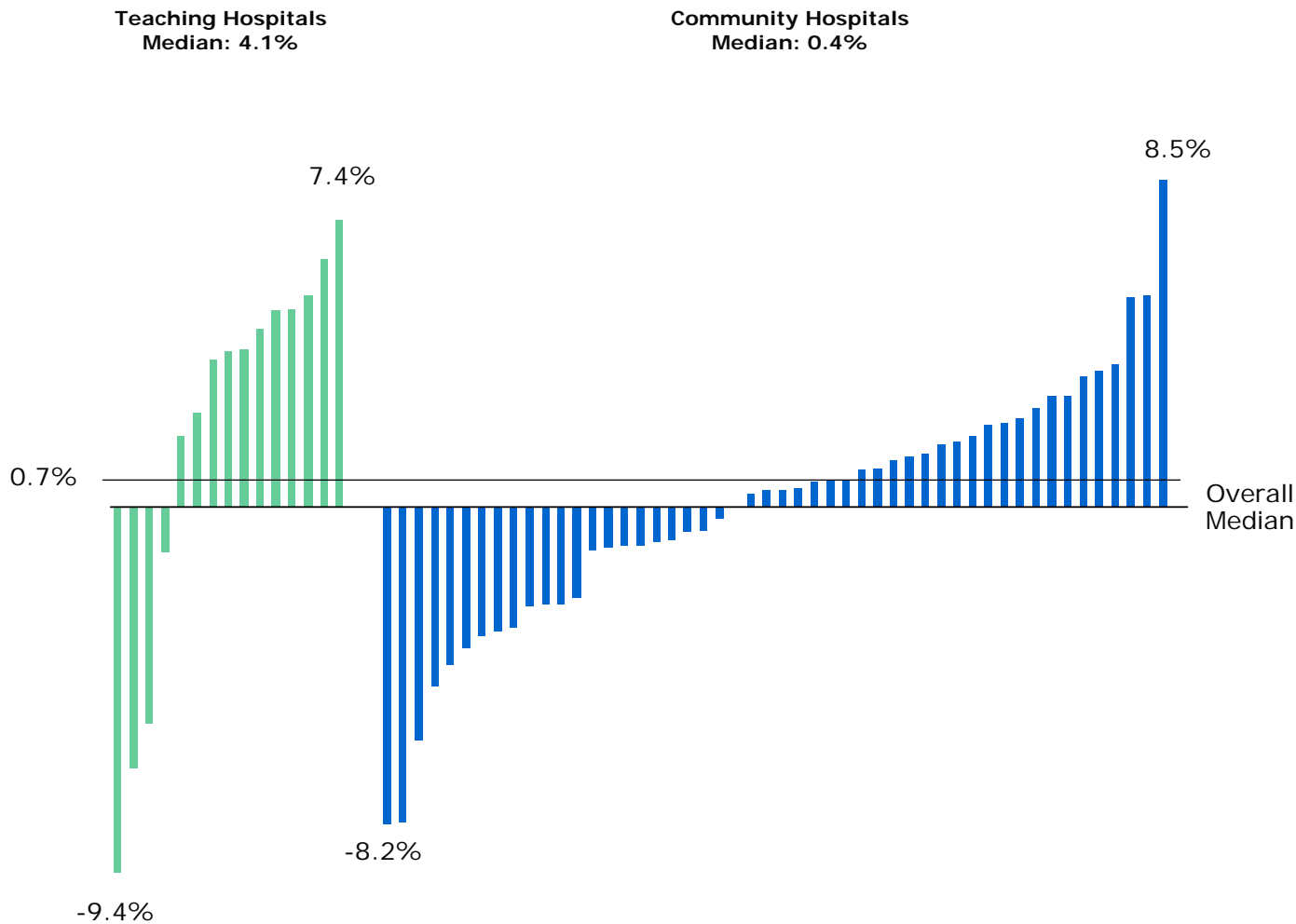
The median operating margin for teaching hospitals was significantly higher than it was for community hospitals (4.1% vs. 0.4%) in FY08.

Note: Operating margin is the ratio of operating income to total revenue.



Acute Hospital Operating Margin

Teaching vs. Community Hospitals, FY08



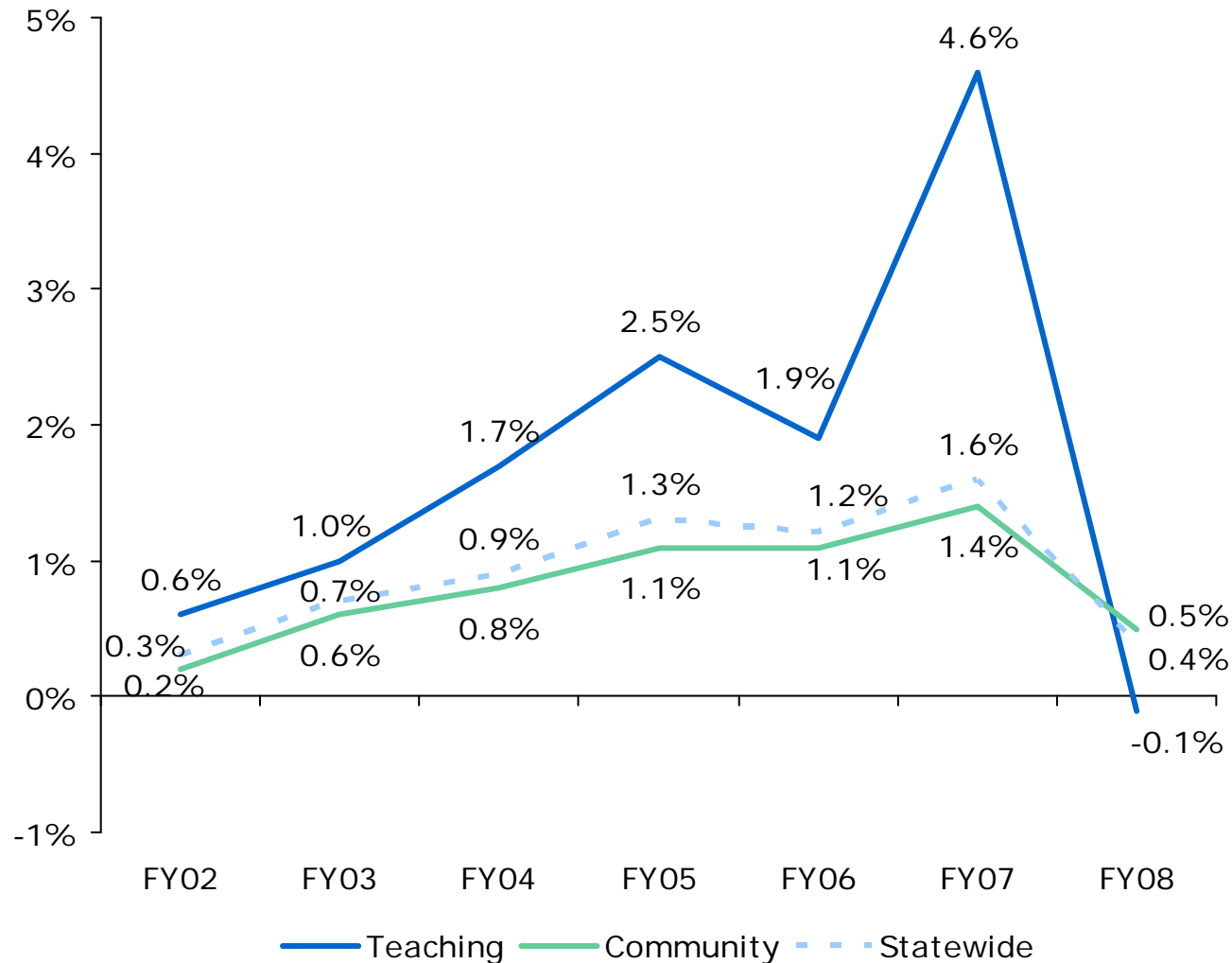
Operating margin performance varies widely by teaching status.

Four teaching hospitals (27%) and twenty-two community hospitals (44%) reported operating losses in FY08.

Note: Operating margin is the ratio of operating income to total revenue.



Acute Hospital Median Non-Operating Margin Teaching vs. Community Hospitals



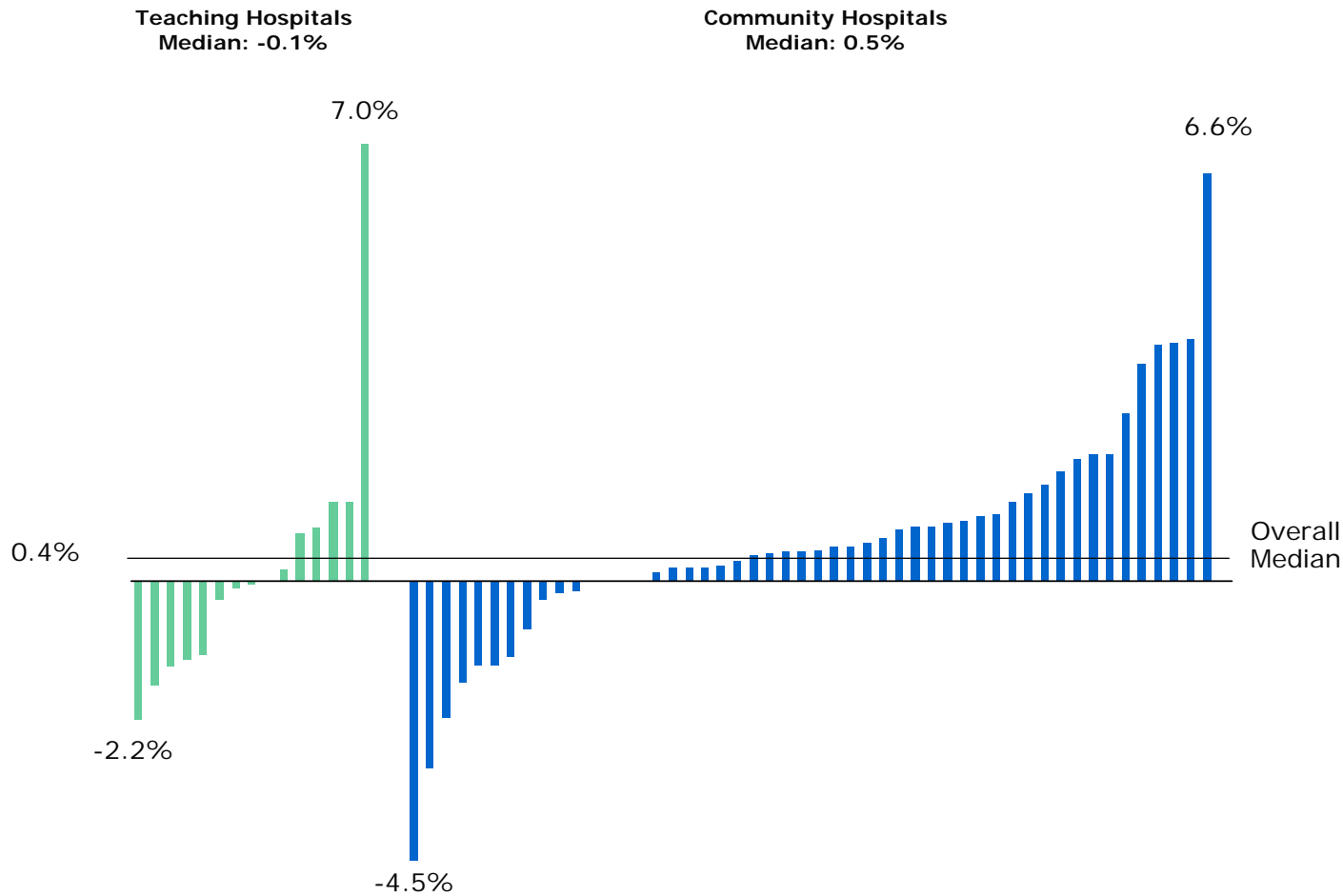
Teaching hospitals experienced a significant decrease in their median non-operating margin in FY08 compared with FY07. Community hospitals' median non-operating margin also declined.

The median non-operating margin was similar for both teaching and community hospitals (-0.1% and 0.5%) in FY08.

Note: Non-operating margin is the ratio of non-operating income to total revenue.



Acute Hospital Non-Operating Margin Teaching vs. Community Hospitals, FY08



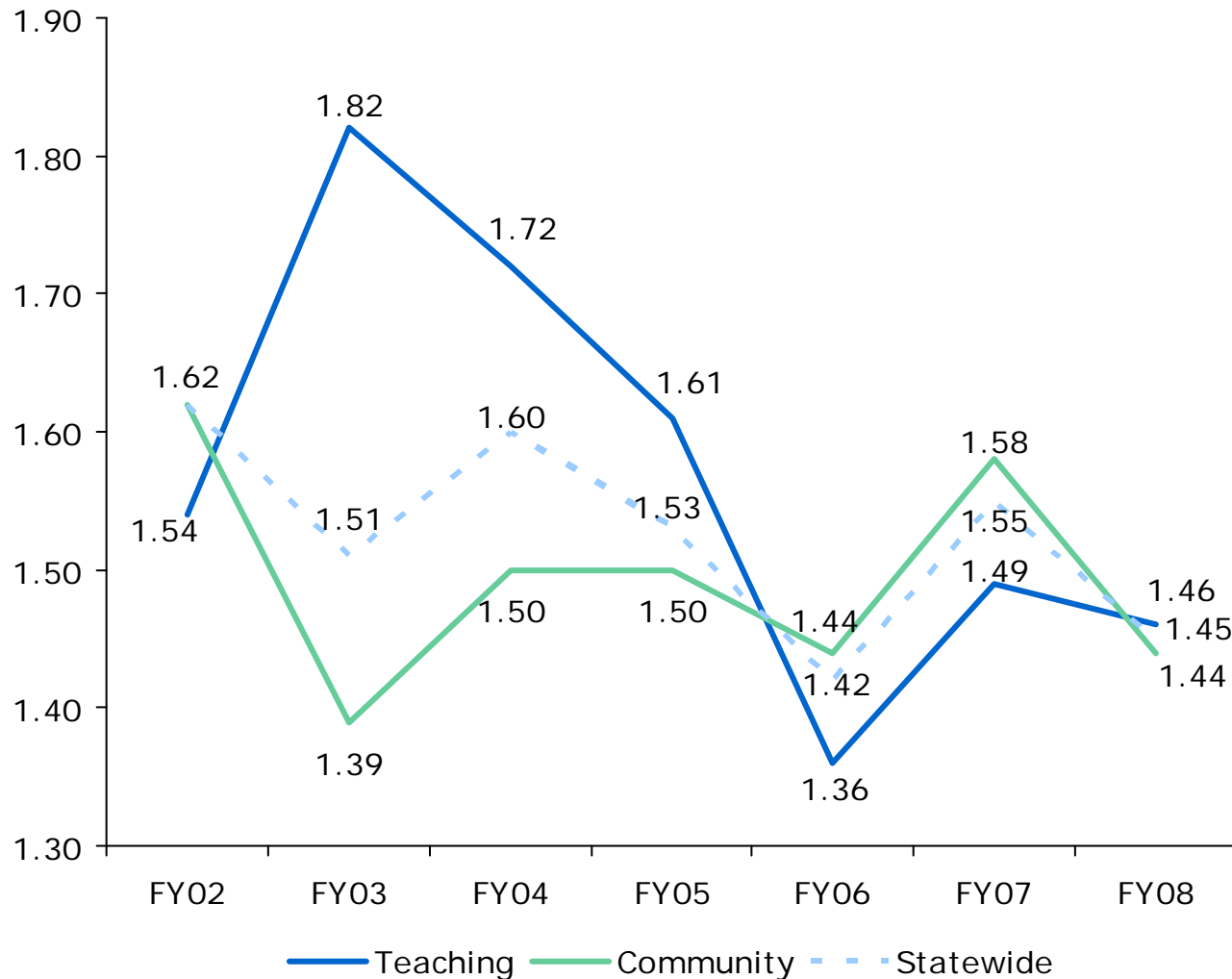
Nine teaching hospitals (60%) and twelve community hospitals (24%) reported non-operating losses in FY08.



Note: Non-operating margin is the ratio of non-operating income to total revenue.

Acute Hospital Median Current Ratio

Teaching vs. Community Hospitals



Current ratios for teaching and community hospitals have varied over time. However, in FY08 the median current ratio declined more significantly for community hospitals than it did for teaching hospitals.

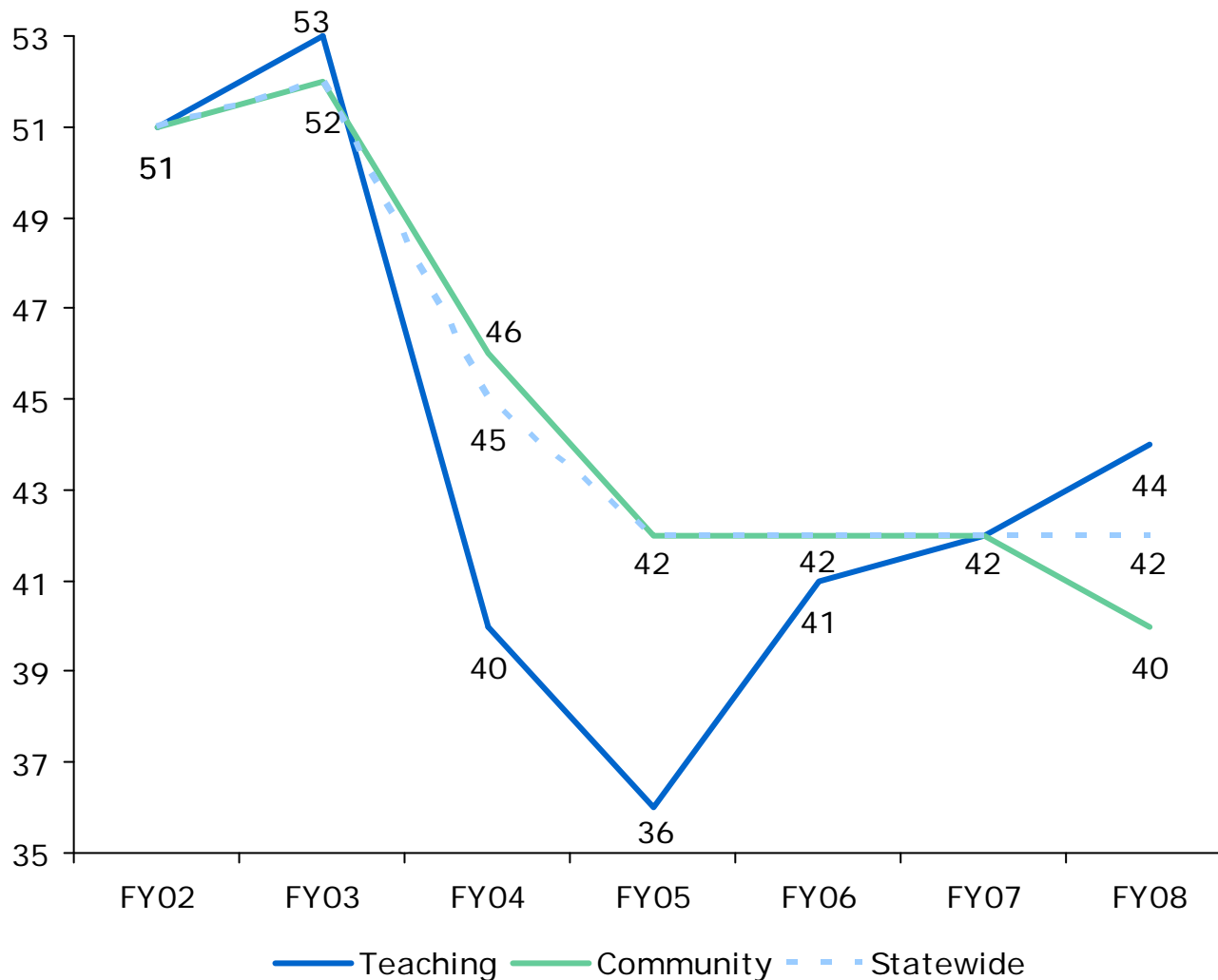
Benchmark: Northeast US median FY07 = 1.53

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Current ratio is the ratio of current assets to current liabilities.



Acute Hospital Median Days in Accounts Receivable Teaching vs. Community Hospitals



In FY08 teaching hospitals took about four days longer than community hospitals to collect revenue.

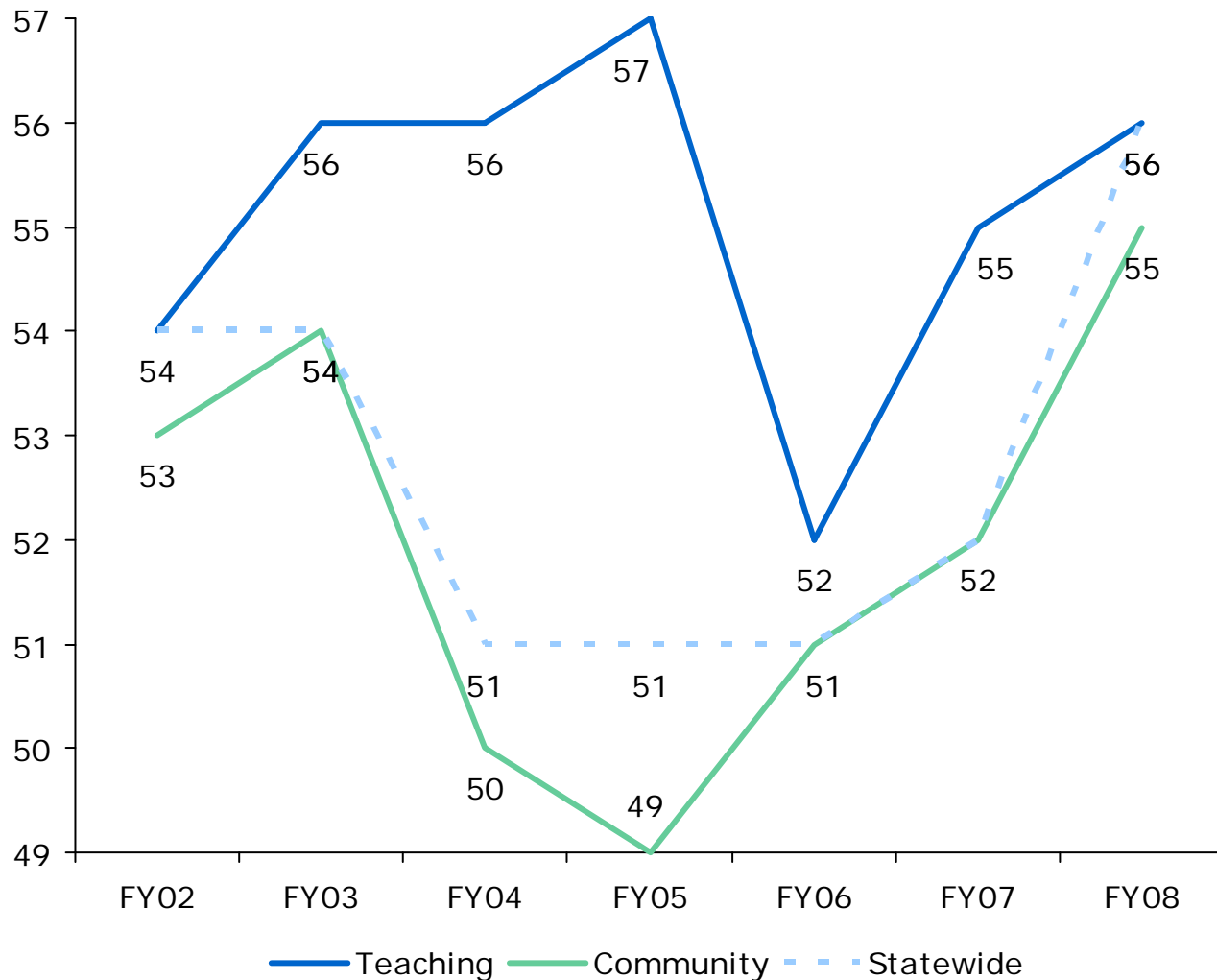
Benchmark: Northeast US median FY07 = 46.8

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Days in accounts receivable is the ratio of net patient accounts receivable to net patient service revenue/(quarters of data x 91.25).



Acute Hospital Median Average Payment Period Teaching vs. Community Hospitals



In FY08 teaching and community hospitals took roughly the same amount of time to pay their bills, 55 and 56 days, respectively. For community hospitals this represented an increase from 52 days in FY07.

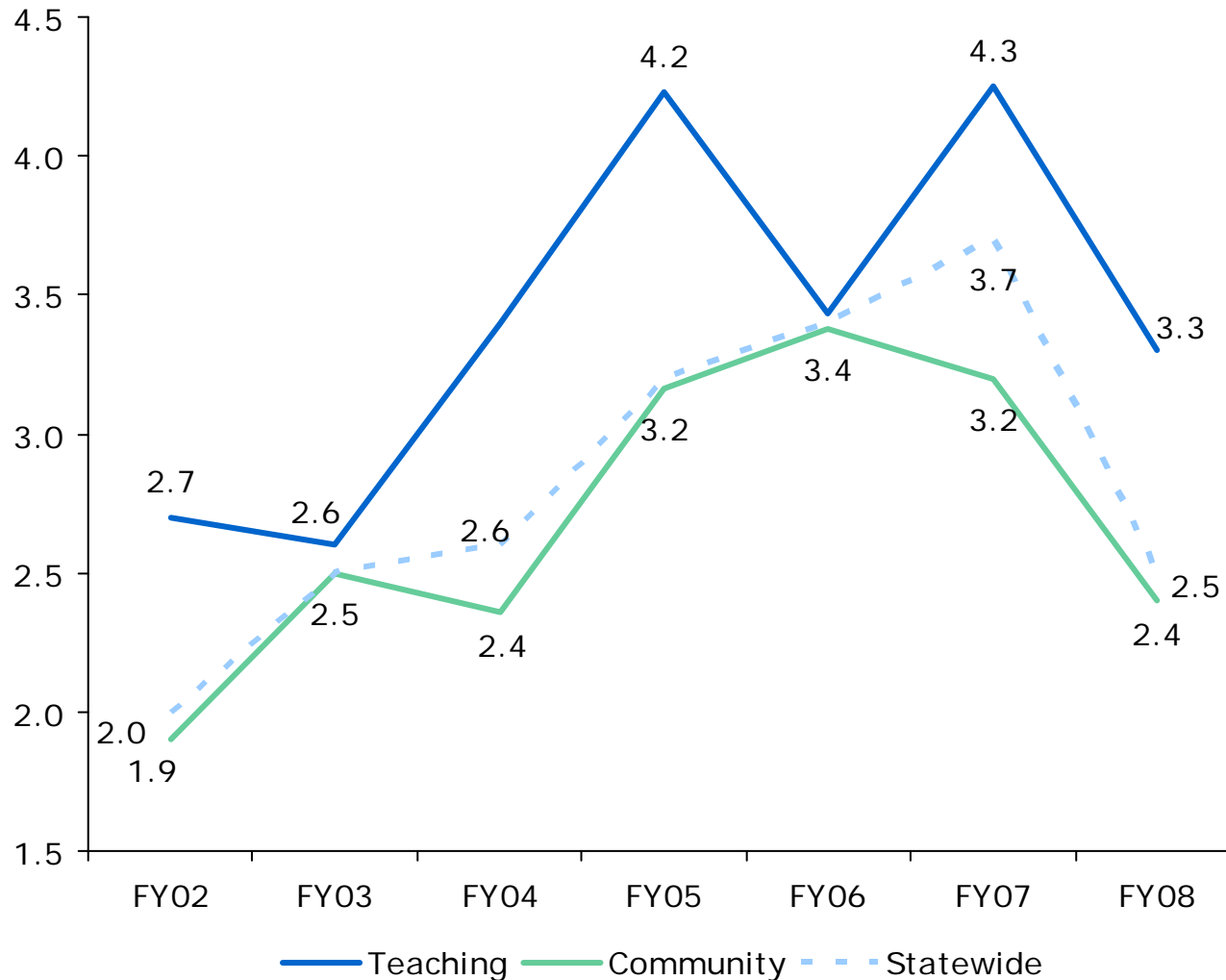
**Benchmark: Northeast US
median FY07 = 60.7**

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Average payment period is the ratio of current liabilities less estimated third-party settlements to total expenses less depreciation and amortization/quarters of data x 91.25.



Acute Hospital Median Debt Service Coverage Teaching vs. Community Hospitals



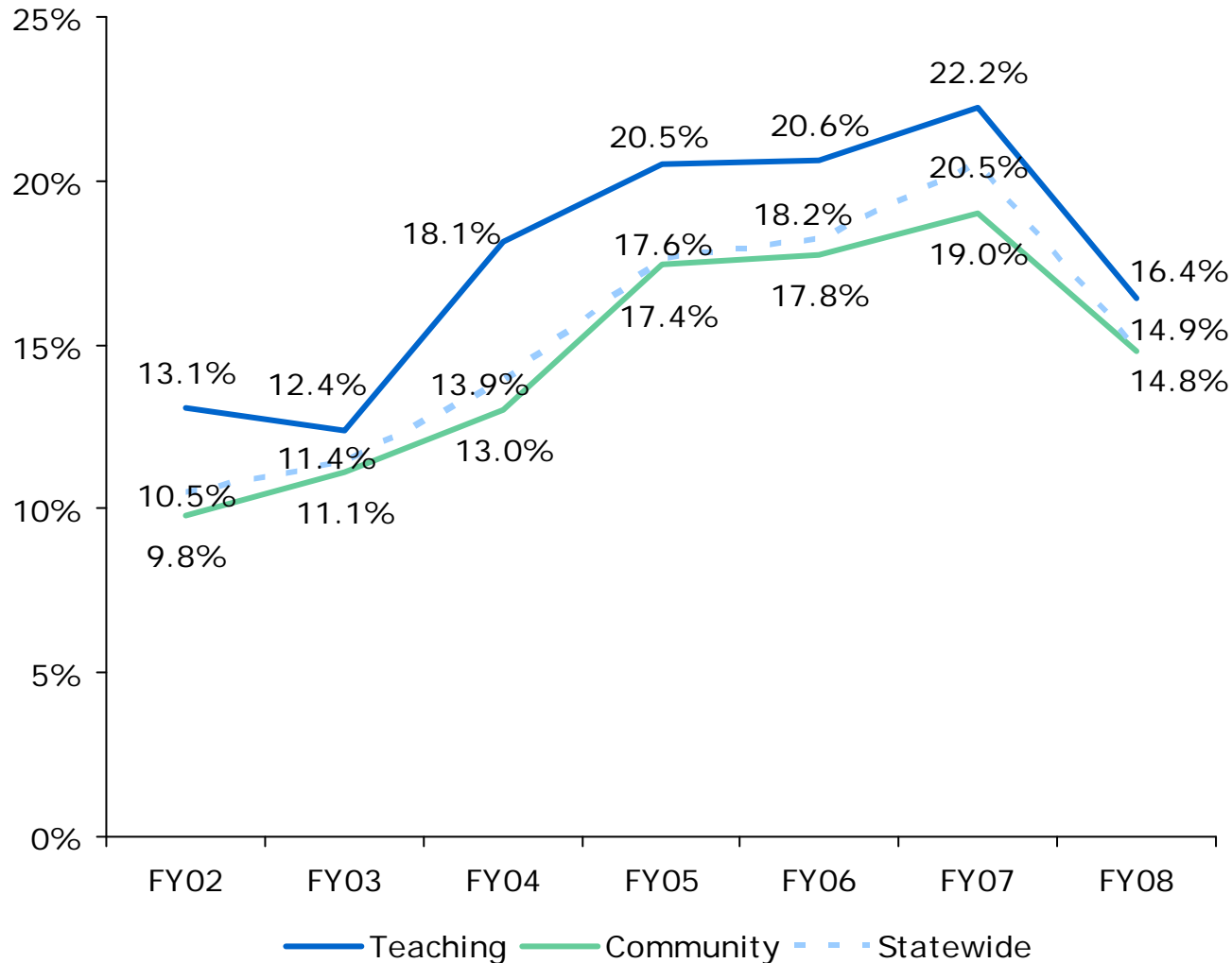
Teaching hospitals were better able to meet principal and interest payments than community hospitals in FY08.

However, the median debt service coverage ratio declined for both teaching and community hospitals in FY08 compared to FY07.

Note: Debt service coverage is the ratio of total income plus interest expense plus depreciation and amortization to interest expense plus current portion of long-term debt.



Acute Hospital Median Cash Flow to Total Debt Teaching vs. Community Hospitals



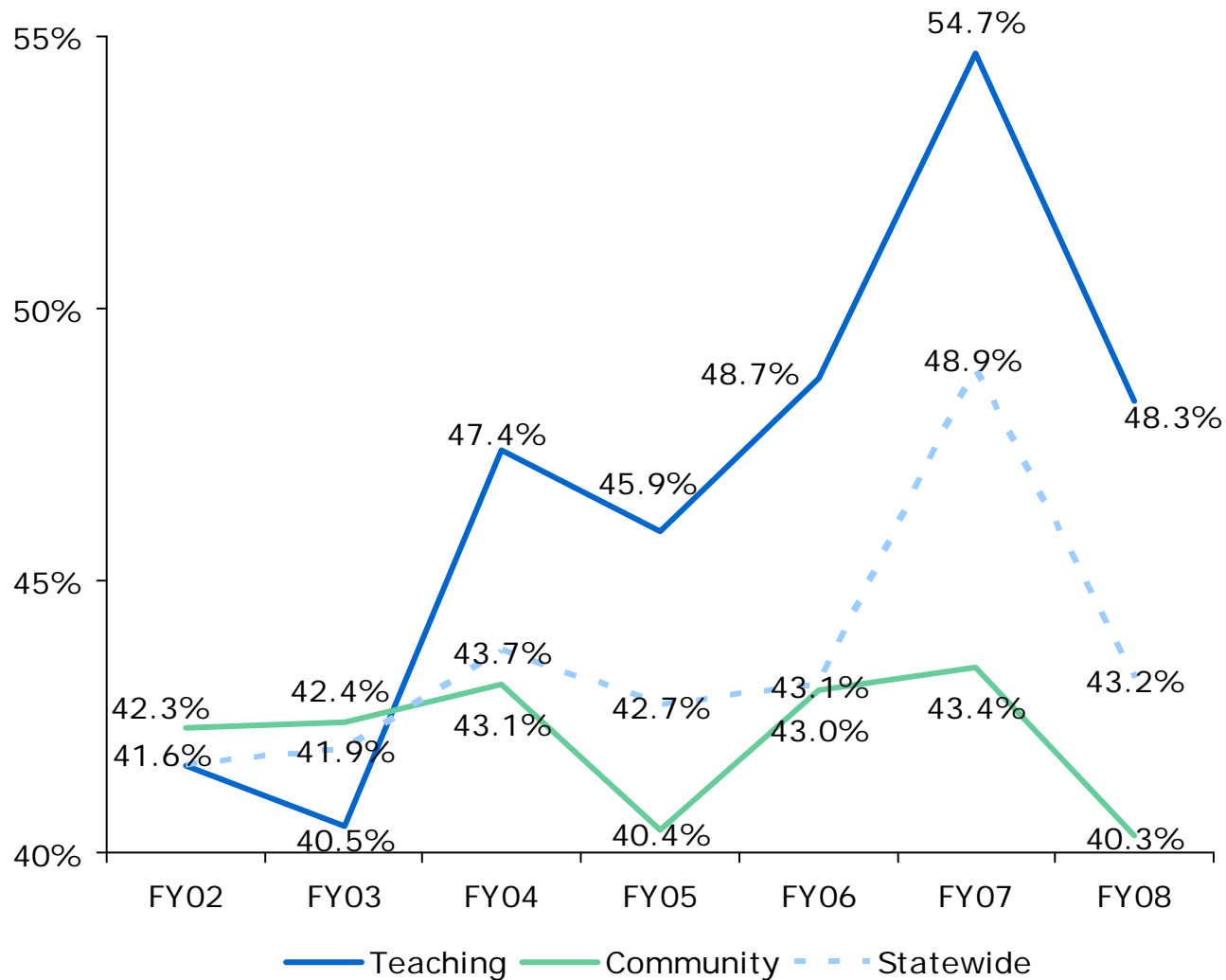
Cash flow to total debt reflects similar trends by teaching status. Both teaching and community hospitals experienced declines in this ratio in FY08.

The lower this ratio, the more likely a hospital will find it difficult to meet current and long term financing needs.

Note: Cash flow to total debt is the ratio of total income plus depreciation and amortization to total current liabilities plus total long-term debt.



Acute Hospital Median Equity Financing Teaching vs. Community Hospitals



Teaching hospitals have greater equity financing than community hospitals. The median equity financing ratio declined for both teaching and community hospitals in FY08.

Benchmark: Northeast US median FY07 = 48.3%

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Equity financing is the ratio of total net assets to total assets.



Disproportionate Share and All Other Hospitals

- In this analysis, the Division of Health Care Finance and Policy defines disproportionate share hospitals as those hospitals with a large percentage (63% or more) of patient charges attributed to Medicare, Medicaid, other government payers, and free care.
- Based on this definition and using a 2007 base year, the 18 hospitals listed below were assigned to the disproportionate share hospital cohort for all the years of this analysis.

Disproportionate Share Hospitals

Berkshire Medical Center
 Boston Medical Center
 Cambridge Health Alliance
 Cape Cod Hospital
 Caritas Carney Hospital
 Caritas Good Samaritan Medical Center
 Caritas St. Elizabeth's Medical Center
 Clinton Hospital
 Holyoke Medical Center
 Lawrence General Hospital
 Mercy Medical Center
 Merrimack Valley Hospital
 North Adams Regional Hospital
 Quincy Medical Center
 Saint Anne's Hospital
 Saints Medical Center
 Signature Healthcare Brockton Hospital
 Southcoast Hospitals Group

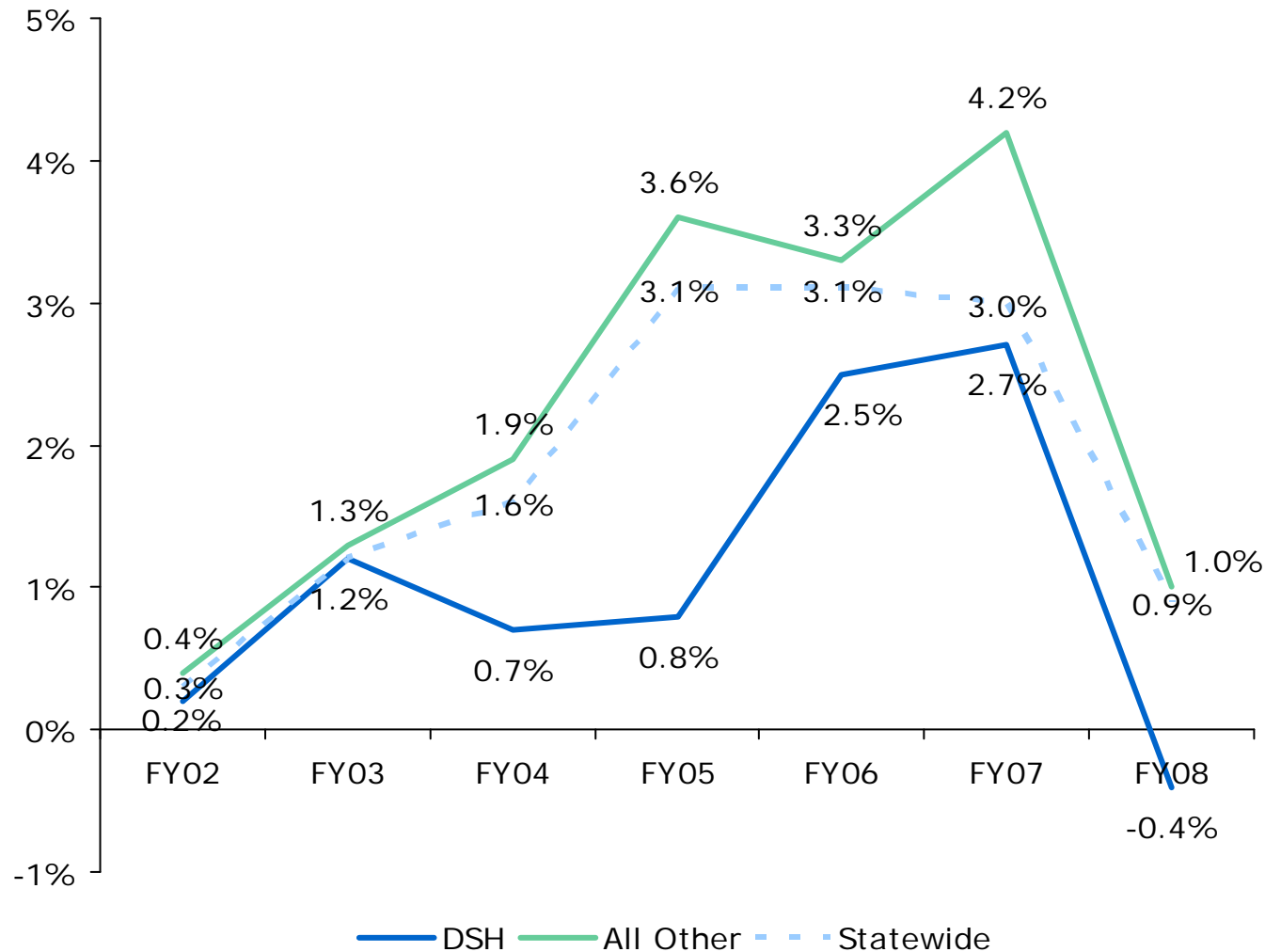
All Other Hospitals

Anna Jaques Hospital
 Athol Memorial Hospital
 Baystate Franklin Medical Center
 Baystate Mary Lane Hospital
 Baystate Medical Center
 Beth Israel Deaconess Medical Center
 Beth Israel Deaconess Hospital-Needham
 Brigham and Women's Hospital
 Caritas Holy Family Hospital
 Caritas Norwood Hospital
 Children's Hospital Boston
 Cooley Dickinson Hospital
 Dana-Farber Cancer Institute
 Emerson Hospital
 Fairview Hospital
 Falmouth Hospital
 Faulkner Hospital
 Hallmark Health
 Harrington Memorial Hospital
 HealthAlliance Hospital
 Heywood Hospital
 Hubbard Regional Hospital
 Jordan Hospital
 Lahey Clinic
 Lowell General Hospital
 Marlborough Hospital
 Martha's Vineyard Hospital
 Massachusetts Eye and Ear Infirmary
 Massachusetts General Hospital
 MetroWest Medical Center
 Milford Regional Medical Center
 Milton Hospital
 Morton Hospital and Medical Center
 Mount Auburn Hospital
 Nantucket Cottage Hospital
 Nashoba Valley Medical Center
 New England Baptist Hospital
 Newton-Wellesley Hospital
 Noble Hospital
 North Shore Medical Center
 Northeast Hospital
 South Shore Hospital
 Saint Vincent Hospital
 Sturdy Memorial Hospital
 Tufts Medical Center
 UMass Memorial Medical Center
 Winchester Hospital
 Wing Memorial Hospital and Medical Centers



Acute Hospital Median Total Margin

Disproportionate Share vs. All Other Hospitals



Disproportionate share hospitals generally have lower total profitability than other hospitals.

Median total profits for all hospitals declined in FY08. However, for the first time in seven years, disproportionate share hospitals' median total margin was negative.

Benchmark: Northeast US median FY07 = 2.7%

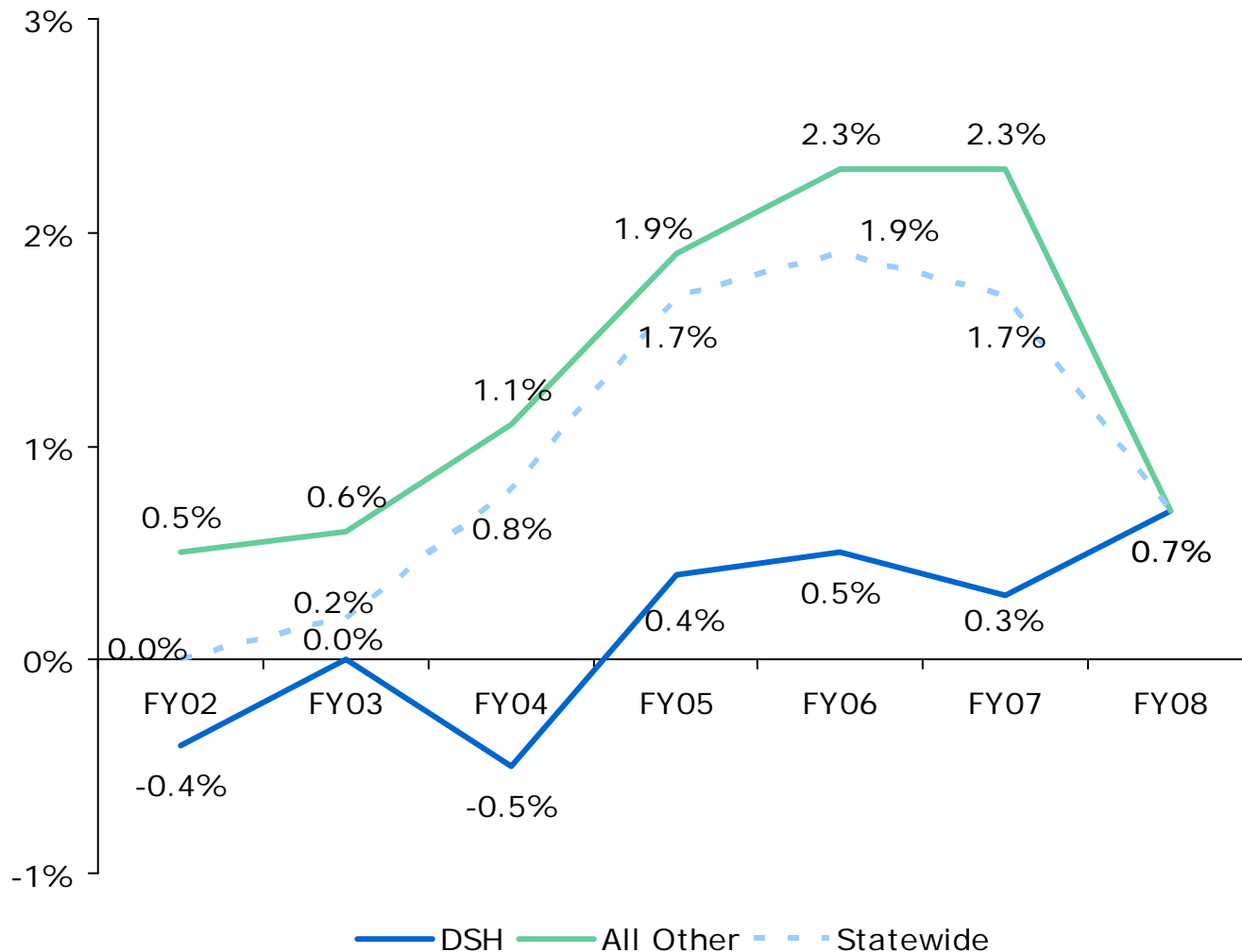
Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Total margin is the ratio of total income to total revenue.



Acute Hospital Median Operating Margin

Disproportionate Share vs. All Other Hospitals

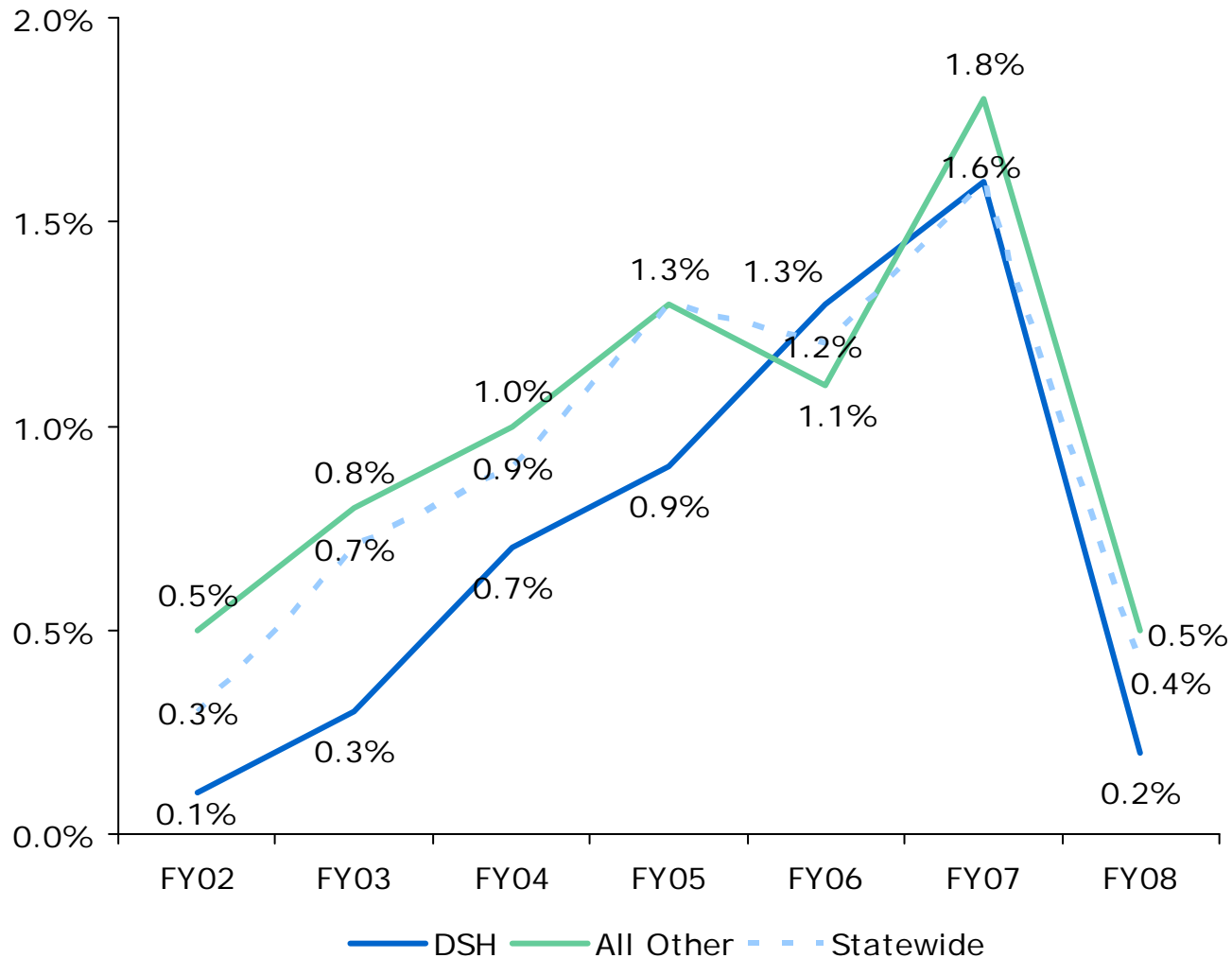


Historically, disproportionate share hospitals tend to be less profitable from operations than other hospitals. However, in FY08, median operating margin was the same for all other hospitals as the median operating margin for disproportionate share hospitals. The median operating margin for disproportionate share hospitals improved slightly from FY07 to FY08, whereas the median operating margin for all other hospitals declined during this period.

Note: Operating margin is the ratio of operating income to total revenue.



Acute Hospital Median Non-Operating Margin Disproportionate Share vs. All Other Hospitals



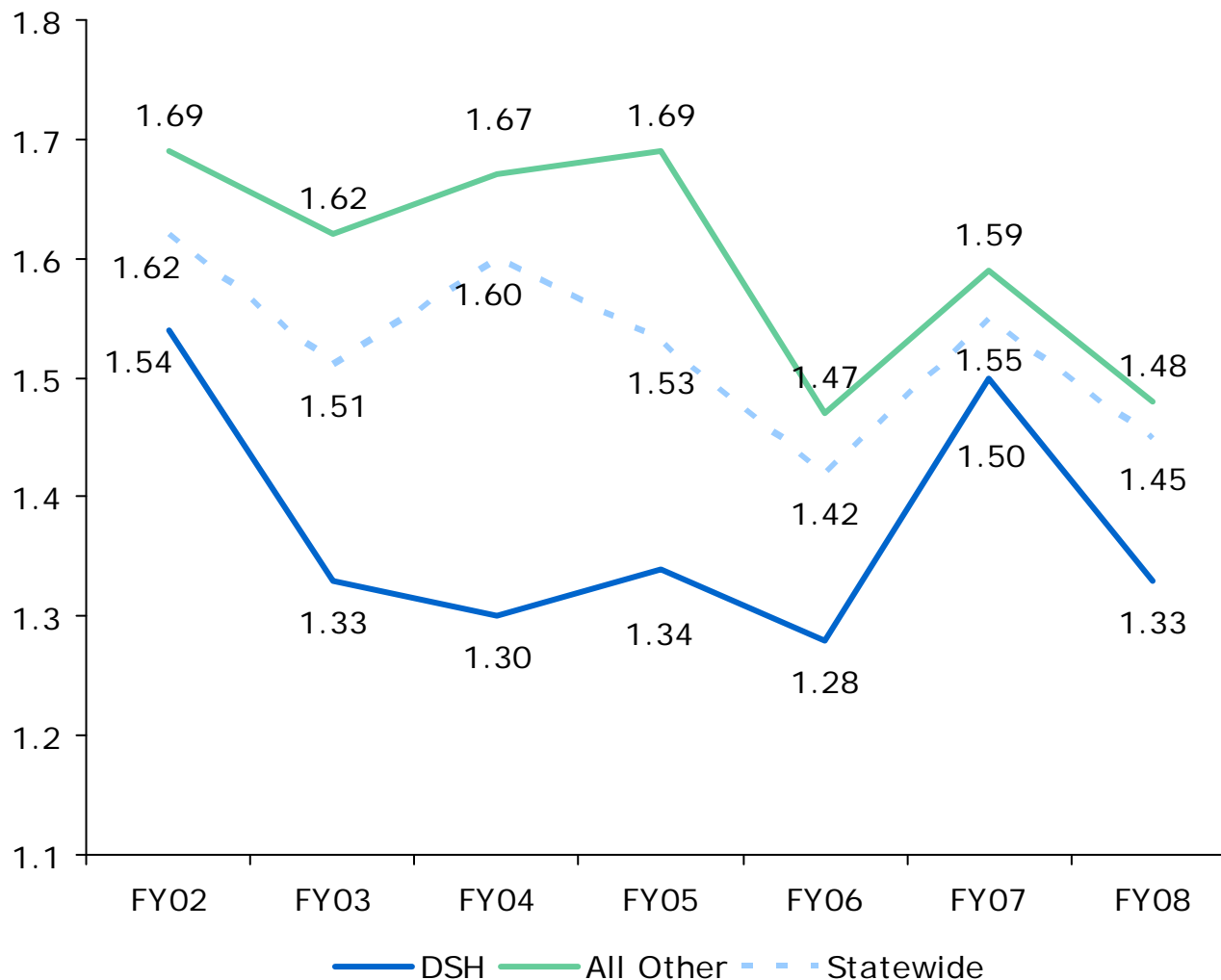
Non-operating profits decreased steeply for all hospitals in FY08 due in large part to the economic climate.

Note: Non-operating margin is the ratio of non-operating income to total revenue.



Acute Hospital Median Current Ratio

Disproportionate Share vs. All Other Hospitals



Disproportionate share hospitals' ability to pay current bills is not as strong as that of other hospitals.

Their median current ratio of 1.33 in FY08 was lower than the statewide median of 1.45.

Disproportionate share hospitals' median current ratio declined more than all other hospitals in FY08.

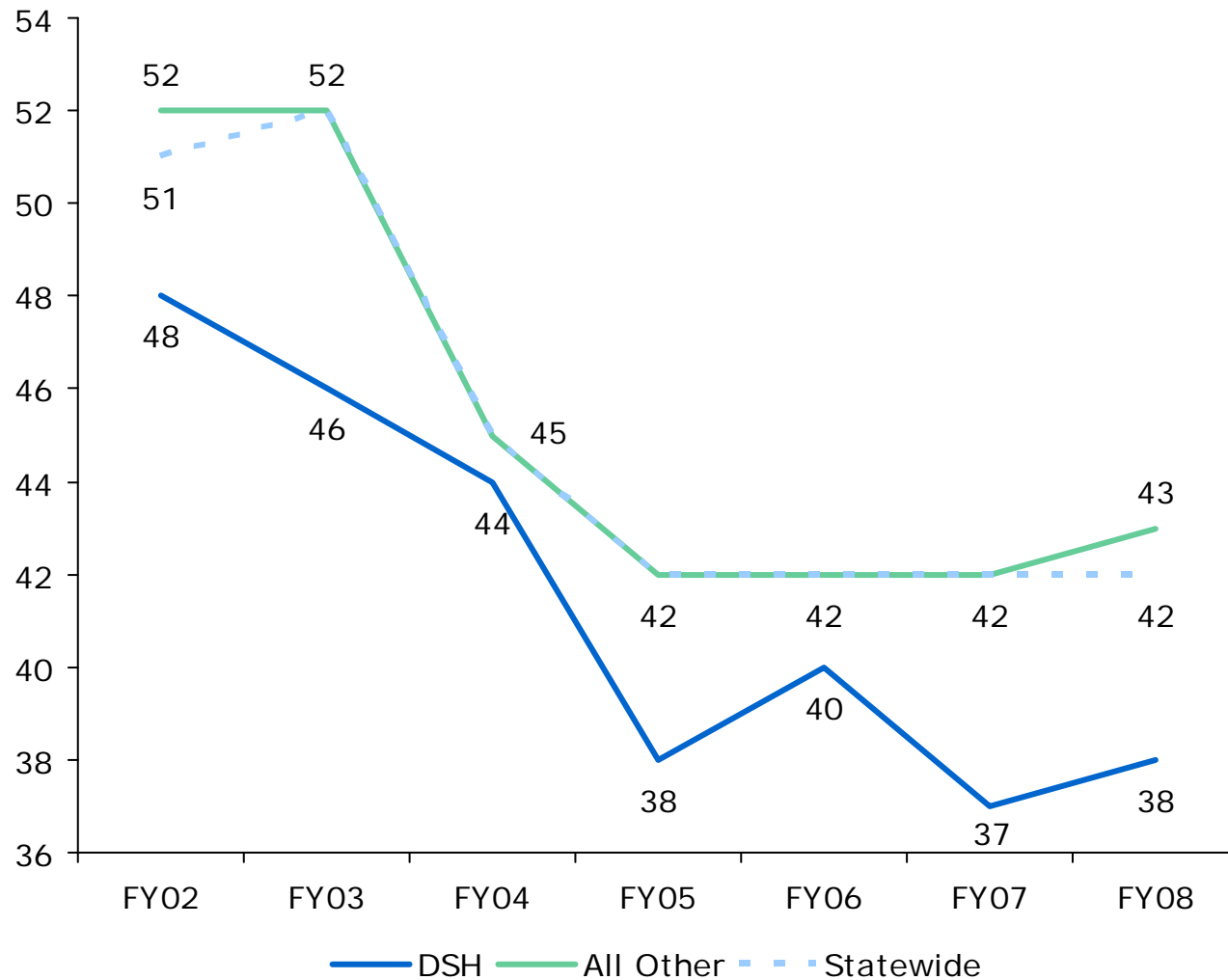
Benchmark: Northeast US median FY07 = 1.53

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Current ratio is the ratio of current assets to current liabilities.



Acute Hospital Median Days in Accounts Receivable Disproportionate Share vs. All Other Hospitals



Disproportionate share hospitals took about five days less to collect their accounts receivables than all other hospitals in FY08.

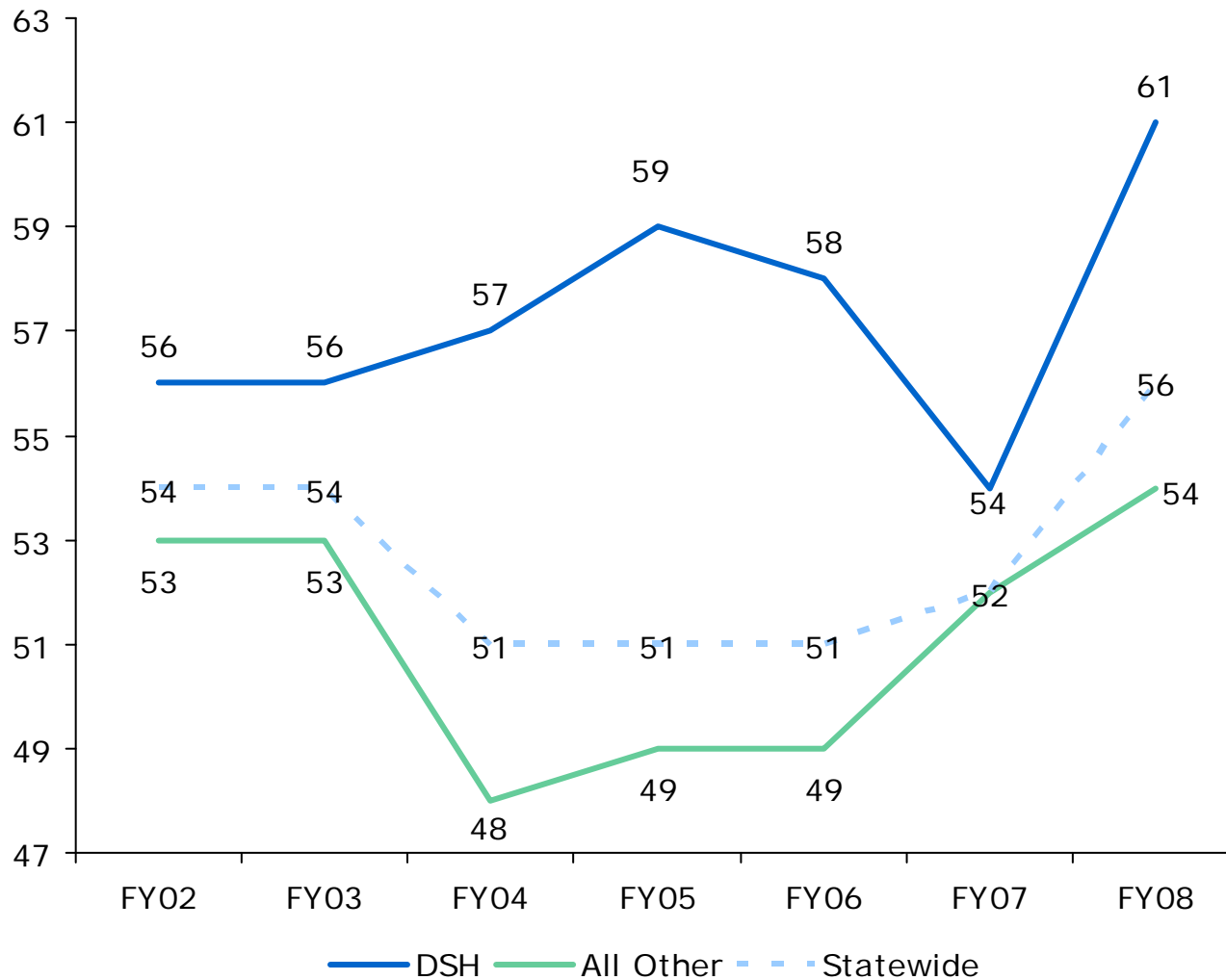
Benchmark: Northeast US median FY07 = 46.8

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Days in accounts receivable is the ratio of net patient accounts receivable to net patient service revenue/(quarters of data x 91.25).



Acute Hospital Median Average Payment Period Disproportionate Share vs. All Other Hospitals



Historically, disproportionate share hospitals have taken longer to pay bills than other hospitals.

In FY08, disproportionate share hospitals took about seven days longer to pay their bills than all other hospitals.

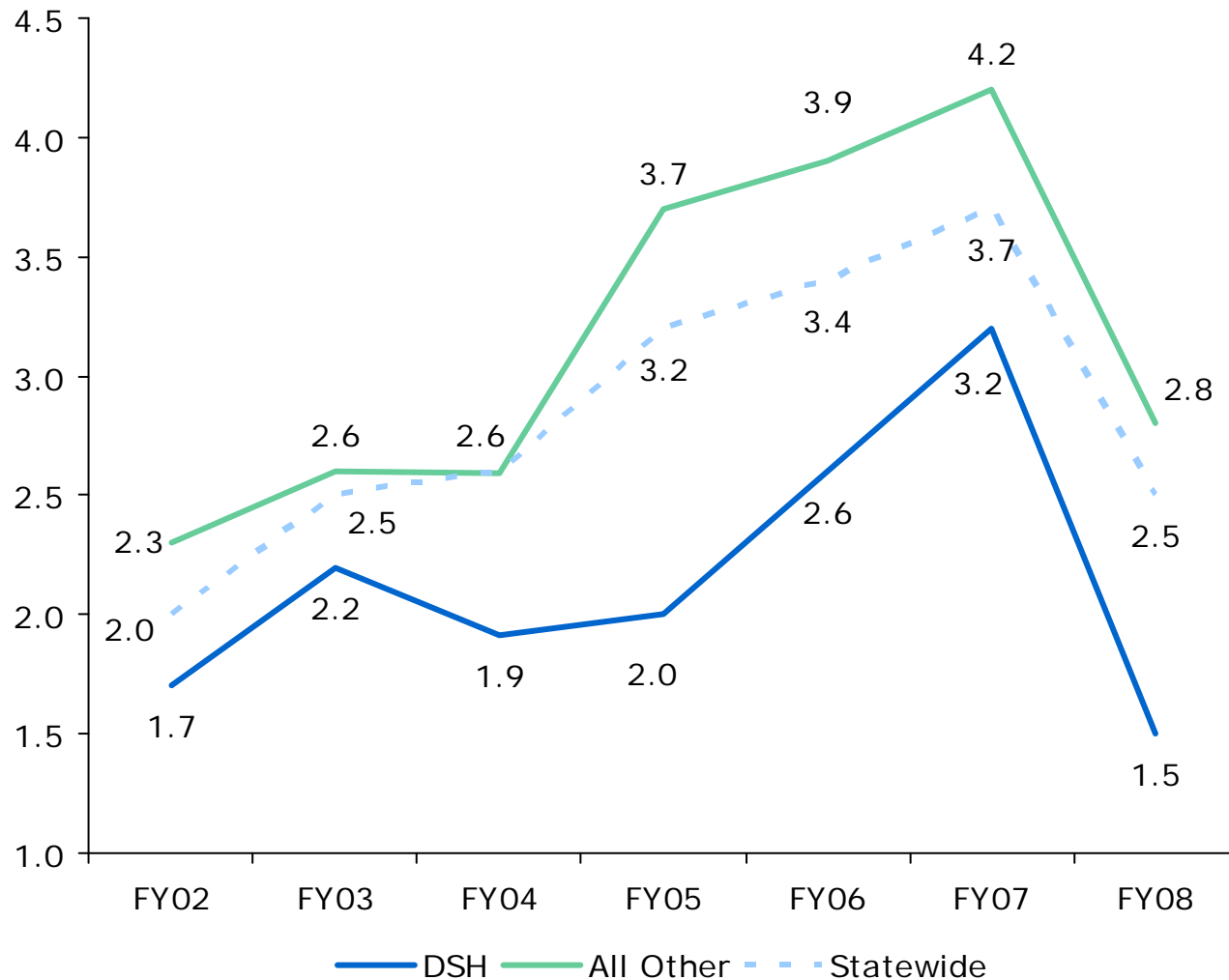
Benchmark: Northeast US median FY07 = 60.7

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX



Note: Average payment period is the ratio of current liabilities less estimated third-party settlements to total expenses less depreciation and amortization/quarters of data x 91.25.

Acute Hospital Median Debt Service Coverage Disproportionate Share vs. All Other Hospitals

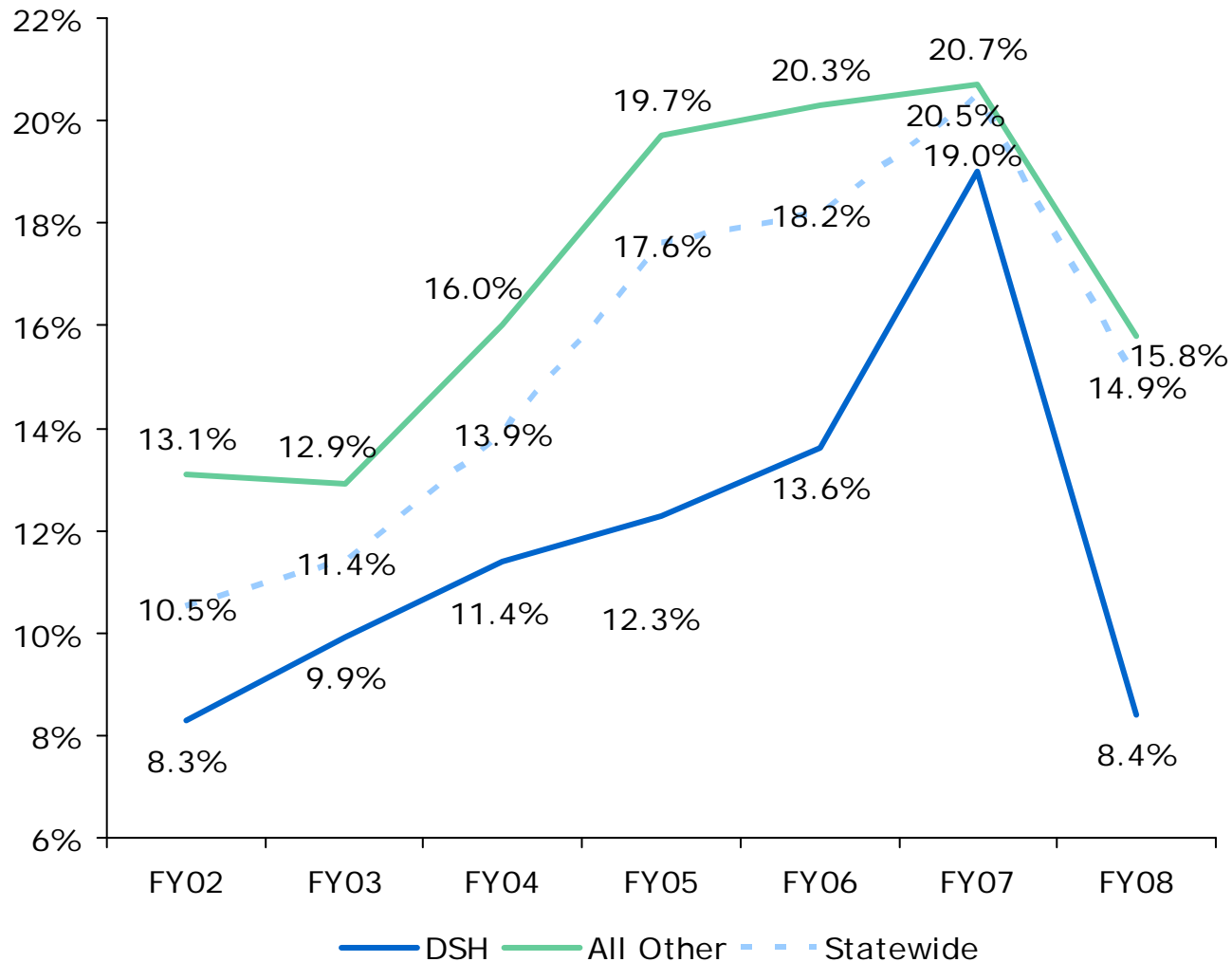


All hospitals had a more difficult time meeting current debt obligations in FY08 than in previous years.

Note: Debt service coverage is the ratio of total income plus interest expense plus depreciation and amortization to interest expense plus current portion of long-term debt.



Acute Hospital Median Cash Flow to Total Debt Disproportionate Share vs. All Other Hospitals

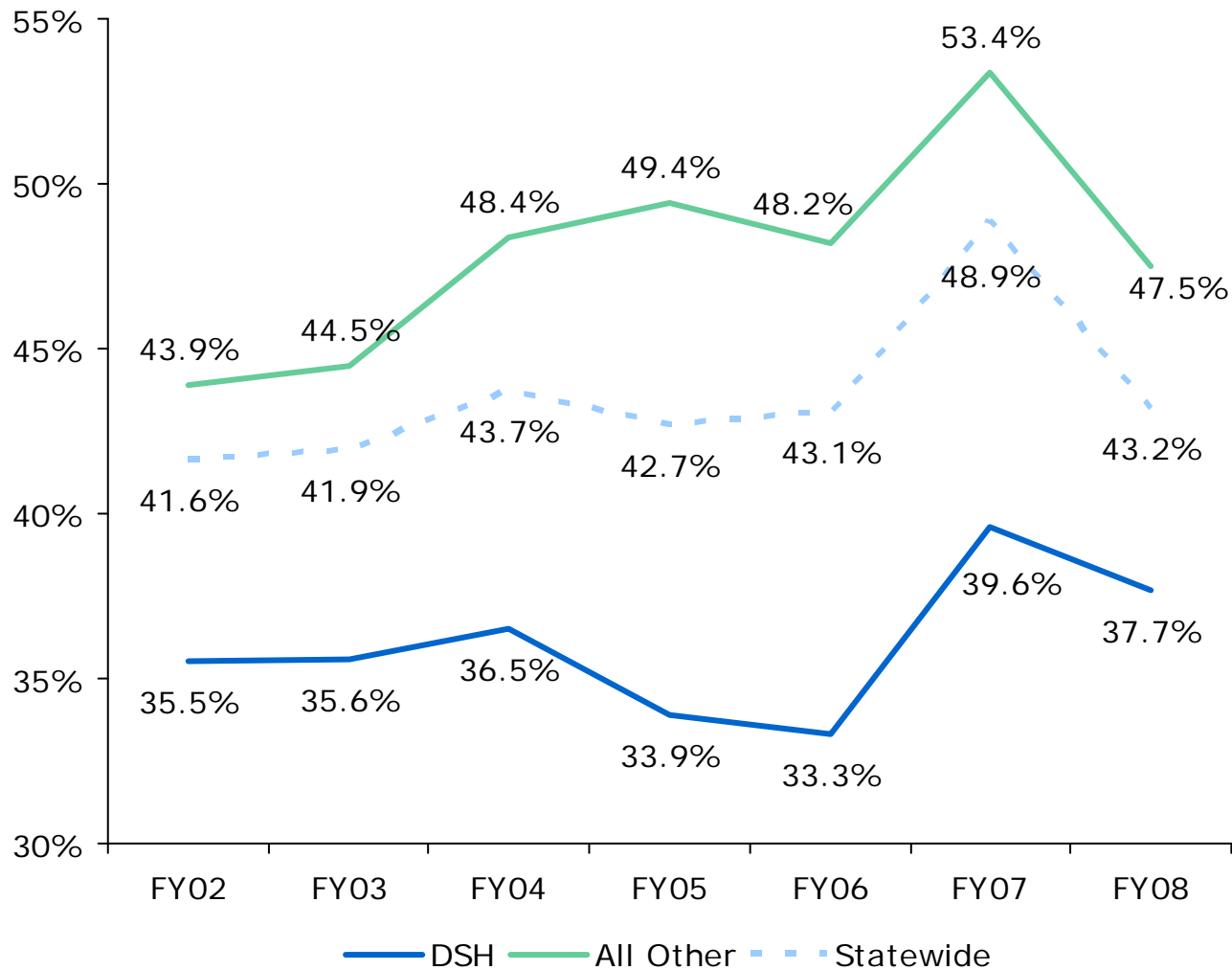


Disproportionate share hospitals' cash flow to total debt ratio declined significantly from prior years, signaling more difficulty meeting debt obligations.

Note: Cash flow to total debt is the ratio of total income plus depreciation and amortization to total current liabilities plus total long-term debt.



Acute Hospital Median Equity Financing Disproportionate Share vs. All Other Hospitals



The median equity financing ratio decreased for all hospitals in FY08.

Benchmark: Northeast US median FY07 = 48.3%

Benchmark Source: 2009 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Equity financing is the ratio of total net assets to total assets.



Acute Hospital Financial Performance

FY08

Hospitals	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss)
Teaching				
Baystate Medical Center	5.48%	0.86%	6.34%	\$53,334,000
Beth Israel Deaconess Medical Center	2.46%	0.77%	3.23%	\$39,328,000
Boston Medical Center*	6.44%	-1.27%	5.17%	\$54,986,048
Brigham and Women's Hospital	5.15%	-0.13%	5.03%	\$95,721,000
Cambridge Health Alliance*	-6.77%	1.25%	-5.51%	(\$29,448,181)
Caritas St. Elizabeth's Medical Center*	1.83%	-2.24%	-0.41%	(\$1,483,929)
Children's Hospital Boston	4.07%	1.26%	5.33%	\$63,381,000
Dana-Farber Cancer Institute	-5.58%	-1.69%	-7.27%	(\$49,469,327)
Lahey Clinic	3.83%	-0.07%	3.76%	\$30,111,095
Massachusetts Eye and Ear Infirmary	-9.42%	7.04%	-2.37%	(\$3,589,528)
Massachusetts General Hospital	4.62%	-0.31%	4.31%	\$106,649,000
Mount Auburn Hospital	5.09%	-1.20%	3.89%	\$10,501,964
Saint Vincent Hospital	7.44%	-0.01%	7.42%	\$22,196,757
Tufts Medical Center	-1.14%	-1.39%	-2.53%	(\$14,673,000)
UMass Memorial Medical Center	4.08%	0.19%	4.27%	\$53,129,554
Community				
Anna Jaques Hospital	0.73%	0.12%	0.85%	\$850,914
Athol Memorial Hospital	0.68%	0.45%	1.12%	\$257,812
Baystate Franklin Medical Center	-2.48%	1.04%	-1.43%	(\$1,180,000)
Baystate Mary Lane Hospital	-1.04%	2.03%	0.99%	\$321,000
Berkshire Medical Center*	2.14%	1.54%	3.68%	\$11,957,432
Beth Israel Deaconess Hospital-Needham	1.39%	0.40%	1.79%	\$818,552
Cape Cod Hospital*	-4.05%	0.88%	-3.17%	(\$11,362,263)
Caritas Carney Hospital*	0.70%	0.44%	1.14%	\$1,334,649
Caritas Good Samaritan Medical Center*	0.00%	0.00%	0.00%	\$8,417
Caritas Holy Family Hospital	1.31%	0.00%	1.31%	\$1,976,575
Caritas Norwood Hospital	-2.50%	-1.37%	-3.87%	(\$5,814,182)
Clinton Hospital*	1.01%	1.96%	2.97%	\$785,447
Cooley Dickinson Hospital	2.33%	0.81%	3.13%	\$5,101,153
Emerson Hospital	-2.53%	1.06%	-1.47%	(\$2,448,065)
Fairview Hospital	3.55%	0.95%	4.50%	\$1,592,437
Falmouth Hospital	-3.09%	3.89%	0.80%	\$1,099,294
Faulkner Hospital	-0.28%	0.55%	0.27%	\$471,000
Hallmark Health	0.44%	0.47%	0.91%	\$2,450,000

Hospitals	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss)
Community				
Harrington Memorial Hospital	-3.34%	3.82%	0.48%	\$364,687
Health Alliance Hospital	5.45%	-0.79%	4.66%	\$7,377,665
Heywood Hospital	-0.60%	1.41%	0.81%	\$720,349
Holyoke Medical Center*	-0.99%	0.21%	-0.78%	(\$951,615)
Hubbard Regional Hospital	-8.19%	-0.32%	-8.51%	(\$1,874,597)
Jordan Hospital	-0.90%	0.50%	-0.40%	(\$728,020)
Lawrence General Hospital*	1.64%	0.87%	2.51%	\$4,120,000
Lowell General Hospital	1.22%	-0.18%	1.04%	\$1,966,929
Marlborough Hospital	-0.61%	0.68%	0.08%	\$49,977
Martha's Vineyard Hospital	2.20%	3.49%	5.69%	\$2,647,444
Mercy Medical Center*	n/a	n/a	n/a	n/a
Merrimack Valley Hospital*	-6.01%	0.00%	-6.01%	(\$3,275,192)
MetroWest Medical Center	-3.62%	0.21%	-3.41%	(\$8,116,041)
Milford Regional Medical Center	3.39%	2.04%	5.43%	\$9,542,160
Milton Hospital	-4.64%	1.77%	-2.87%	(\$1,750,890)
Morton Hospital and Medical Center	0.36%	3.79%	4.14%	\$5,328,626
Nantucket Cottage Hospital	-8.13%	6.56%	-1.57%	(\$527,000)
Nashoba Valley Medical Center	-0.96%	0.00%	-0.96%	(\$427,612)
New England Baptist Hospital	0.96%	2.71%	3.68%	\$6,587,000
Newton-Wellesley Hospital	2.87%	0.94%	3.81%	\$12,870,000
Noble Hospital	-0.86%	0.32%	-0.55%	(\$294,163)
North Adams Regional Hospital*	5.48%	1.26%	6.75%	\$4,334,579
North Shore Medical Center	0.44%	0.21%	0.64%	\$2,813,000
Northeast Hospital	1.71%	-3.01%	-1.30%	(\$3,843,899)
Quincy Medical Center*	-2.33%	-0.21%	-2.54%	(\$2,677,752)
Saint Anne's Hospital*	3.71%	-4.51%	-0.81%	(\$1,077,037)
Saints Medical Center*	-1.12%	-1.37%	-2.49%	(\$3,281,000)
Signature Healthcare Brockton Hospital*	-3.18%	0.55%	-2.63%	(\$5,158,093)
South Shore Hospital	1.86%	-1.65%	0.20%	\$716,924
Southcoast Hospitals Group*	2.58%	-1.22%	1.36%	\$8,129,570
Sturdy Memorial Hospital	8.49%	-2.23%	6.26%	\$9,230,619
Winchester Hospital	2.89%	0.23%	3.12%	\$7,583,429
Wing Memorial Hospital	0.50%	0.60%	1.10%	\$702,734

*Denotes Disproportionate Share Hospital.

Notes: Recently, government employers, including Cambridge Health Alliance, were required to implement a new government accounting rule (GASB 45) that required them to record in their financial statements the present value of future retiree health benefit costs. In complying with this new rule, Cambridge Health Alliance's balance sheet reflects a \$221.9M liability and associated operating expense of \$12.7M for its 2008 fiscal year. Mercy Hospital has a 12/31 year end and data for Mercy were not yet available at the time this analysis was completed.



Report Notes

- The findings in this report are based on the filings of 65 of 66 acute hospitals; sixty-one hospitals have fiscal year ends October 1 through September 30. Five hospitals have different year ends: Cambridge Health Alliance, MetroWest Medical Center, and Saint Vincent Hospital have June 30 year ends, Martha's Vineyard Hospital has a March 31 year end. Mercy Medical Center has a December 31 year end. Mercy Medical Center's data were not yet available at the time this analysis was completed.
- Annual financial data are reviewed by the Division of Health Care Finance and Policy. All submitted hospitals' data reviews were complete at the time of this analysis except for Hubbard Regional Hospital and Signature Healthcare Brockton Hospital. These two hospitals' data reviews were still pending and their "as filed" data were used in this analysis.
- Depending on the organization of each hospital, data may exclude other aspects of some hospitals' financial health, such as financial performance of endowments or the financial health of parent companies or other affiliated organizations.
- Quartile values can shed light on information about the distribution of financial ratio values across hospitals. Often, averages can be materially affected by outlier/extreme values at the low and high ends of a distribution. Examining quartiles, therefore, is a preferred means of assessing the overall distribution of values across hospitals. For instance, the ratio values of one-quarter of the hospitals at the lower end of the distribution will fall at or below the 25th quartile value. Similarly, the ratio values of one-quarter of the hospitals at the upper end of the distribution will fall at or above the 75th quartile value. The 50th percentile is the median of the distribution of values. Half of the hospitals' financial ratio values will fall below the median, and half will fall above the median. These quartile measures are particularly useful when a distribution is markedly skewed, or where it is generally symmetrical but includes a few outliers.
- This report uses benchmarks from the 2009 Almanac of Hospital Financial and Operating Indicators published by Ingenix. There is a two-year lag from the publication data, therefore the most current benchmark data for this report are 2007 data. The Almanac does not provide benchmarks for operating or non-operating margins.



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