



DIVISION OF
Health Care
Finance and Policy

Massachusetts Acute Hospital Financial Performance: Fiscal Year 2010 Quarter Two

December 2010

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Commonwealth of Massachusetts

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About this Report

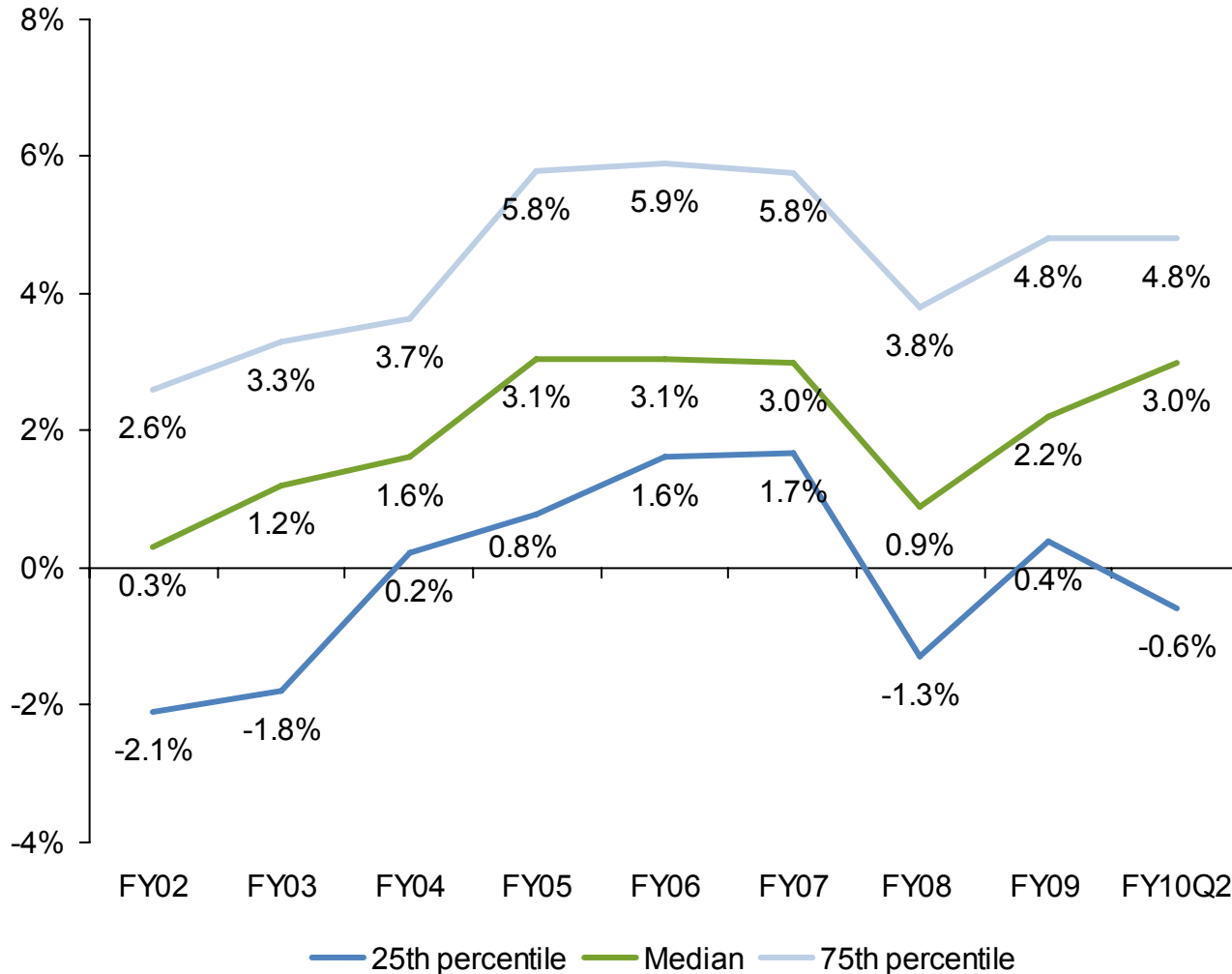
This report is prepared in response to M.G.L. c. 118G, section 6A, which requires the Division of Health Care Finance and Policy (DHCFP) to assess and report on Massachusetts acute hospital financial performance. It provides a statewide analysis of acute hospital audited financial data over nine periods (fiscal year 2002 through quarter two of fiscal year 2010). 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 fiscal year is based on the majority of Massachusetts hospitals' fiscal year time frames which run from October 1st through September 30th. 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 2010 Quarter Two

- Overall, Massachusetts acute hospital financial performance varies during the first two quarters of 2010 when compared to FY09. Acute hospitals' median total surplus has improved, but the improvement stems mostly from a slight recovery in non-operating income as opposed to operating income.
- Most hospitals (71%) reported earning a surplus during the first two quarters of 2010, although fewer than in fiscal year 2009. In 2009, 80% of hospitals reported earning a surplus.
- One third of hospitals experienced operating losses during the first two quarters of 2010, compared with 22% in FY09. However, only 6% of hospitals reported non-operating losses during the first two quarters of 2010 compared with 34% in FY09. Non-operating surplus or loss include items which are not related to operations, such as investment earnings.
- Liquidity was fairly stable during the first two quarters of 2010 compared with FY09. Acute hospitals paid bills in fewer days during the first two quarters of 2010 compared with FY09.
- Teaching versus Community Hospital Performance
 - Generally, teaching hospitals have shown a trend of higher profitability than community hospitals. However, teaching hospitals' median total margin has declined while community hospitals improved slightly through the second quarter of 2010 compared with FY09.
- Disproportionate Share Hospital Performance
 - Disproportionate share hospitals generally have lower total profitability than other hospitals. Median total profits were stable for disproportionate share hospitals but improved for all other hospitals through the second quarter of 2010.



Acute Hospital Total Margin



Although more hospitals reported a loss, some hospitals have improved earnings through FY2010 quarter two (FY10Q2) compared with fiscal year 2009.

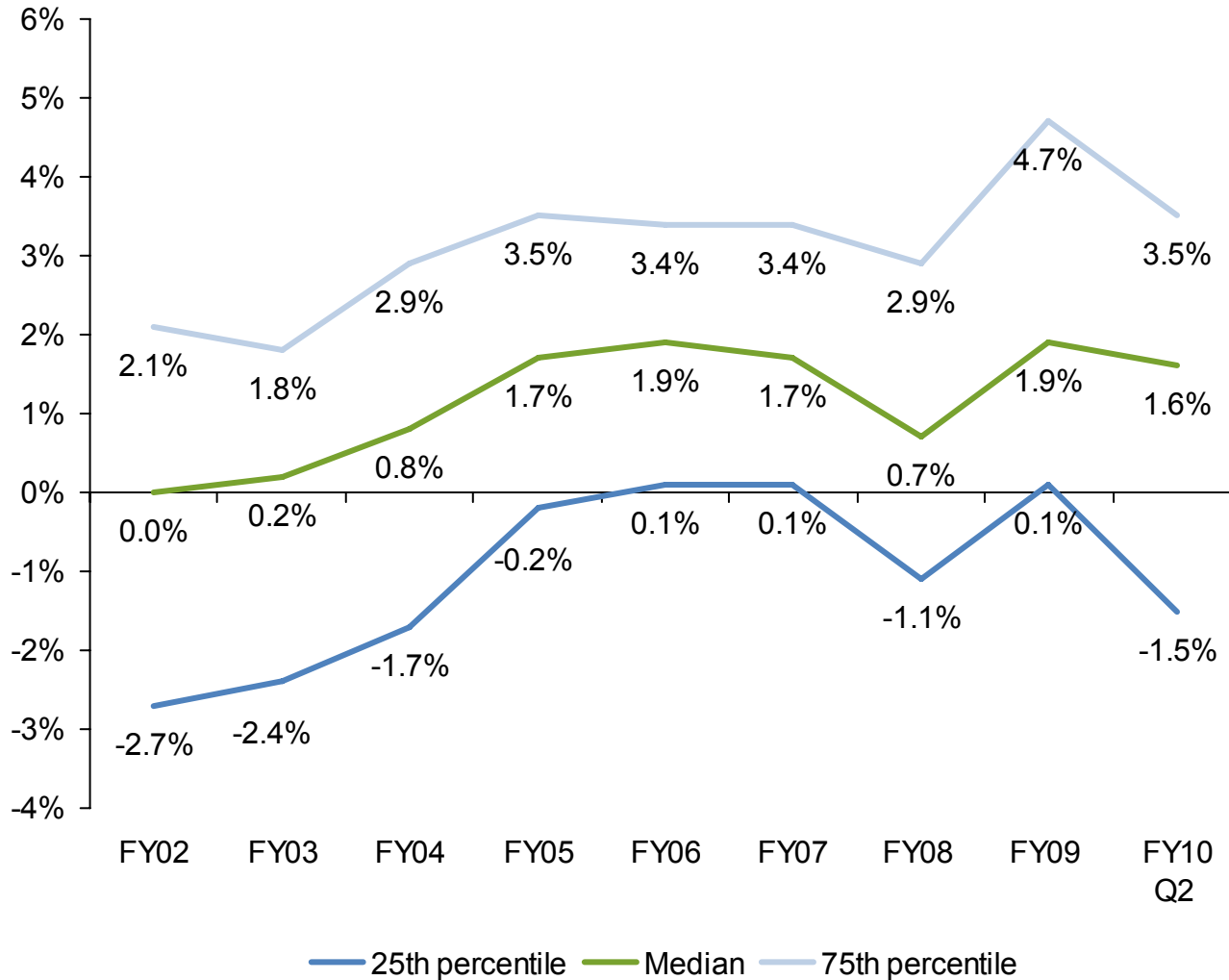
In FY10Q2, nineteen out of sixty-five hospitals (29%) reported a total loss compared with thirteen hospitals (20%) during FY09.

Benchmark:
Northeast US median FY08 = 0.9%

Benchmark Source: 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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

Acute Hospital Operating Margin



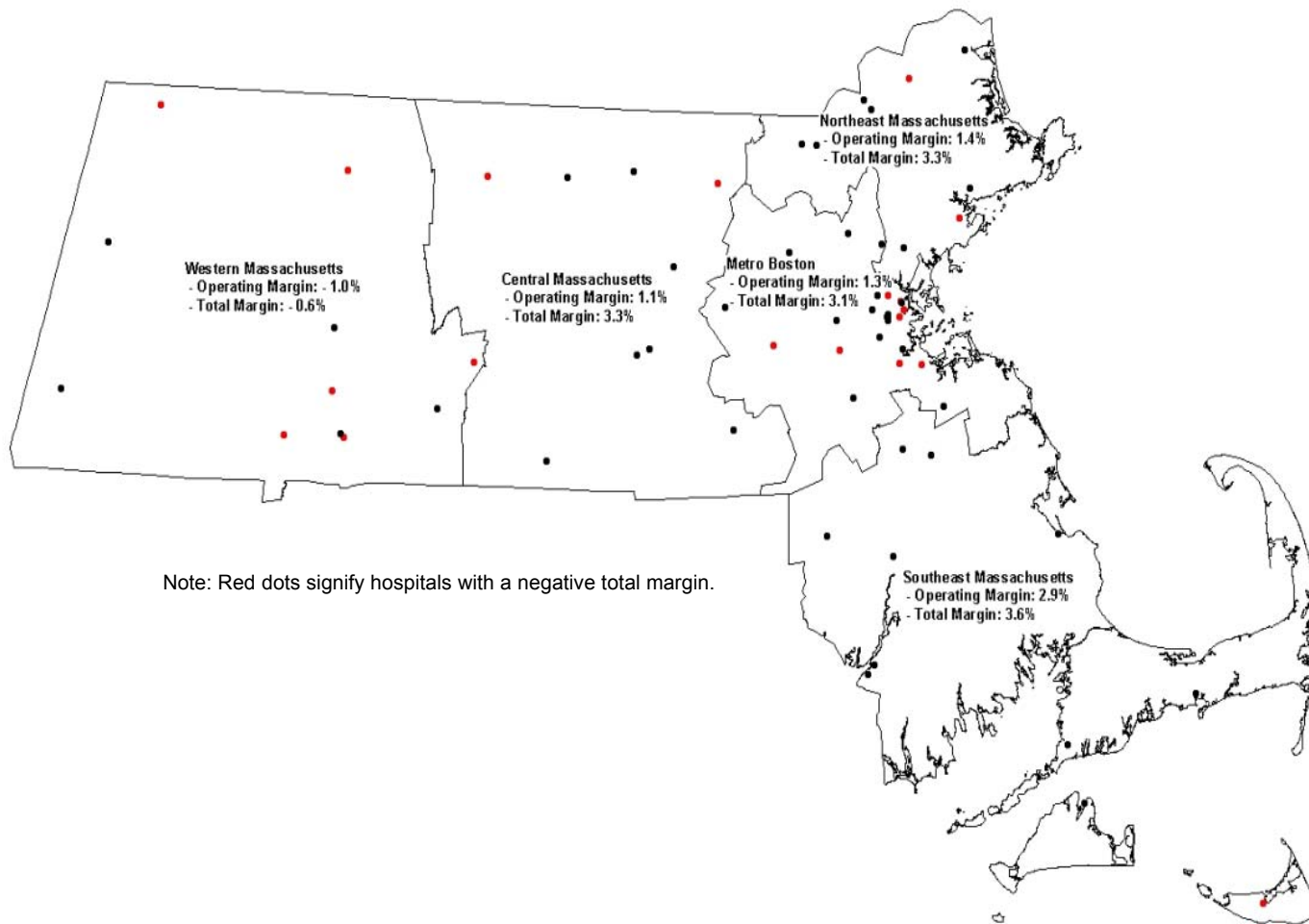
Through FY10Q2, the industry's losses are predominantly due to operating losses. For one third of the hospital's, operating expenses were greater than operating income.

Twenty-two hospitals (34%) reported a loss from operations in FY10Q2, compared with fourteen hospitals (22%) in fiscal year 2009.

Benchmark:
Northeast US median FY08 = 0.9%
 Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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

Acute Hospital Total and Operating Margins by Geographic Region

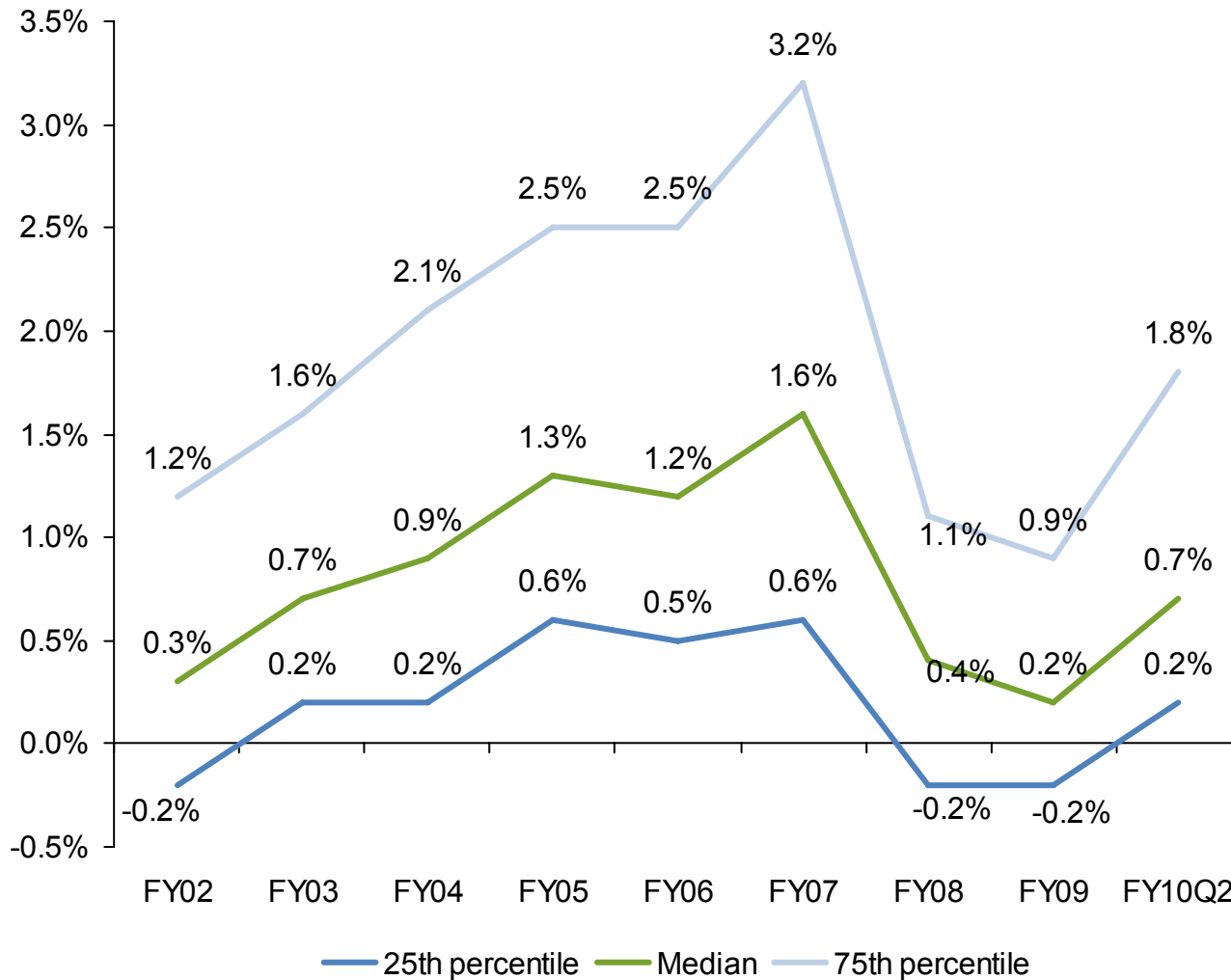


On average, hospitals in the Western region of Massachusetts have the lowest total and operating margins in the state during the first two quarters of FY2010.

Hospitals in the southeast region of the state have the highest total margin (3.6%) and operating margin (3.0%).

Note: Regions are categorized using the Department of Public Health's Emergency Medical Services (EMS) Zones.

Acute Hospital Non-Operating Margin



During the first two quarters of 2010, many hospitals reported improved non-operating income compared with fiscal year 2009.

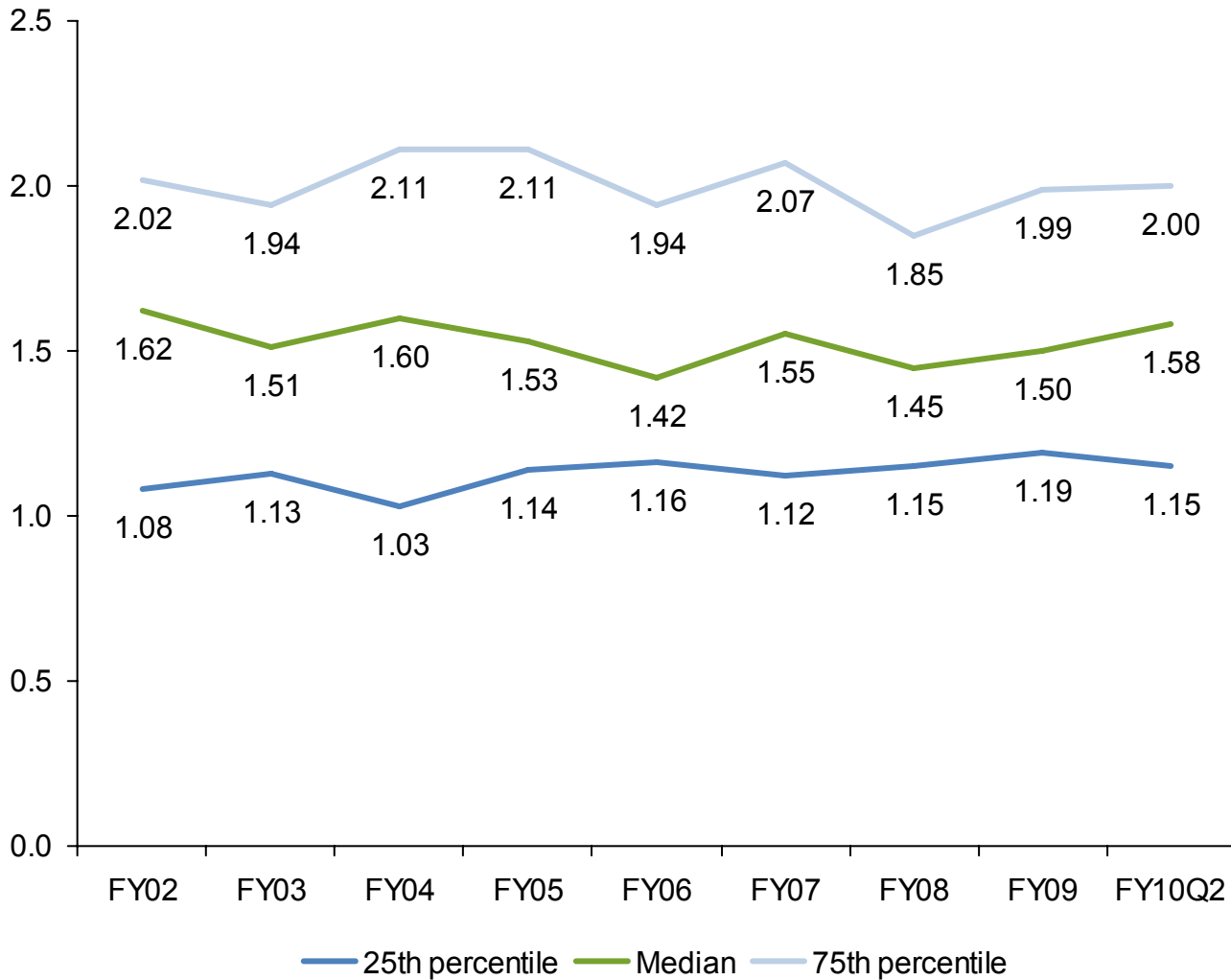
Only four hospitals (6%) reported a non-operating loss in FY10Q2 compared with twenty two hospitals (34%) in FY09.

Benchmark: Northeast US median FY08 = 0.07%

Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

Note: Non-operating margin is the ratio of non-operating income to total revenue. Non-operating income includes items not related to operations, such as investment income, charitable contributions, gains (losses) from the sale of assets and other unrelated business activities (such as fundraising expenses, and insurance claim or lawsuit settlements). A parent or foundation that holds assets that the hospital controls may incur a change in beneficial interest in net assets that would be included in the hospital's non-operating margin.

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 remained fairly stable with a median current ratio of 1.58 through the second quarter of 2010, compared with 1.50 in FY09.

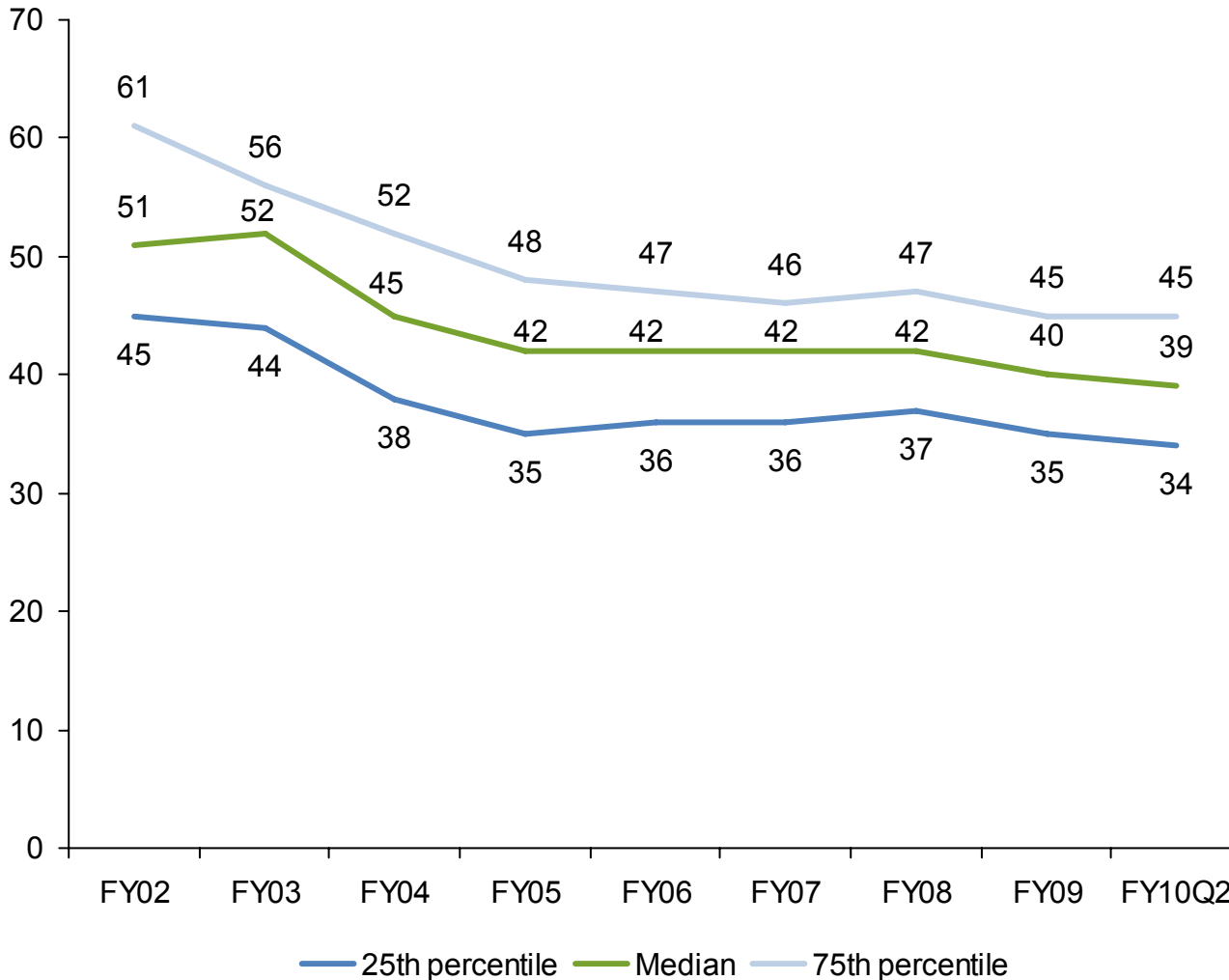
Benchmark: Northeast US median FY08 = 1.55

Benchmark Source: 2010 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



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

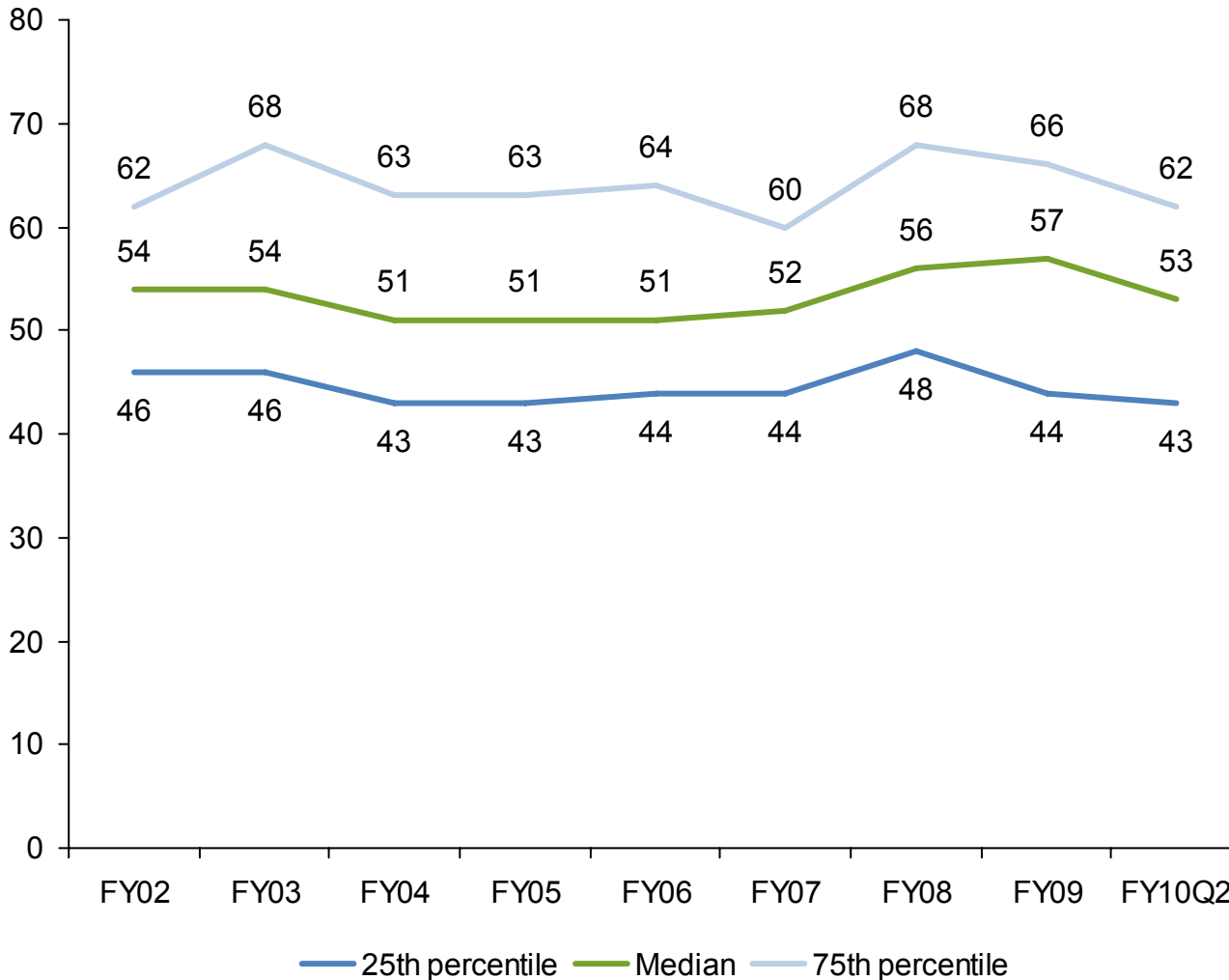
The median number of days taken to collect revenue remained stable through the second quarter of 2010 compared with fiscal year 2009.

Benchmark: Northeast US median FY08 = 46.2

Benchmark Source: 2010 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



Average payment period measures the time it takes a hospital to pay current liabilities. High values indicate potential liquidity problems.

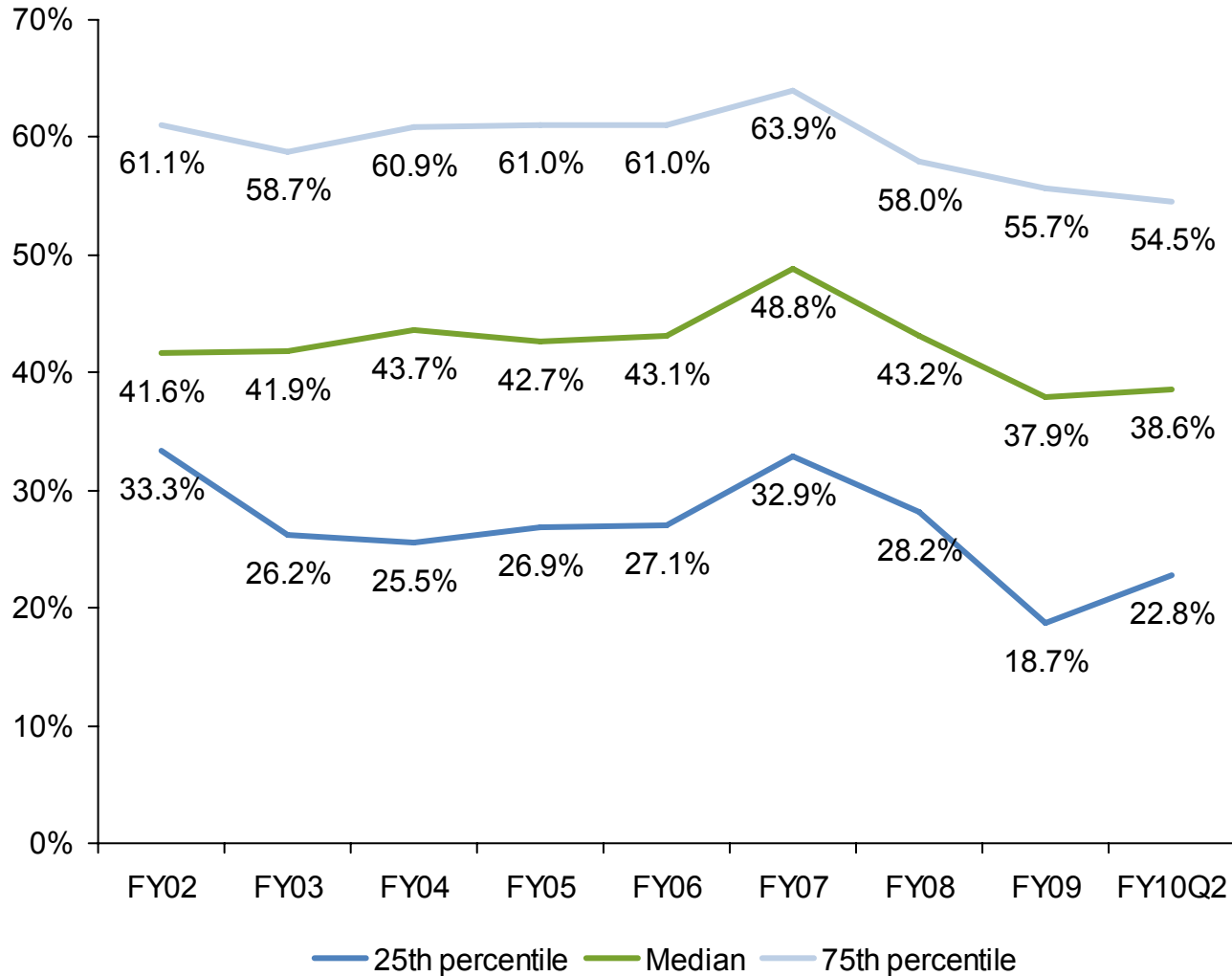
Through the second quarter of 2010, the average payment period ranged from a low of 25 days to a high of 134 days, with the median being 53 days.

Benchmark: Northeast US median FY08 = 60.3

Benchmark Source: 2010 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 Equity Financing



Equity financing measures the proportion of total assets financed with equity.

Through the second quarter of 2010, acute hospitals' equity financing remained stable with some slight improvement compared with FY09.

Benchmark: Northeast US median FY08 = 47.9%

Benchmark Source: 2010 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

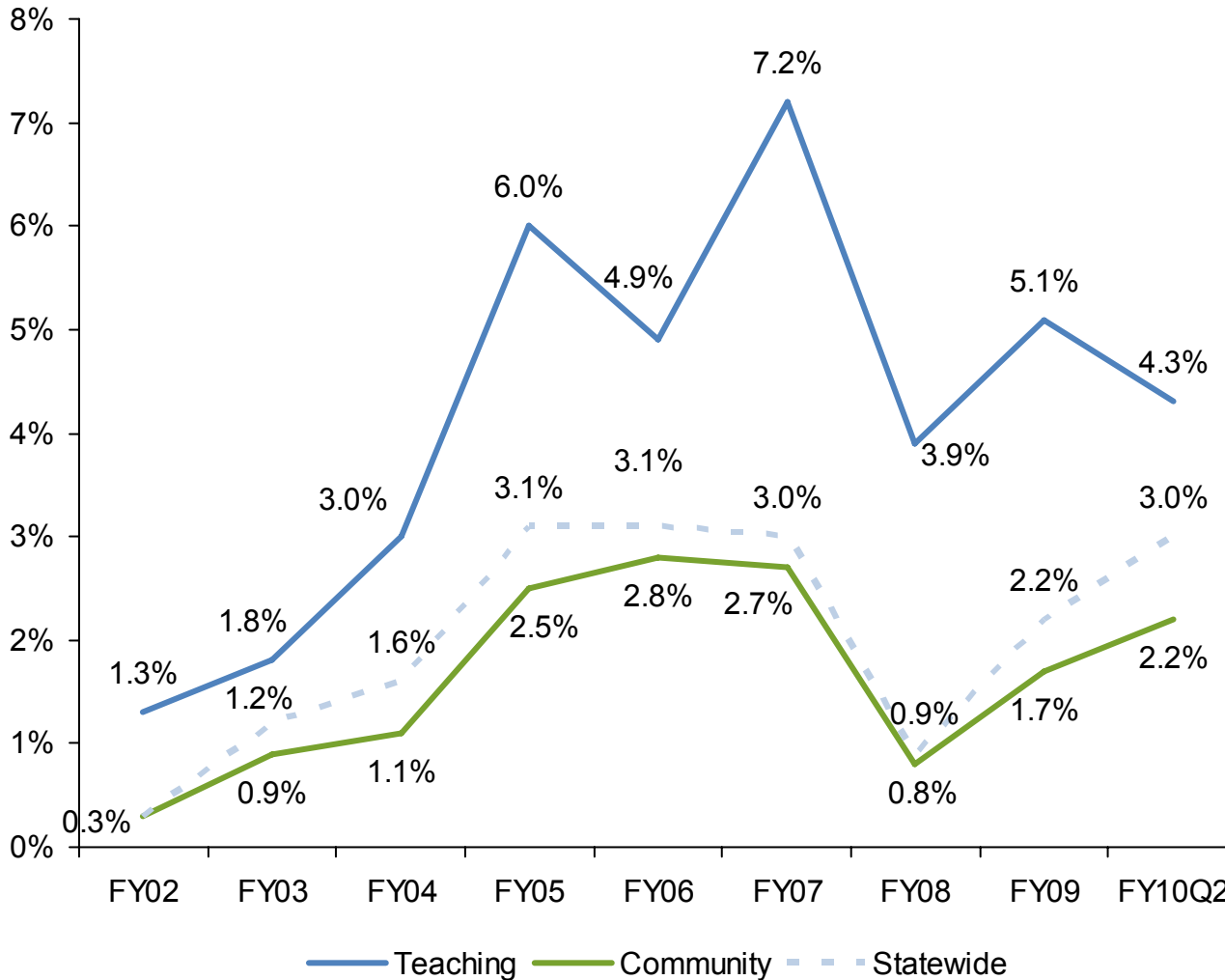
•In this analysis, the Division of Health Care Finance and Policy defined teaching hospitals according to the Medicare Payment Advisory Commission's (MedPAC) definition of a major teaching hospital: at least 25 full time equivalent medical school residents per one hundred inpatient beds.

•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	Community Hospitals	
Baystate Medical Center	Anna Jaques Hospital	Marlborough Hospital
Beth Israel Deaconess Medical Center	Athol Memorial Hospital	Martha's Vineyard Hospital
Boston Medical Center	Baystate Franklin Medical Center	Mercy Medical Center
Brigham and Women's Hospital	Baystate Mary Lane Hospital	Merrimack Valley Hospital
Cambridge Health Alliance	Berkshire Medical Center	MetroWest Medical Center
Caritas St. Elizabeth's Medical Center	Beth Israel Deaconess Hospital-Needham	Milford Regional Medical Center
Children's Hospital Boston	Cape Cod Hospital	Milton Hospital
Dana-Farber Cancer Institute	Caritas Carney Hospital	Morton Hospital and Medical Center
Lahey Clinic	Caritas Good Samaritan Medical Center	Nantucket Cottage Hospital
Massachusetts Eye and Ear Infirmary	Caritas Holy Family Hospital	Nashoba Valley Medical Center
Massachusetts General Hospital	Caritas Norwood Hospital	New England Baptist Hospital
Mount Auburn Hospital	Clinton Hospital	Newton-Wellesley Hospital
Saint Vincent Hospital	Cooley Dickinson Hospital	Noble Hospital
Tufts Medical Center	Emerson Hospital	North Adams Regional Hospital
UMass Memorial Medical Center	Fairview Hospital	North Shore Medical Center
	Falmouth Hospital	Northeast Hospital
	Faulkner Hospital	Quincy Medical Center
	Hallmark Health	Saint Anne's Hospital
	Harrington Memorial Hospital	Saints Medical Center
	Health Alliance Hospital	Signature Healthcare Brockton Hospital
	Heywood Hospital	South Shore Hospital
	Holyoke Medical Center	Southcoast Hospitals Group
	Hubbard Regional Hospital	Sturdy Memorial Hospital
	Jordan Hospital	Winchester Hospital
	Lawrence General Hospital	Wing Memorial Hospital and Medical Centers
	Lowell General Hospital	



Acute Hospital Median Total Margin Teaching vs. Community Hospitals



Teaching hospitals' median total margin has declined whereas community hospitals experienced increases through the second quarter of 2010 compared with FY09.

On average, teaching hospitals have shown a trend of higher profitability than community hospitals.

The median total margin was 4.3% for teaching hospitals compared with 2.2% for community hospitals in FY10Q2.

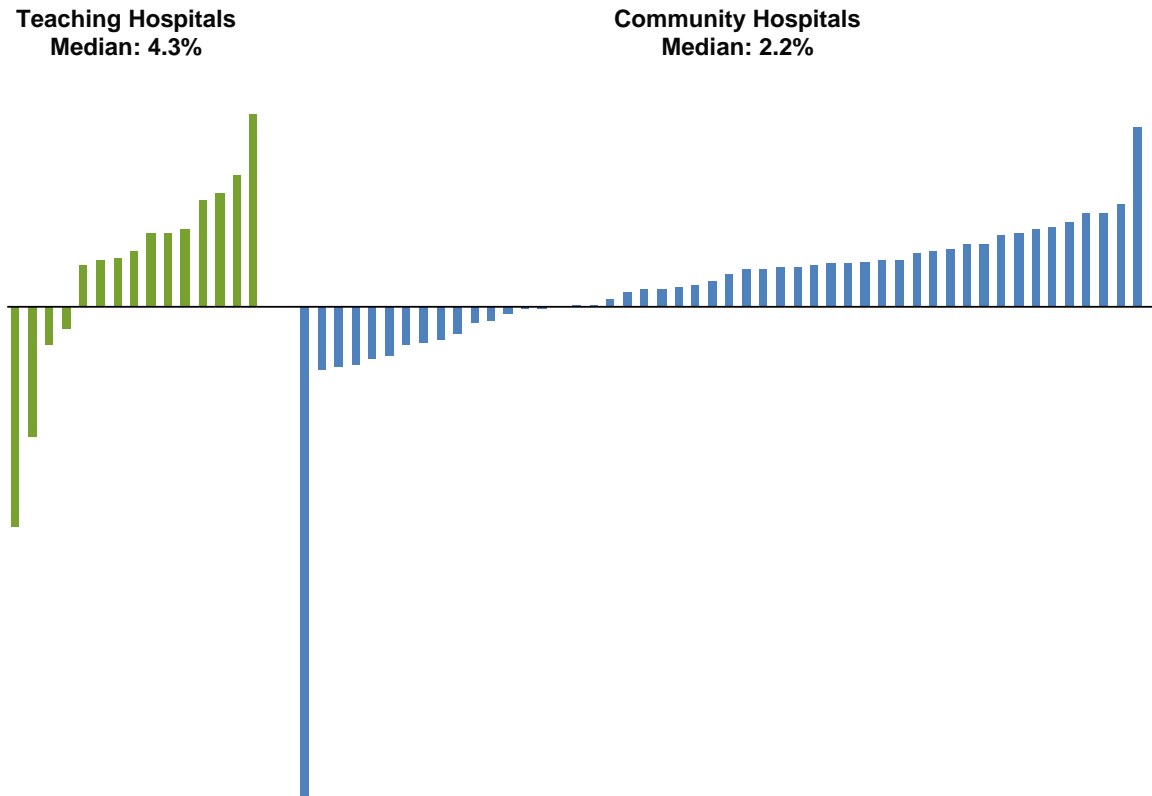
Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 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, FY10Q2



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

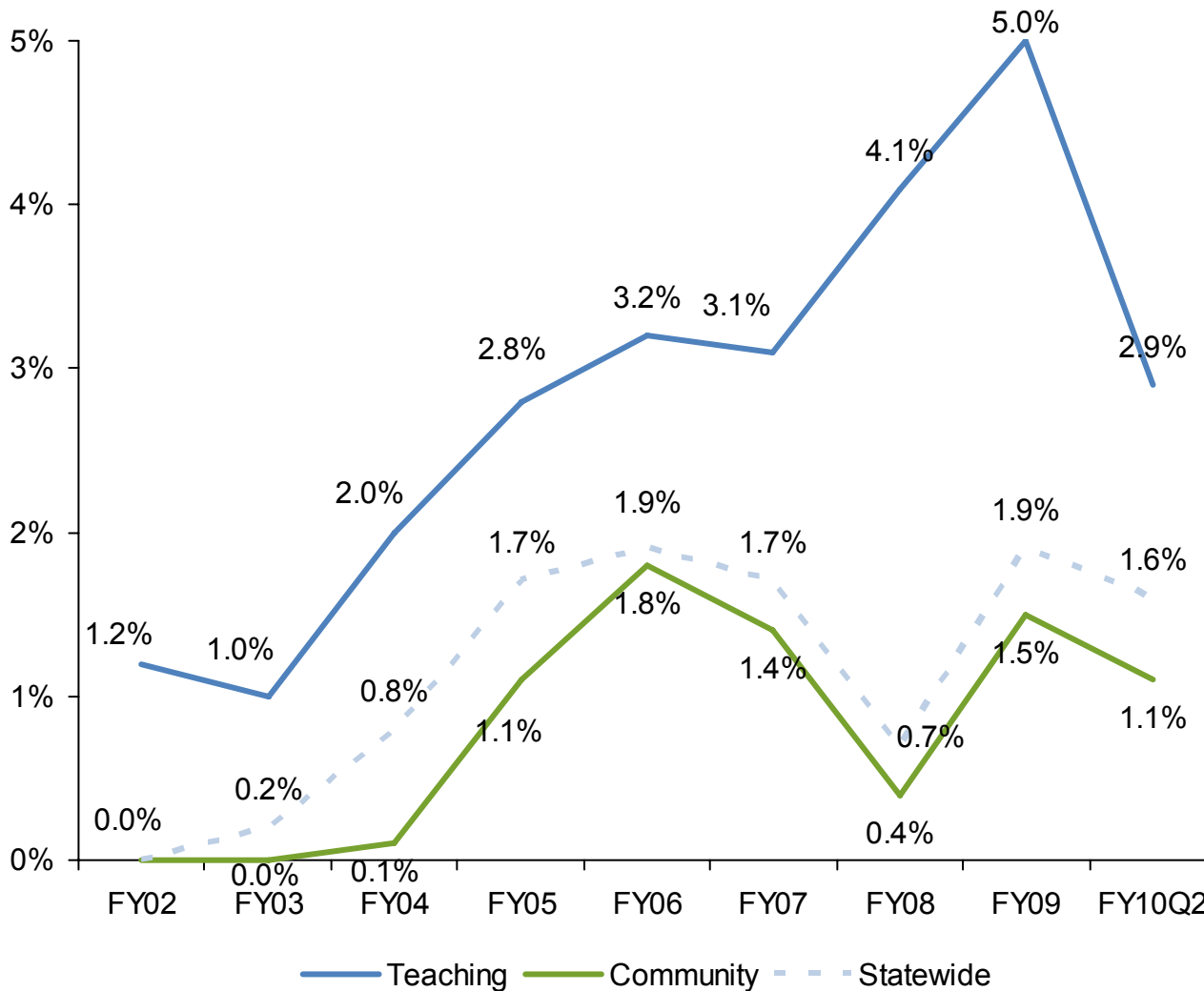
Four teaching hospitals (20%) reported losses during the first two quarters of 2010, the same number as in fiscal year 2009. Fifteen community hospitals (30%) reported losses in FY09 compared with ten (21%) in FY09.

Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 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 teaching hospitals during the first two quarters of 2010 compared with FY09.

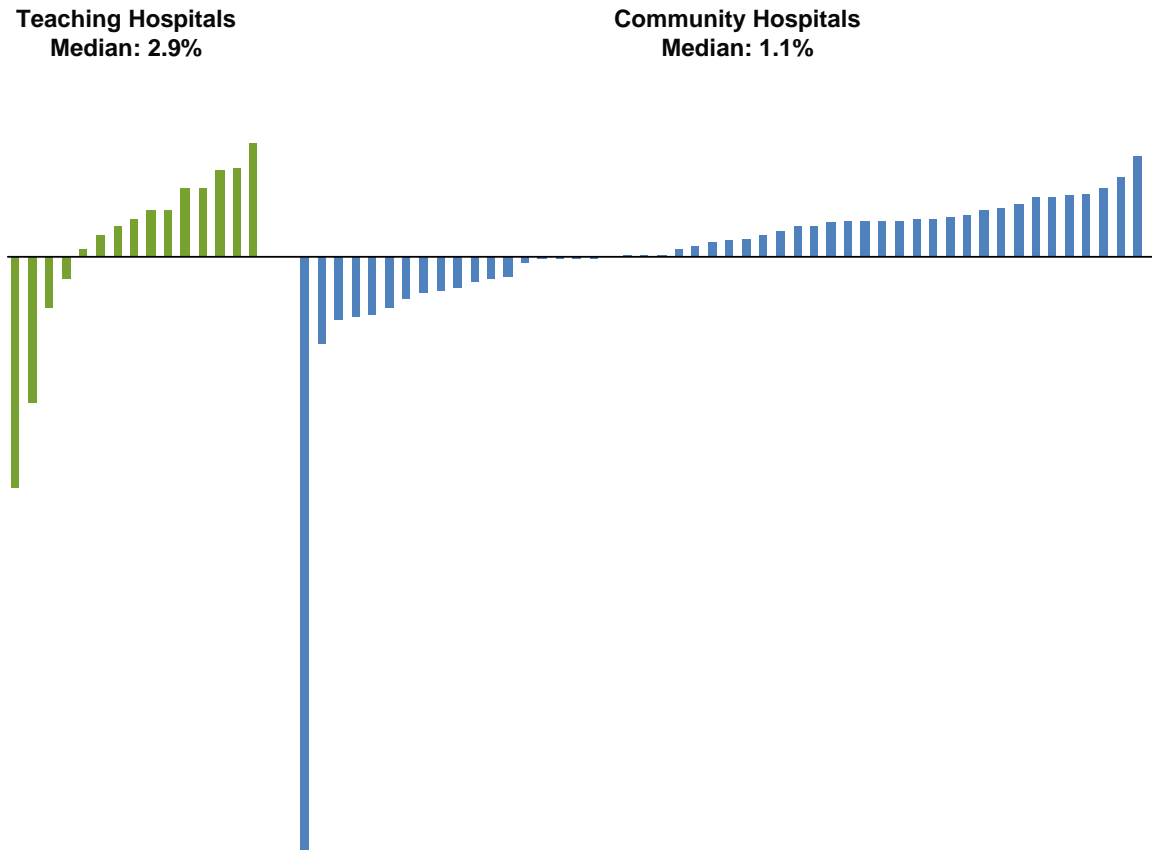
Although the median operating margin for teaching hospitals declined more than that for community hospitals, teaching hospitals maintained a trend of higher median operating margin than community hospitals in FY10Q2 (2.9% vs. 1.1%).

Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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

Acute Hospital Operating Margin Teaching vs. Community Hospitals, FY10Q2



Operating margin performance varied widely by teaching status during the first two quarters of 2010.

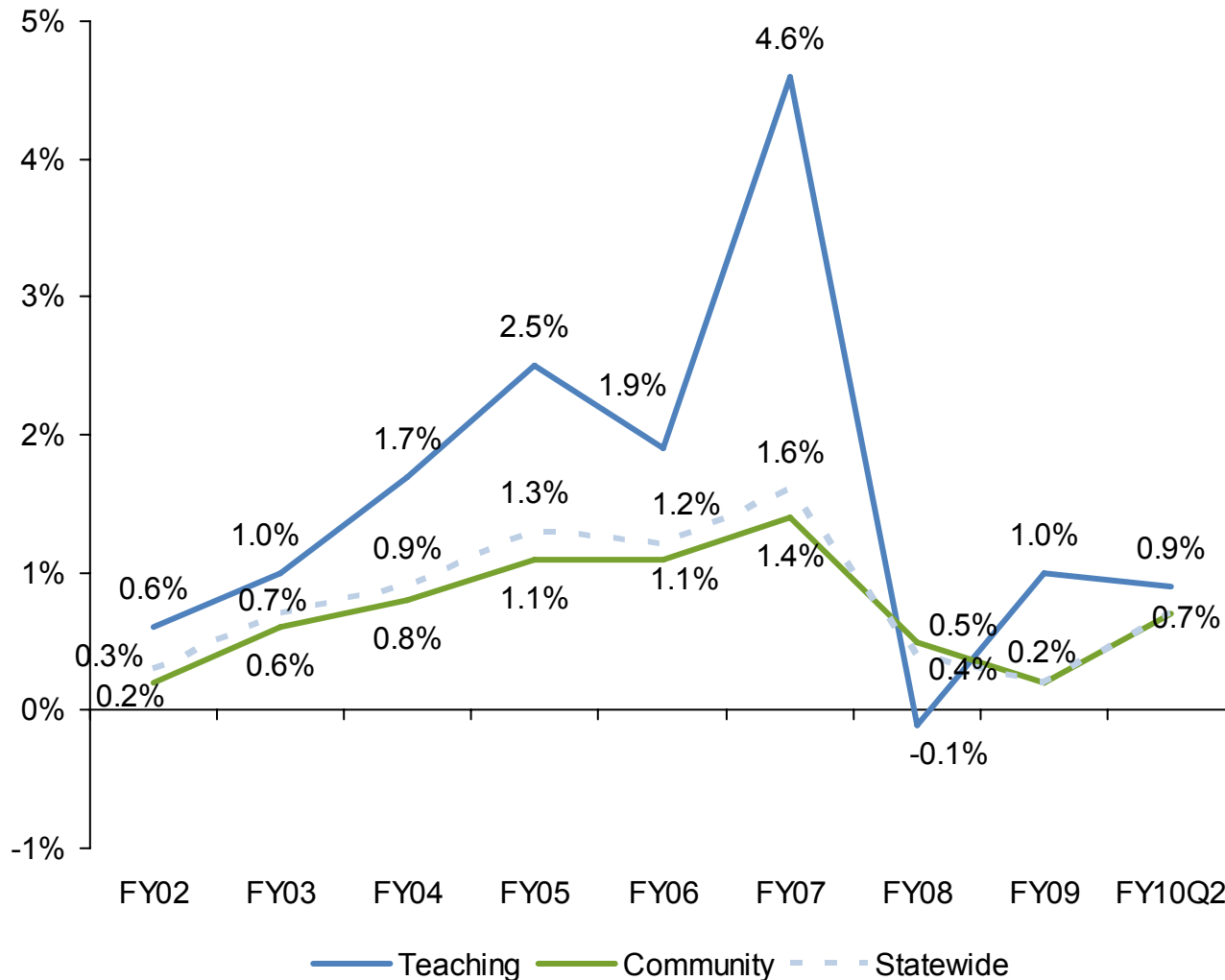
Four teaching hospitals (27%) and eighteen community hospitals (36%) reported operating losses in FY10Q2.

Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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

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



Community hospitals experienced a slight improvement in their median non-operating margin through the second quarter of 2010 compared with FY09.

The median non-operating margin was slightly higher for teaching hospitals compared with community hospitals in FY10Q2 (0.9% and 0.7%).

Benchmark: Northeast US median FY08 = 0.7%

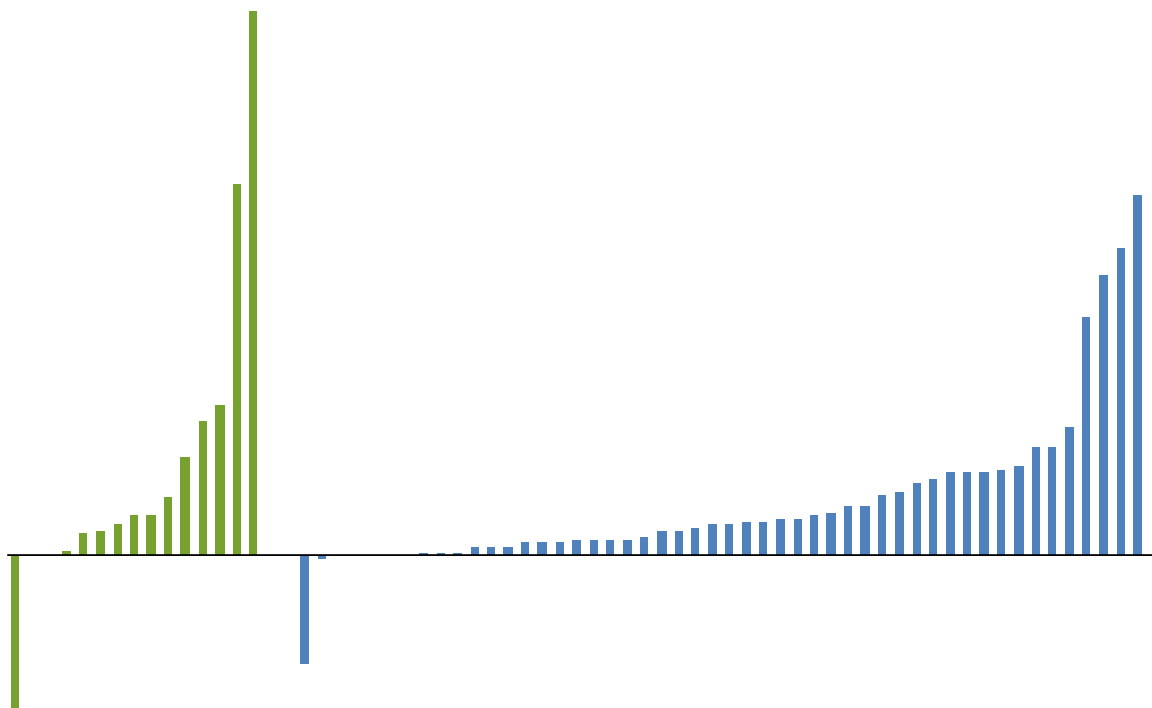
Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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

Acute Hospital Non-Operating Margin Teaching vs. Community Hospitals, FY10Q2

Teaching Hospitals
Median: 0.9%

Community Hospitals
Median: 0.7%



Many hospitals reported more favorable non-operating margins during quarter two of 2010 compared with FY09.

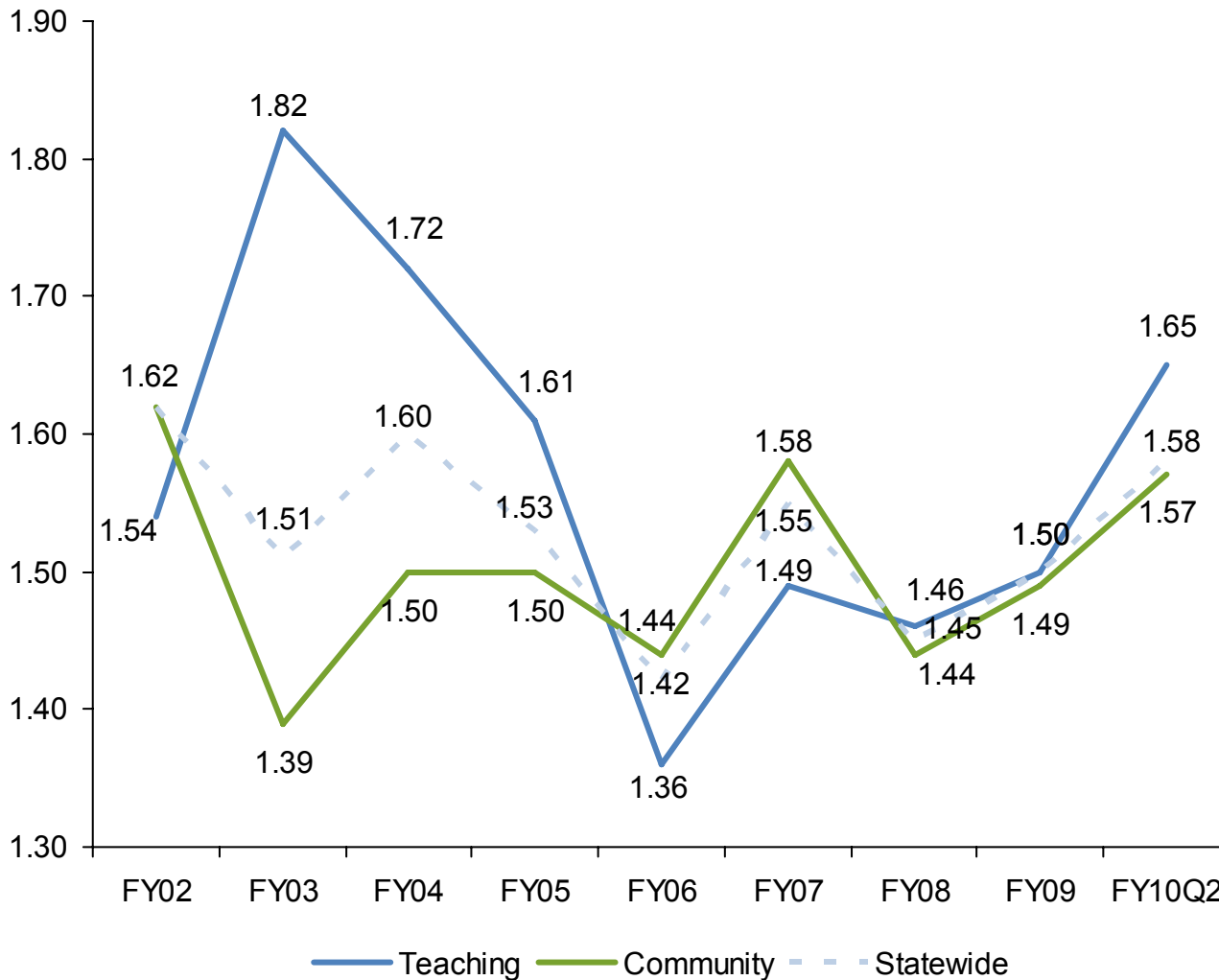
One teaching hospital (7%) and three community hospitals (6%) reported non-operating losses in FY10Q2 compared with four teaching hospitals (27%) and nineteen community hospitals (39%) in FY09.

Benchmark: Northeast US median FY08 = 0.7%

Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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, through the second quarter of 2010, the median current ratio improved among teaching and community hospitals compared with fiscal year 2009.

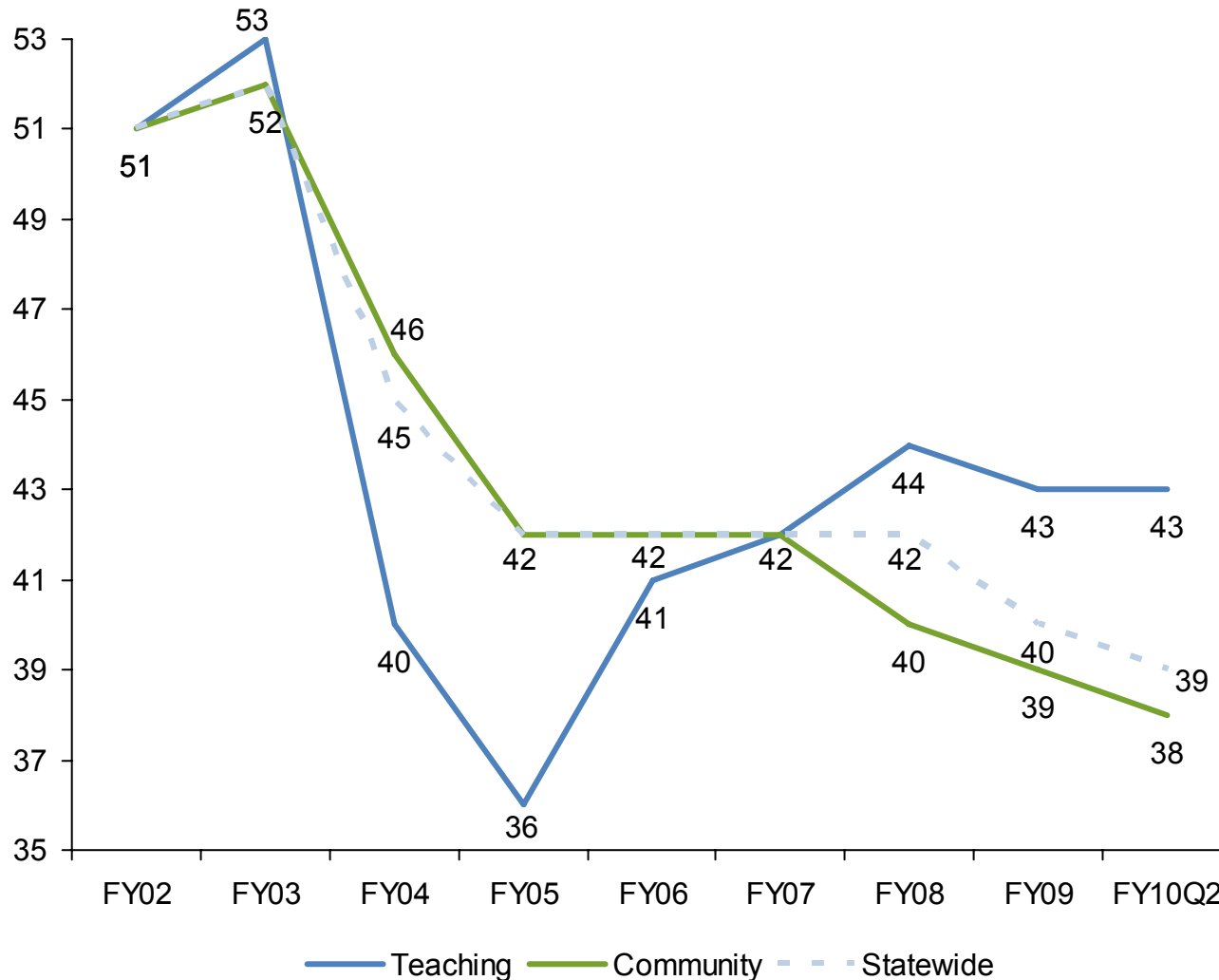
Benchmark: Northeast US median FY08 = 1.55

Benchmark Source: 2010 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



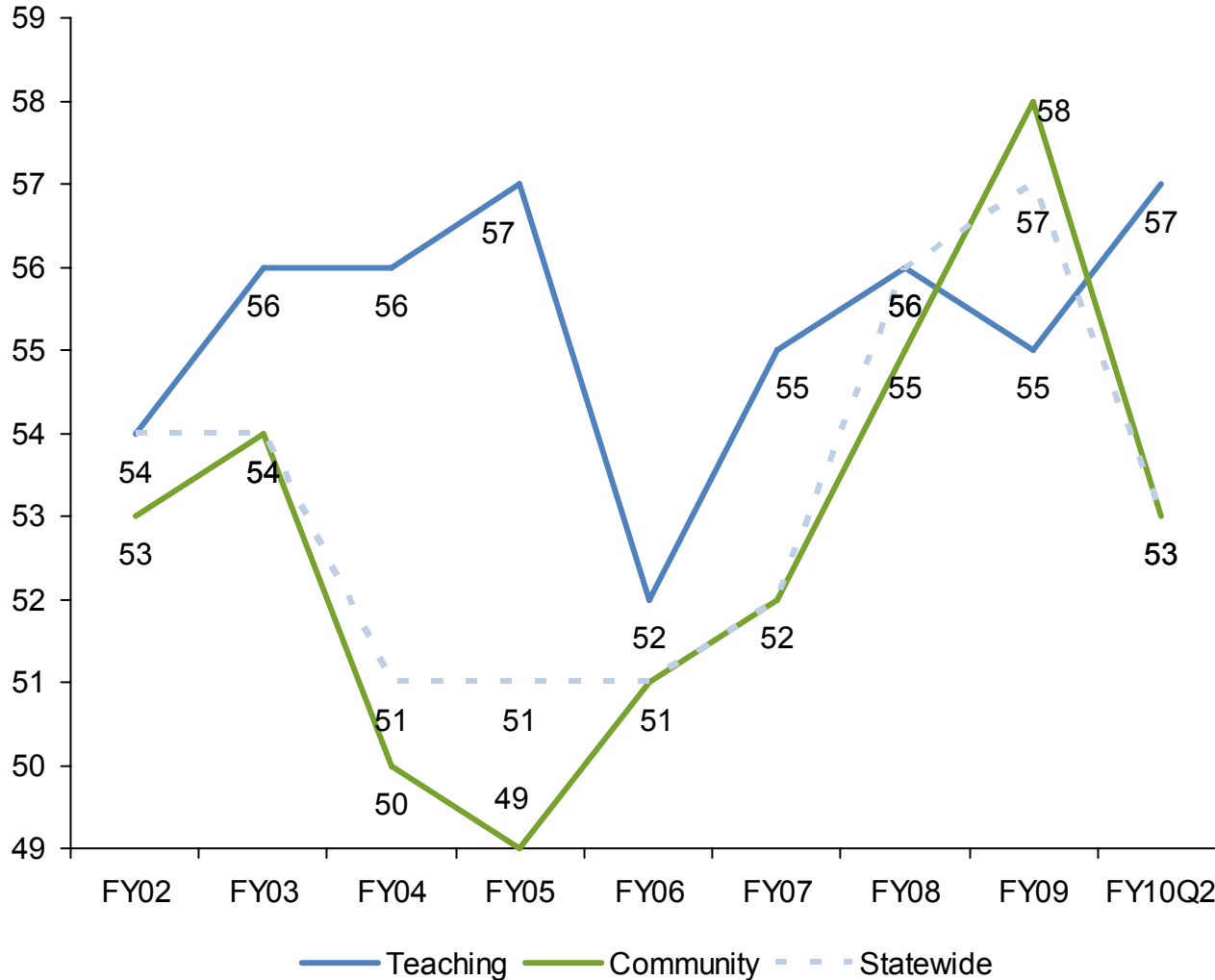
In FY10Q2, teaching hospitals took about five days longer than community hospitals to collect revenue.

Benchmark: Northeast US median FY08 = 46.2

Benchmark Source: 2010 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



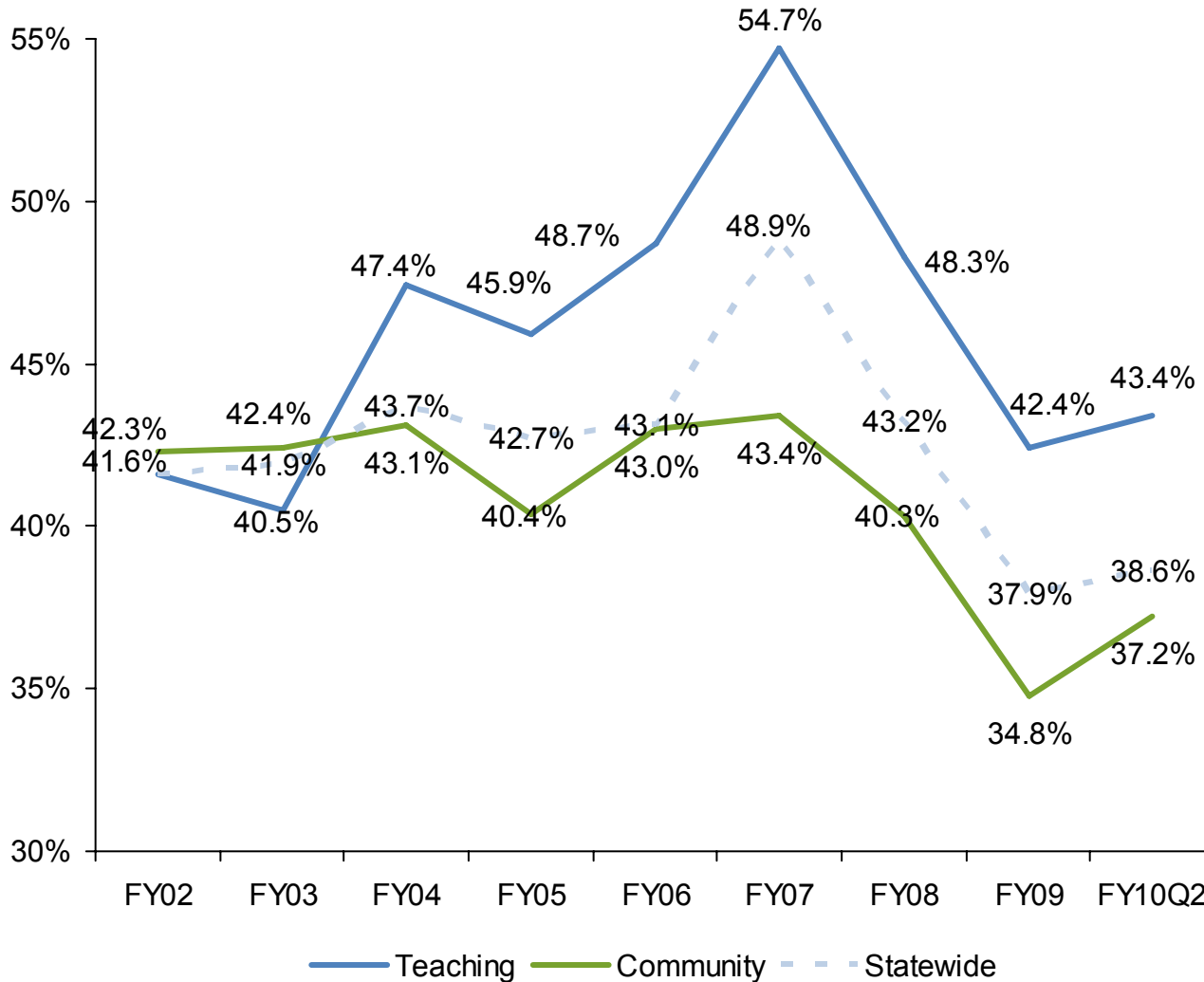
In FY10Q2, teaching hospitals took roughly four days longer than community hospitals to pay their bills (57 and 53 days, respectively).

Benchmark: Northeast US median FY08 = 60.3

Benchmark Source: 2010 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 Equity Financing Teaching vs. Community Hospitals



Teaching hospitals currently have greater equity financing than community hospitals.

A number of hospitals experienced an actuarial reconciliation of pension related assets and obligations in FY09 which had a negative impact on net assets.

Benchmark: Northeast US median FY08 = 47.9%

Benchmark Source: 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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

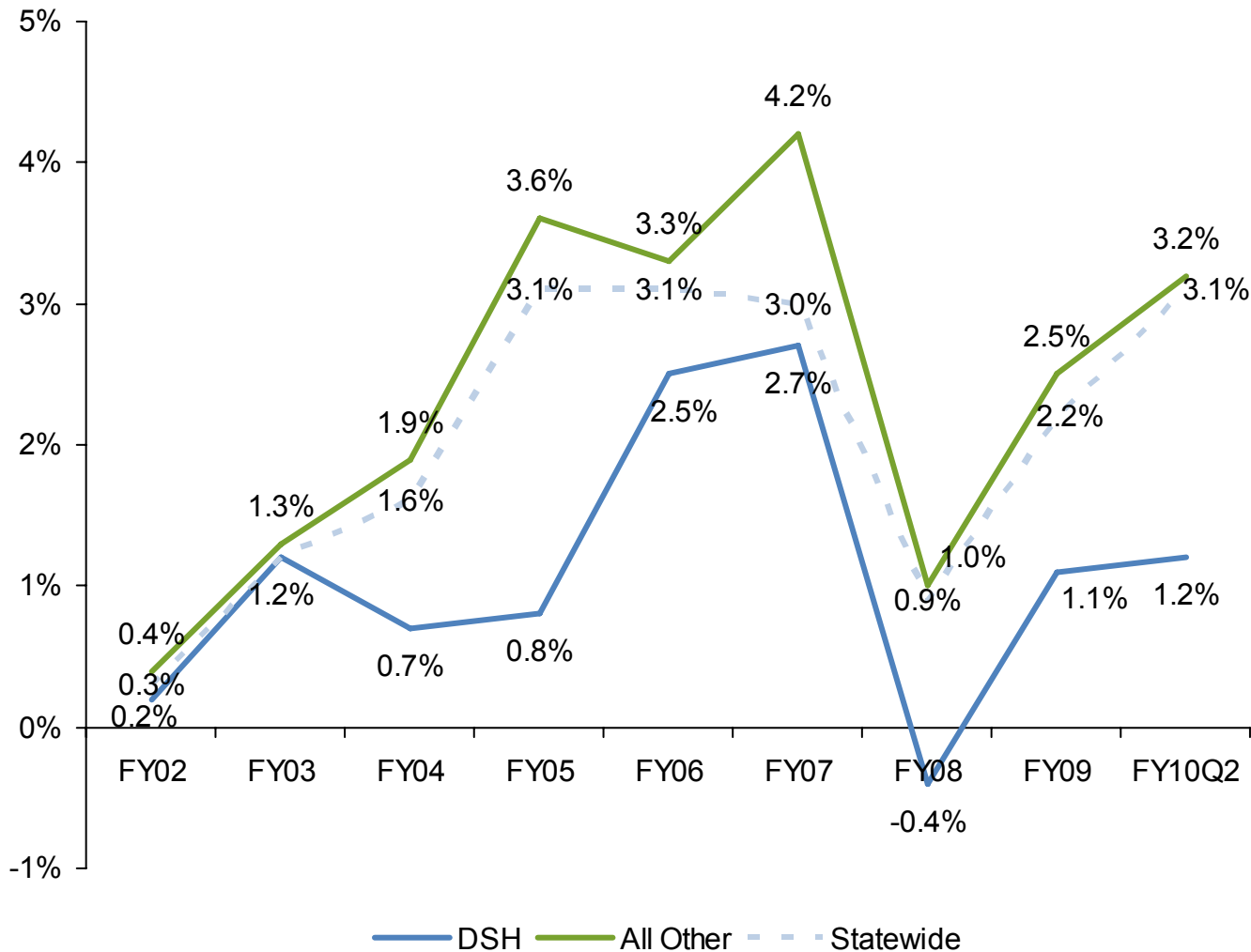
Disproportionate Share and All Other Hospitals

- 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	All Other Hospitals	
Berkshire Medical Center	Anna Jaques Hospital	Lowell General Hospital
Boston Medical Center	Athol Memorial Hospital	Marlborough Hospital
Cambridge Health Alliance	Baystate Franklin Medical Center	Martha's Vineyard Hospital
Cape Cod Hospital	Baystate Mary Lane Hospital	Massachusetts Eye and Ear Infirmary
Caritas Carney Hospital	Baystate Medical Center	Massachusetts General Hospital
Caritas Good Samaritan Medical Center	Beth Israel Deaconess Medical Center	MetroWest Medical Center
Caritas St. Elizabeth's Medical Center	Beth Israel Deaconess Hospital-Needham	Milford Regional Medical Center
Clinton Hospital	Brigham and Women's Hospital	Milton Hospital
Holyoke Medical Center	Caritas Holy Family Hospital	Morton Hospital and Medical Center
Lawrence General Hospital	Caritas Norwood Hospital	Mount Auburn Hospital
Mercy Medical Center	Children's Hospital Boston	Nantucket Cottage Hospital
Merrimack Valley Hospital	Cooley Dickinson Hospital	Nashoba Valley Medical Center
North Adams Regional Hospital	Dana-Farber Cancer Institute	New England Baptist Hospital
Quincy Medical Center	Emerson Hospital	Newton-Wellesley Hospital
Saint Anne's Hospital	Fairview Hospital	Noble Hospital
Saints Medical Center	Falmouth Hospital	North Shore Medical Center
Signature Healthcare Brockton Hospital	Faulkner Hospital	Northeast Hospital
Southcoast Hospitals Group	Hallmark Health	South Shore Hospital
	Harrington Memorial Hospital	Saint Vincent Hospital
	HealthAlliance Hospital	Sturdy Memorial Hospital
	Heywood Hospital	Tufts Medical Center
	Hubbard Regional Hospital	UMass Memorial Medical Center
	Jordan Hospital	Winchester Hospital
	Lahey Clinic	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.

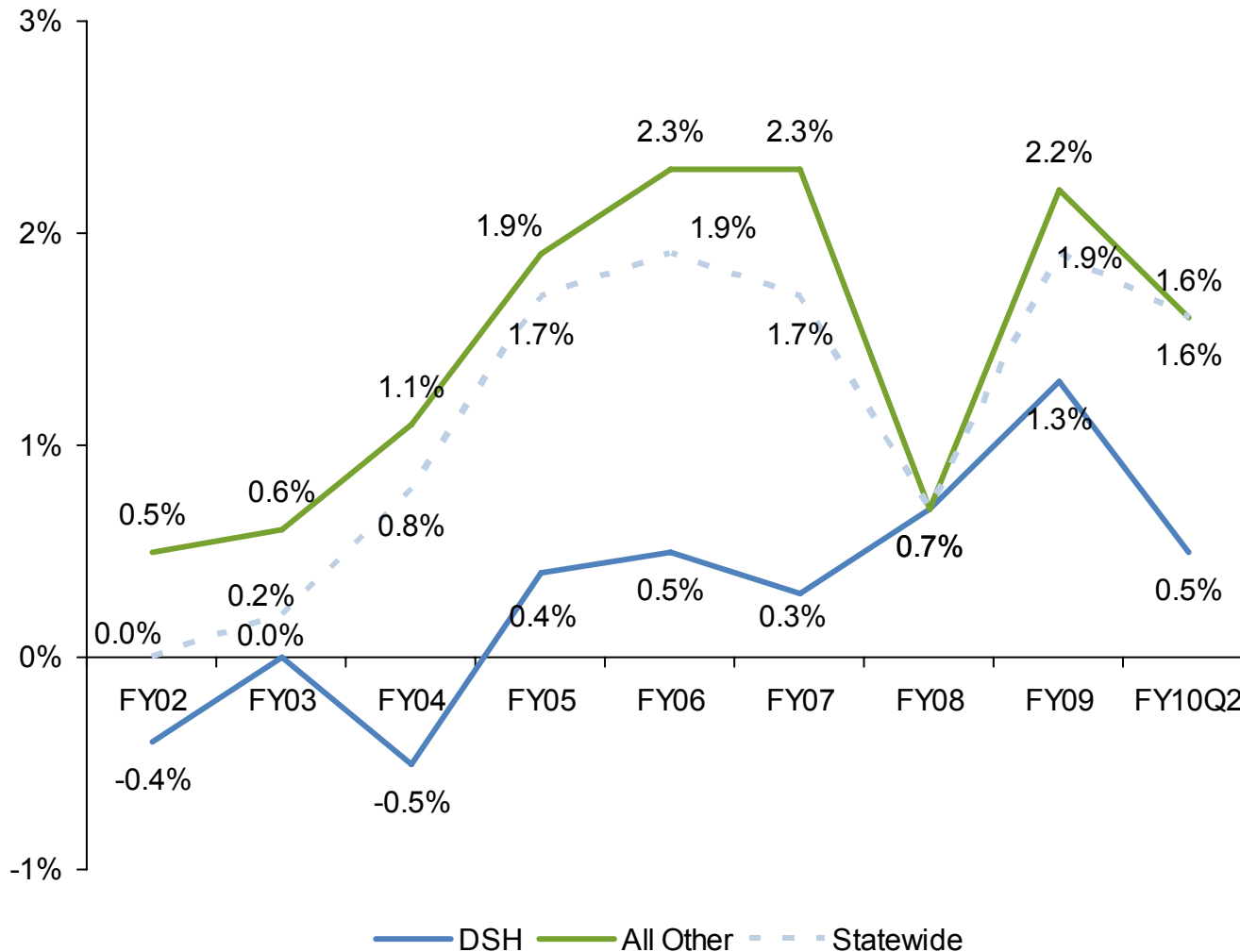
Median total profits were stable for disproportionate share hospitals but improved for all other hospitals through the second quarter of 2010.

Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 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.

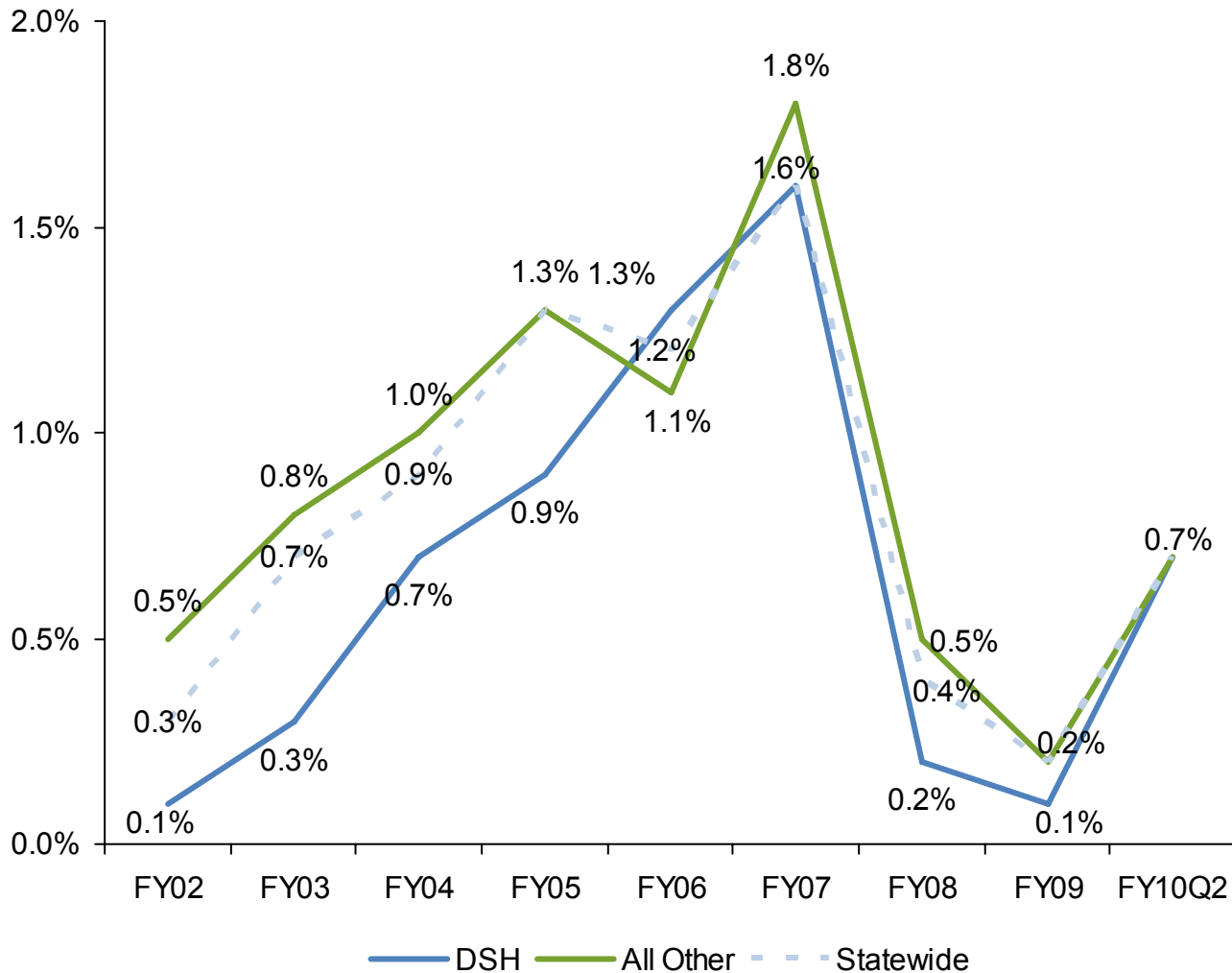
Median operating margin declined for disproportionate share hospitals and all other hospitals during the second quarter of 2010 compared with FY09.

Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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

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



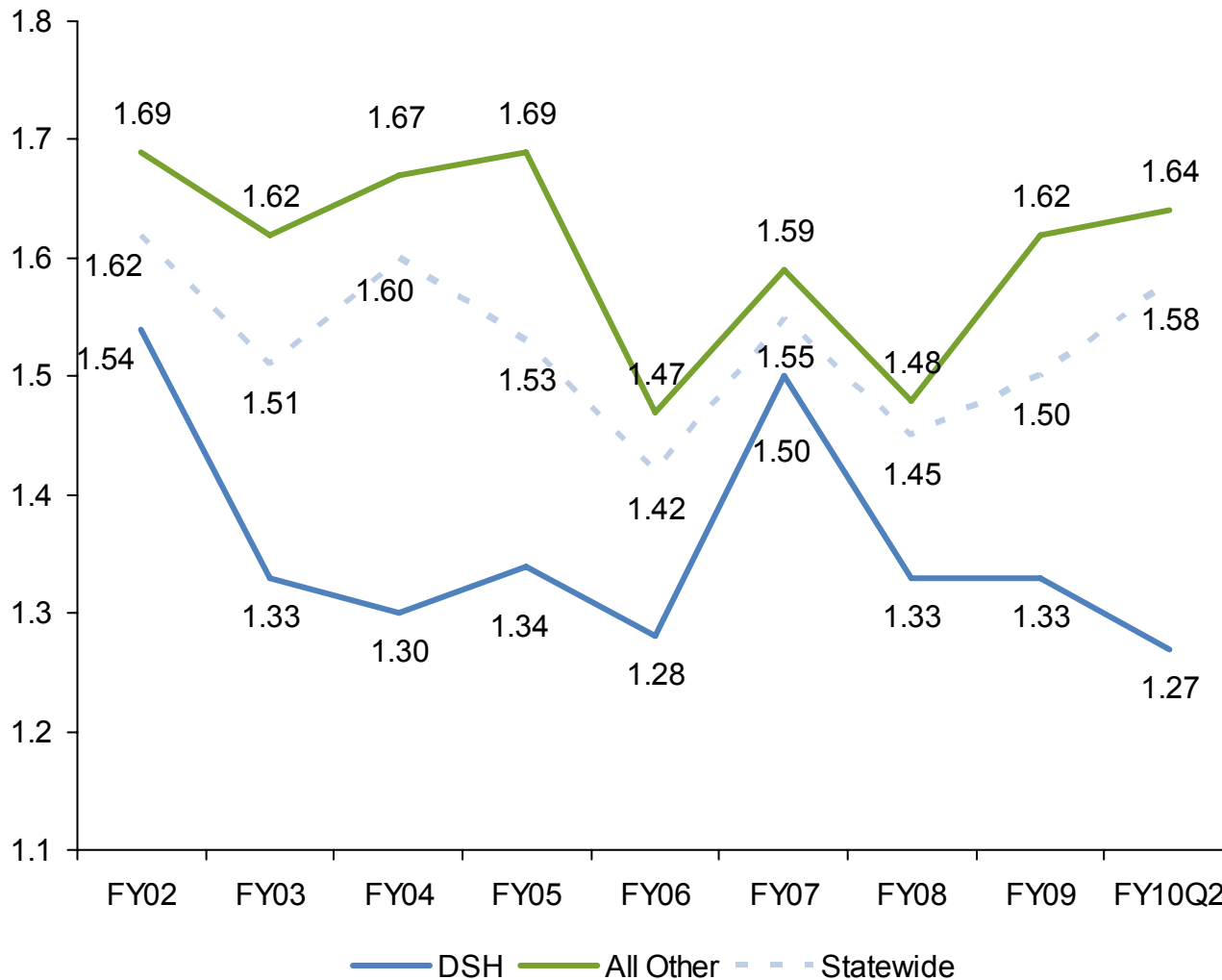
The median non-operating margin improved during the second quarter of 2010 compared with fiscal year 2009 for all hospitals regardless of disproportionate share status.

Benchmark: Northeast US median FY08 = 0.7%

Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

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.

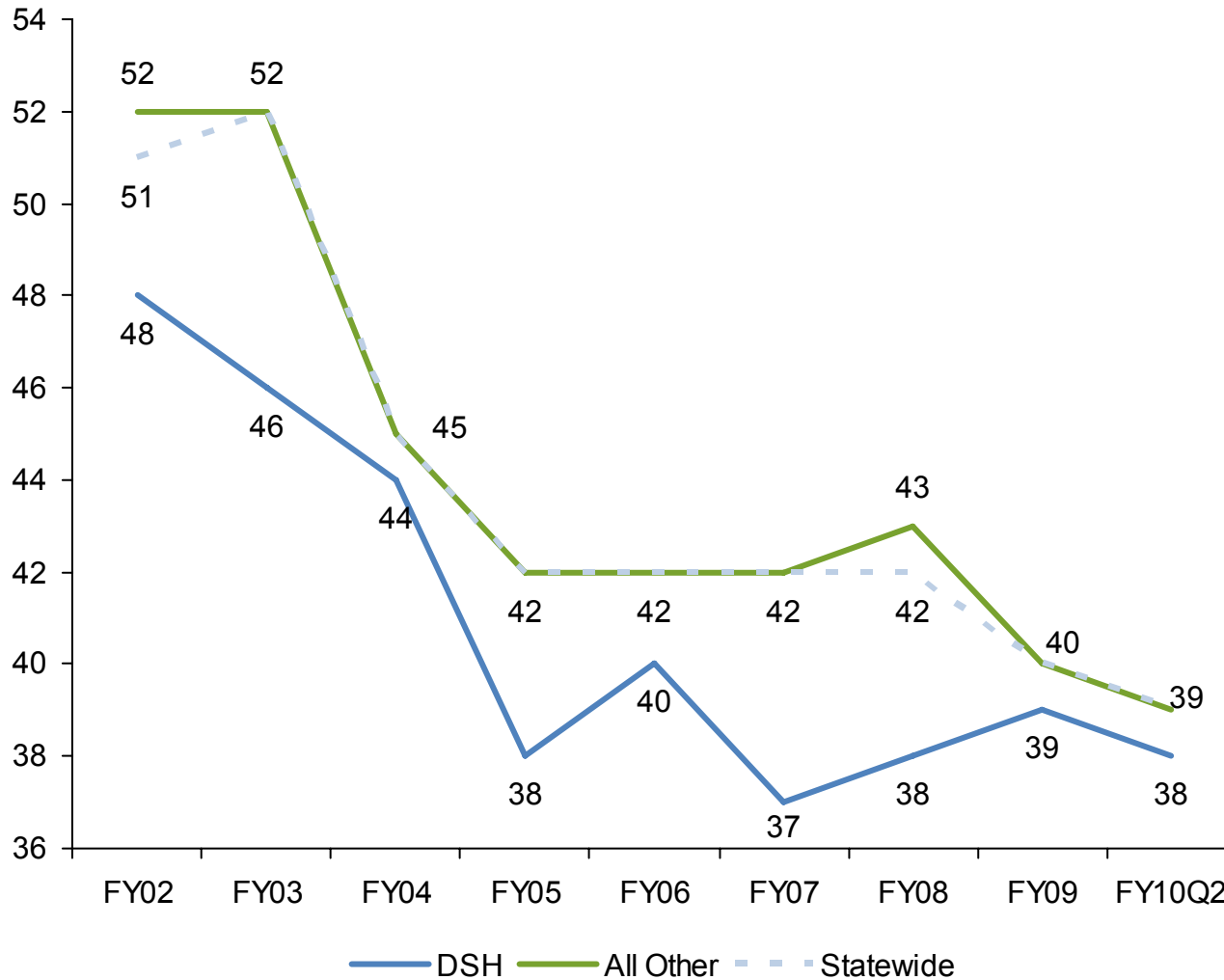
Their median current ratio of 1.27 was lower than the statewide median of 1.58 during the second quarter of 2010.

Benchmark: Northeast US median FY08 = 1.55

Benchmark Source: 2010 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



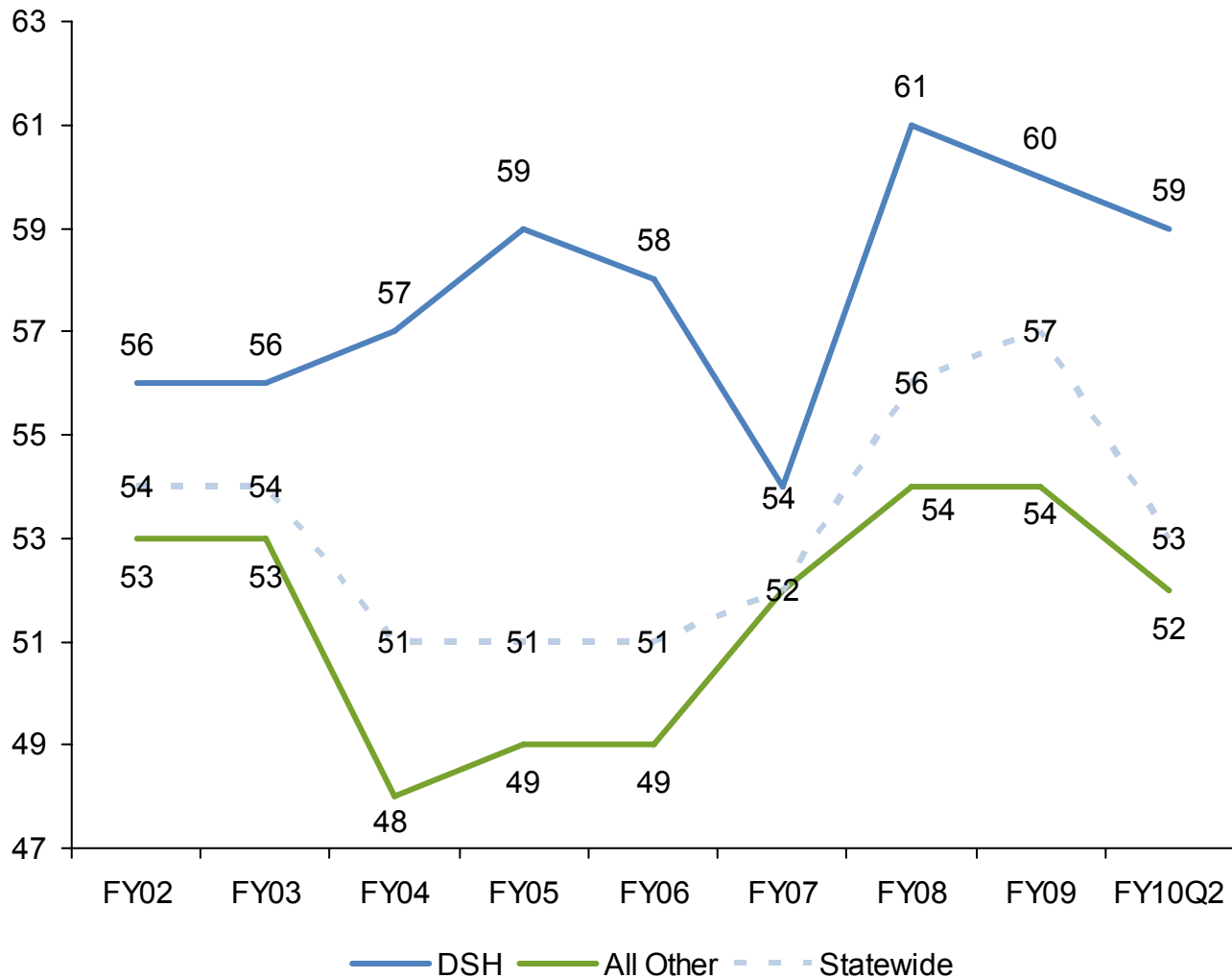
Disproportionate share hospitals took about the same number of days to collect their accounts receivables as all other hospitals during the second quarter of 2010.

Benchmark: Northeast US median FY08 = 46.2

Benchmark Source: 2010 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.

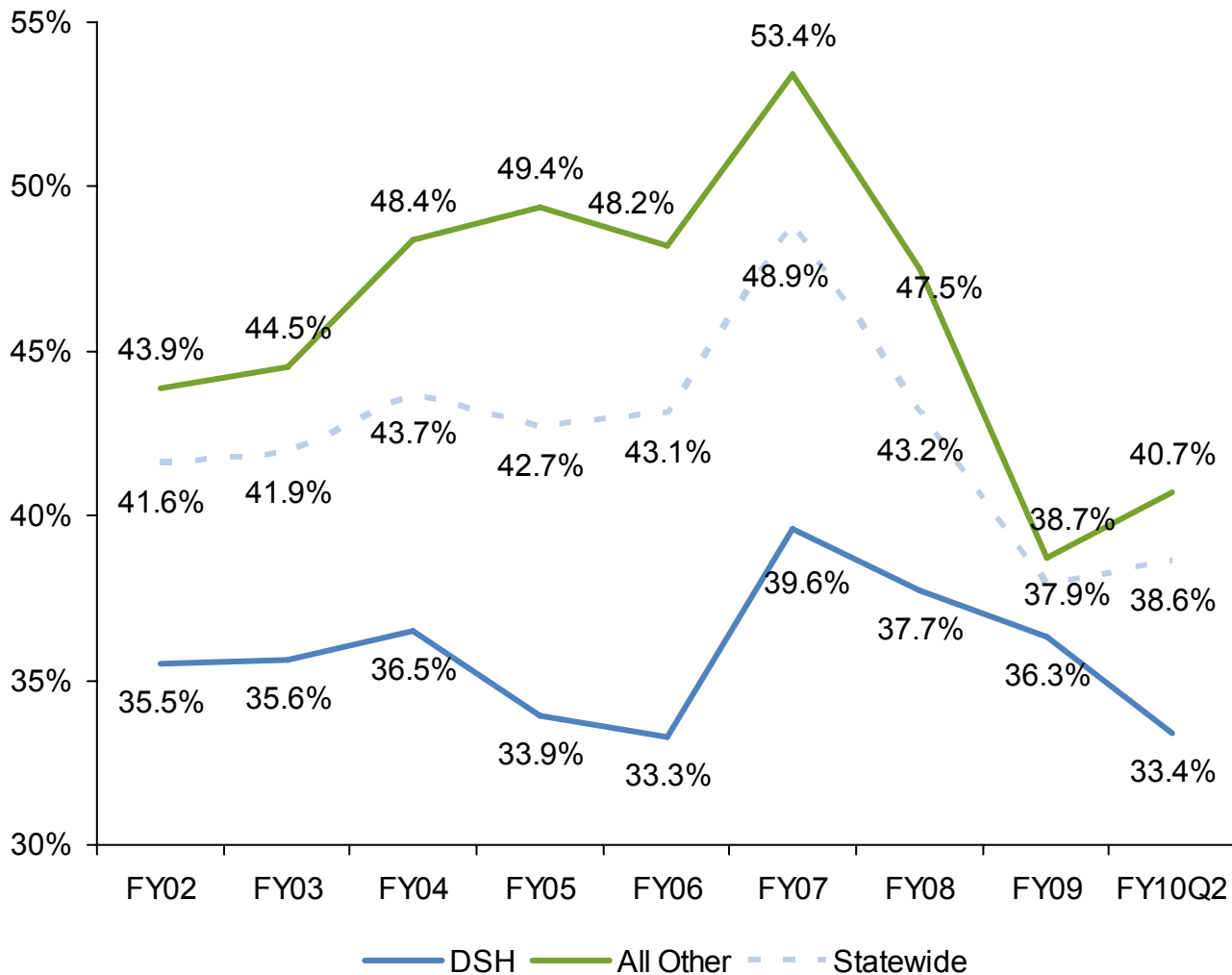
During the second quarter of 2010, disproportionate share hospitals took about six days longer to pay their bills than all other hospitals.

Benchmark: Northeast US median FY08 = 60.3

Benchmark Source: 2010 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 Equity Financing Disproportionate Share vs. All other Hospitals



The median equity financing ratio declined for disproportionate share hospitals but improved for all other hospitals during the second quarter of 2010 compared with FY09.

A number of hospitals experienced an actuarial reconciliation of pension related assets and obligations in FY09 which had a negative impact on net assets.

Benchmark: Northeast US median FY08 = 47.9%

Benchmark Source: 2010 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, FY10Q2

Hospitals	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss)
Teaching				
Baystate Medical Center	6.80%	3.28%	10.08%	\$46,937,000
Beth Israel Deaconess Medical Center	3.61%	0.68%	4.28%	\$27,514,000
Boston Medical Center*	-17.70%	0.87%	-16.84%	(\$75,147,000)
Brigham and Women's Hospital	3.51%	0.09%	3.61%	\$38,696,000
Cambridge Health Alliance*	-11.21%	1.26%	-9.95%	(\$27,966,616)
Caritas St. Elizabeth's Medical Center*	5.16%	0.46%	5.63%	\$11,472,676
Children's Hospital Boston	6.65%	8.14%	14.79%	\$104,413,000
Dana-Farber Cancer Institute	-3.82%	11.91%	8.08%	\$36,758,793
Lahey Clinic	1.58%	2.12%	3.70%	\$16,474,617
Massachusetts Eye and Ear Infirmary	0.48%	-3.40%	-2.92%	(\$2,107,756)
Massachusetts General Hospital	5.20%	0.51%	5.71%	\$80,026,000
Mount Auburn Hospital	2.94%	2.93%	5.87%	\$8,985,740
Saint Vincent Hospital	8.70%	0.00%	8.70%	\$12,599,350
Tufts Medical Center	-0.64%	0.00%	-0.64%	(\$2,037,000)
UMass Memorial Medical Center	2.31%	0.88%	3.20%	\$20,845,831
Community				
Anna Jaques Hospital	1.16%	0.27%	1.43%	\$777,531
Athol Memorial Hospital	-1.55%	0.40%	-1.15%	(\$132,974)
Baystate Franklin Medical Center	-2.71%	0.67%	-2.04%	(\$810,000)
Baystate Mary Lane Hospital	-6.69%	1.83%	-4.87%	(\$741,000)
Berkshire Medical Center*	3.68%	1.07%	4.75%	\$7,670,203
Beth Israel Deaconess Hospital-Needham	-1.69%	1.07%	-0.62%	(\$166,785)
Cape Cod Hospital*	3.94%	-2.37%	1.57%	\$2,924,913
Caritas Carney Hospital*	0.02%	0.04%	0.05%	\$31,262
Caritas Good Samaritan Medical Center*	5.99%	1.83%	7.82%	\$7,814,191
Caritas Holy Family Hospital	3.00%	0.00%	3.00%	\$2,263,703
Caritas Norwood Hospital	2.29%	0.86%	3.15%	\$2,671,243
Clinton Hospital*	-0.22%	1.37%	1.15%	\$145,000
Cooley Dickinson Hospital	2.72%	0.51%	3.24%	\$2,760,789
Emerson Hospital	1.30%	0.04%	1.34%	\$1,252,047
Fairview Hospital	3.53%	0.79%	4.33%	\$885,844
Falmouth Hospital	2.71%	0.17%	2.88%	\$1,923,644
Faulkner Hospital	0.12%	0.00%	0.12%	\$111,000
Hallmark Health	5.21%	1.92%	7.13%	\$9,983,000

Hospitals	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss)
Community				
Harrington Memorial Hospital	-0.22%	6.72%	6.51%	\$3,452,881
Health Alliance Hospital	4.72%	0.89%	5.61%	\$4,682,062
Heywood Hospital	3.12%	0.29%	3.41%	\$1,627,086
Holyoke Medical Center*	-3.20%	0.27%	-2.93%	(\$1,640,331)
Hubbard Regional Hospital				
Jordan Hospital	0.15%	0.32%	0.47%	\$442,335
Lawrence General Hospital*	1.02%	0.30%	1.32%	\$1,195,000
Lowell General Hospital	2.74%	2.78%	5.52%	\$6,492,355
Marlborough Hospital	0.58%	2.36%	2.94%	\$1,000,000
Martha's Vineyard Hospital	0.05%	1.83%	1.89%	\$1,845,438
Mercy Medical Center*	-1.91%	0.68%	-1.23%	(\$663,788)
Merrimack Valley Hospital*	-4.38%	0.00%	-4.38%	(\$1,203,388)
MetroWest Medical Center	-3.94%	0.15%	-3.79%	(\$4,665,522)
Milford Regional Medical Center	2.57%	0.52%	3.08%	\$2,872,131
Milton Hospital	-0.47%	0.30%	-0.17%	(\$55,652)
Morton Hospital and Medical Center	2.86%	0.72%	3.58%	\$2,384,608
Nantucket Cottage Hospital	-45.63%	7.87%	-37.77%	(\$4,840,000)
Nashoba Valley Medical Center	-0.13%	0.00%	-0.13%	(\$29,542)
New England Baptist Hospital	2.26%	1.85%	4.11%	\$4,101,000
Newton-Wellesley Hospital	4.49%	0.32%	4.81%	\$9,239,000
Noble Hospital	-2.76%	0.01%	-2.75%	(\$743,757)
North Adams Regional Hospital*	-4.80%	0.71%	-4.09%	(\$1,275,584)
North Shore Medical Center	-2.36%	-0.09%	-2.45%	(\$5,178,000)
Northeast Hospital	0.80%	5.21%	6.02%	\$10,121,653
Quincy Medical Center*	-4.62%	0.03%	-4.59%	(\$2,392,220)
Saint Anne's Hospital*	4.84%	2.38%	7.22%	\$5,371,496
Saints Medical Center*	1.85%	0.57%	2.42%	\$1,761,000
Signature Healthcare Brockton Hospital*	4.58%	1.31%	5.89%	\$6,166,284
South Shore Hospital	1.60%	1.67%	3.26%	\$6,899,181
Southcoast Hospitals Group*	2.68%	1.59%	4.27%	\$13,669,497
Sturdy Memorial Hospital	7.67%	6.11%	13.79%	\$11,649,040
Winchester Hospital	2.85%	0.78%	3.63%	\$4,852,882
Wing Memorial Hospital	-0.11%	0.15%	0.03%	\$13,000

*Denotes Disproportionate Share Hospital.

Notes: Hubbard Hospital is no longer in operation, Tufts Medical Center data is for FY10Q1 as their FY10Q2 data was not available at the time of this analysis.

Acute Hospital Financial Performance, FY09

Hospitals	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss)
Teaching				
Baystate Medical Center	7.17%	-0.30%	6.86%	\$59,557,000
Beth Israel Deaconess Medical Center	0.47%	1.61%	2.07%	\$26,070,000
Boston Medical Center*	-2.53%	1.41%	-1.13%	(\$11,329,000)
Brigham and Women's Hospital	5.03%	0.03%	5.06%	\$105,500,000
Cambridge Health Alliance*	-8.13%	1.17%	-6.96%	(\$36,959,136)
Caritas St. Elizabeth's Medical Center*	6.10%	-0.25%	5.85%	\$22,335,669
Children's Hospital Boston	5.58%	1.19%	6.78%	\$88,388,000
Dana-Farber Cancer Institute	-5.30%	5.39%	0.09%	\$734,917
Lahey Clinic	4.60%	0.99%	5.63%	\$49,315,126
Massachusetts Eye and Ear Infirmary	-0.48%	3.46%	2.98%	\$6,622,712
Massachusetts General Hospital	4.97%	0.00%	4.97%	\$131,887,000
Mount Auburn Hospital	5.67%	1.02%	6.68%	\$19,617,000
Saint Vincent Hospital	8.41%	-0.01%	8.41%	\$26,792,304
Tufts Medical Center	-1.04%	-1.14%	-2.18%	(\$13,250,000)
UMass Memorial Medical Center	4.97%	0.34%	5.31%	\$70,615,377
Community				
Anna Jaques Hospital	2.55%	-0.06%	2.49%	\$2,663,837
Athol Memorial Hospital	-6.03%	0.19%	-5.84%	(\$1,314,156)
Baystate Franklin Medical Center	-0.01%	0.69%	0.68%	\$574,000
Baystate Mary Lane Hospital	0.62%	2.50%	3.12%	\$1,042,000
Berkshire Medical Center*	0.17%	-0.55%	-0.38%	(\$1,242,388)
Beth Israel Deaconess Hospital-Needham	3.36%	0.33%	3.69%	\$1,795,560
Cape Cod Hospital*	2.30%	0.56%	2.86%	\$10,710,633
Caritas Carney Hospital*	4.29%	0.45%	4.75%	\$5,701,001
Caritas Good Samaritan Medical Center*	6.42%	0.17%	6.58%	\$12,990,838
Caritas Holy Family Hospital	4.09%	0.00%	4.09%	\$6,016,157
Caritas Norwood Hospital	2.17%	0.26%	2.43%	\$3,892,833
Clinton Hospital*	1.33%	1.50%	2.83%	\$743,000
Cooley Dickinson Hospital	4.68%	0.40%	5.08%	\$8,534,929
Emerson Hospital	0.55%	-0.28%	0.28%	\$494,413
Fairview Hospital	2.05%	-0.37%	1.68%	\$655,585
Falmouth Hospital	5.90%	0.85%	6.76%	\$9,589,738
Faulkner Hospital	1.54%	0.24%	1.78%	\$3,215,000
Hallmark Health	4.81%	1.39%	6.20%	\$17,151,000

Hospitals	Operating Margin	Non-Operating Margin	Total Margin	Profit (Loss)
Community				
Harrington Memorial Hospital	3.55%	-0.57%	2.98%	\$2,577,772
Health Alliance Hospital	4.71%	0.30%	5.01%	\$8,361,742
Heywood Hospital	1.11%	-0.66%	0.45%	\$403,756
Holyoke Medical Center*	0.56%	0.06%	0.62%	\$732,174
Hubbard Regional Hospital	Closed			
Jordan Hospital	1.00%	0.44%	1.44%	\$2,694,255
Lawrence General Hospital*	1.29%	0.04%	1.33%	\$2,295,000
Lowell General Hospital	2.77%	-1.15%	1.62%	\$3,484,314
Marlborough Hospital	1.50%	0.88%	2.38%	\$1,600,000
Martha's Vineyard Hospital	0.95%	2.09%	3.04%	\$1,494,444
Mercy Medical Center*				
Merrimack Valley Hospital*	-2.32%	0.00%	-2.32%	(\$1,296,298)
MetroWest Medical Center	-4.03%	0.15%	-3.88%	(\$9,615,651)
Milford Regional Medical Center	4.88%	0.26%	5.15%	\$9,634,717
Milton Hospital	-0.04%	-2.27%	-2.32%	(\$1,509,891)
Morton Hospital and Medical Center	3.87%	0.32%	4.19%	\$5,501,692
Nantucket Cottage Hospital	-18.50%	3.39%	-15.10%	(\$5,005,000)
Nashoba Valley Medical Center	1.35%	0.00%	1.35%	\$604,163
New England Baptist Hospital	0.61%	2.61%	3.22%	\$6,043,000
Newton-Wellesley Hospital	3.86%	0.05%	3.91%	\$14,088,000
Noble Hospital	-1.66%	0.14%	-1.52%	(\$844,131)
North Adams Regional Hospital*	-0.68%	-4.53%	-5.21%	(\$3,085,733)
North Shore Medical Center	1.35%	0.15%	1.50%	\$6,613,000
Northeast Hospital	1.70%	-0.98%	0.72%	\$2,295,347
Quincy Medical Center*	-1.47%	-0.13%	-1.60%	(\$1,760,117)
Saint Anne's Hospital*	6.36%	0.99%	7.35%	\$10,627,070
Saints Medical Center*	0.09%	0.49%	0.58%	\$783,000
Signature Healthcare Brockton Hospital*	2.11%	-1.01%	1.10%	\$2,229,682
South Shore Hospital	3.00%	-4.42%	-1.42%	(\$5,458,354)
Southcoast Hospitals Group*	2.96%	-0.96%	2.00%	\$12,308,413
Sturdy Memorial Hospital	8.39%	-8.33%	0.06%	\$81,575
Winchester Hospital	4.00%	-0.08%	3.92%	\$10,005,952
Wing Memorial Hospital	0.04%	0.59%	0.62%	\$440,000

*Denotes Disproportionate Share Hospital.

Notes: 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 acute hospitals in 2010 Quarter Two; sixty 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, and Martha's Vineyard Hospital has a March 31 year end. Mercy Medical Center has a December 31 year end. For these five hospitals, the most currently available data was used.
- Annual financial data are reviewed by the Division of Health Care Finance and Policy and verified against either audited financial statements or hospital's supporting documentation.
- 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 data available in the 2010 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 2008 data.





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