

# Massachusetts Acute Hospital and Health System Financial Performance

Preliminary Update on Fiscal Year 2021 Data



## MAY 2022

### About this Report

The Center for Health Information and Analysis (CHIA) reports on the financial performance of the Commonwealth's acute care hospitals, associated hospital health systems (HHS), and affiliated physician organizations. This report provides a preliminary update on profitability, liquidity, and solvency for fiscal year 2021 for hospitals with a fiscal year end date of June 30 or September 30. Data for hospitals with a fiscal year end of December 31 was not due until later and therefore is not included in this preliminary report. All metrics in this report include 47 of the 61 acute hospitals in Massachusetts, including prior year comparisons.

Including HHS and affiliated physician organizations helps develop a more complete understanding of the financial performance of an acute hospital in the context of the larger health system within which it operates. This report includes 21 HHS required to submit data. Heywood Healthcare did not submit the required HHS, hospital, or physician organization data in time to be included in this report.

Federal COVID-19 relief funding was distributed to hospitals as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. State relief funds were also distributed to hospitals. Most of this funding was received and reported in fiscal year 2020, but some hospitals received and recognized relief funding in FY 2021. A portion of this funding was reported as operating revenue.

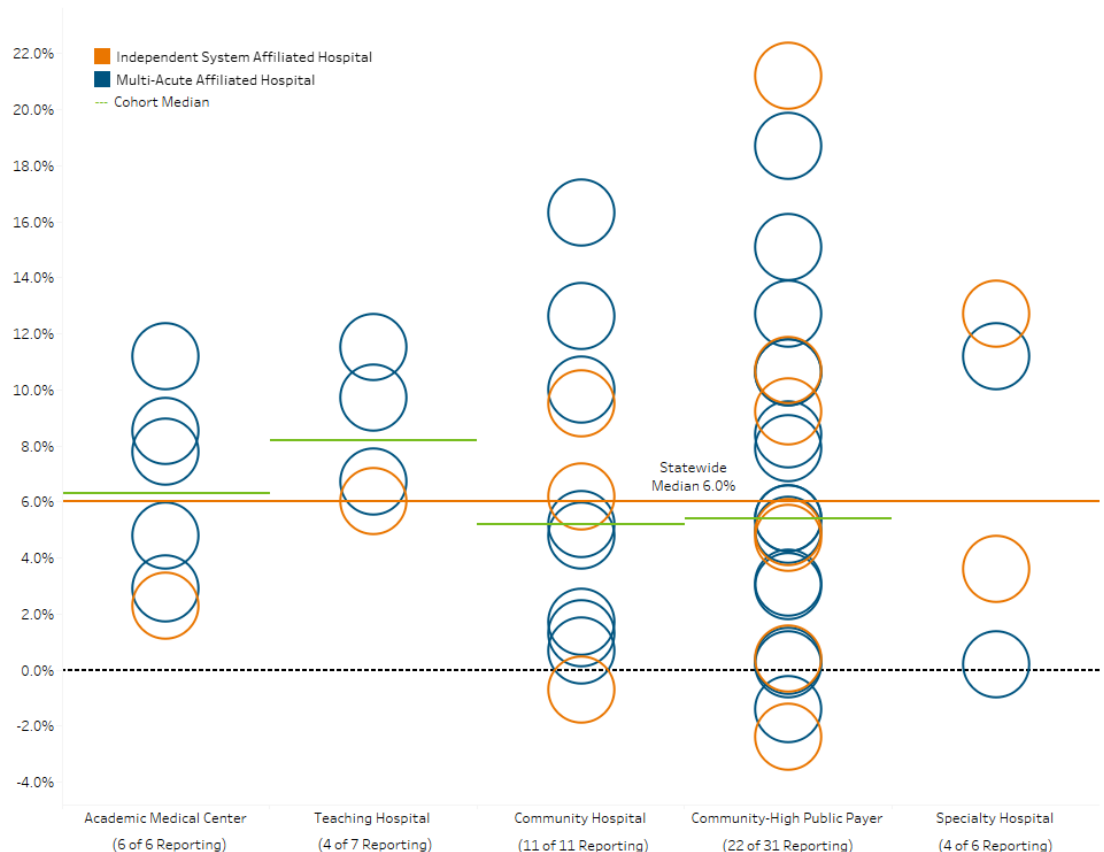
### Key Findings

#### Profitability: Hospitals

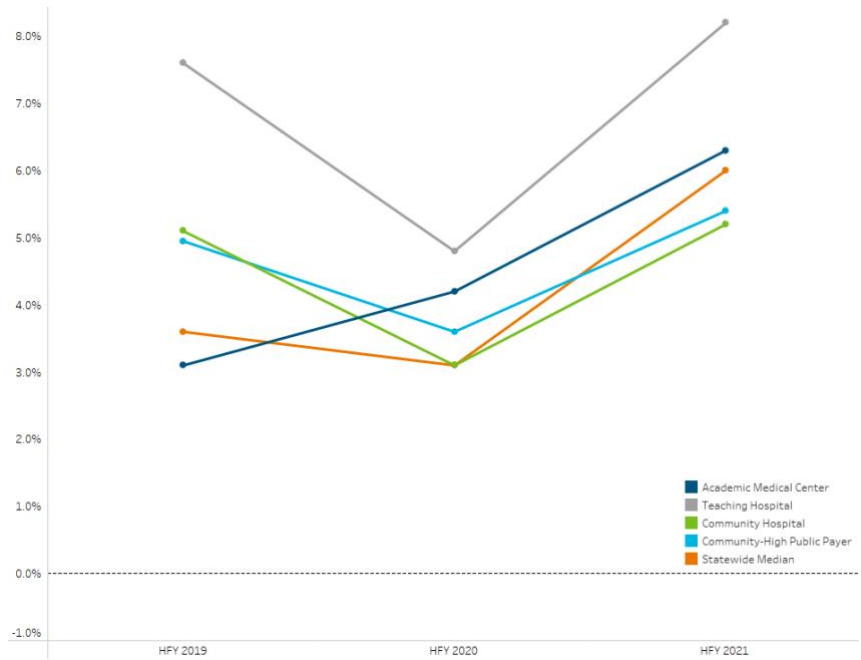
Overall acute hospital profitability,<sup>1</sup> as measured by the median total margin, was 6.0%, an increase of 2.9 percentage points in comparison the prior year. (figure 2). The majority of hospitals reported positive total margins (44 of 47).

<sup>1</sup> Profitability or profit indicates an excess of revenues over expenses.

Figure 1: Acute Hospital Total Margin by Hospital Type



**Figure 2: Median Total Margin by Hospital Cohort**



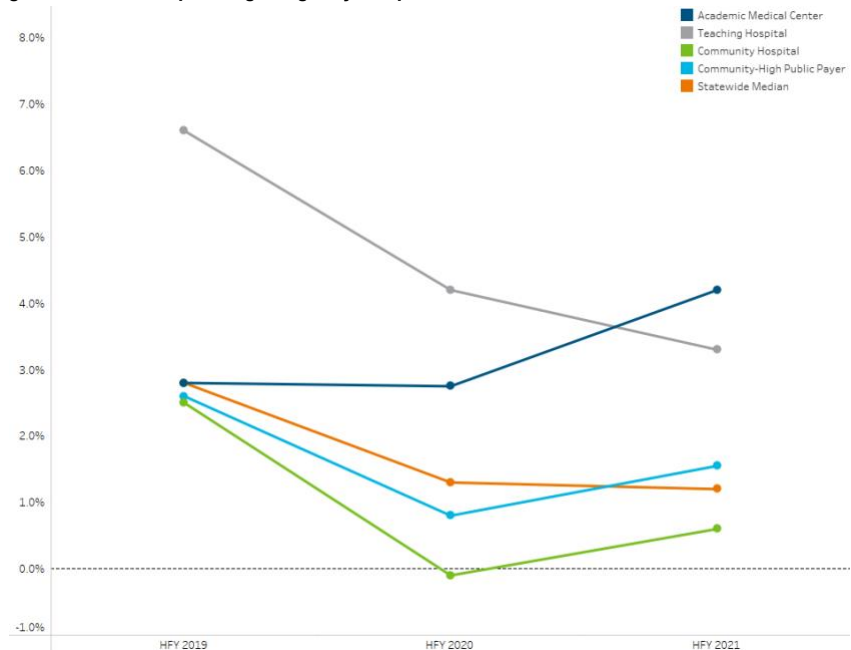
All four cohorts<sup>2</sup> experienced an increase in profitability when compared to the prior fiscal year. The teaching hospital cohort reported the largest increase of 3.4 percentage points, while the community-high public payer cohort reported the smallest increase of 1.8 percentage points. Changes in total margin were influenced by non-operating margins during this period.

In aggregate hospitals reported \$405 million in federal and state COVID-19 relief funds as operating revenue during fiscal year 2021. This revenue is included in their total margins.

<sup>2</sup> Acute hospital cohort designations are Academic Medical Center (AMC), Teaching Hospital, Community Hospital, and Community-High Public Payer (HPP). Specialty Hospitals are not considered a cohort. For further descriptions of the cohorts and specialty hospitals, see the technical appendix.

	HFY 2019	HFY 2020	HFY 2021
<b>Statewide Median</b>	<b>3.6%</b>	<b>3.1%</b>	<b>6.0%</b>
AMC (6 of 6 Reporting)	3.1%	4.2%	6.3%
Teaching Hospital (4 of 7 Reporting)	7.6%	4.8%	8.2%
Community Hospital (11 of 11 Reporting)	5.1%	3.1%	5.2%
Community-HPP (22 of 31 Reporting)	5.0%	3.6%	5.4%

**Figure 3: Median Operating Margin by Hospital Cohort**



The median operating margin was 1.2%, a decrease of 0.1 percentage points compared to the prior fiscal year.

The AMC, community hospital and community-HPP cohorts experienced an increase in median operating margin, while the teaching hospital cohort experienced a decrease. The community hospital cohort reported the lowest operating margin of 0.6%.

These margins also include COVID-19 relief funding reported as operating revenue.

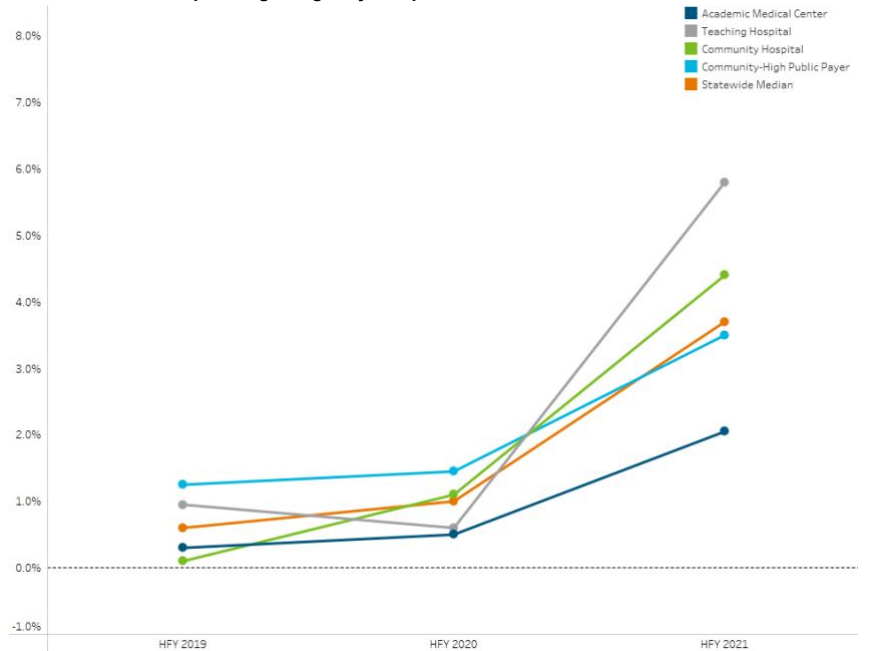
	HFY 2019	HFY 2020	HFY 2021
<b>Statewide Median</b>	<b>2.8%</b>	<b>1.3%</b>	<b>1.2%</b>
AMC (6 of 6 Reporting)	2.8%	2.8%	4.2%
Teaching Hospital (4 of 7 Reporting)	6.6%	4.2%	3.3%
Community Hospital (11 of 11 Reporting)	2.5%	-0.1%	0.6%
Community-HPP (22 of 31 Reporting)	2.6%	0.8%	1.6%

The median non-operating margin was 3.7%, an increase of 2.7 percentage points compared to the prior fiscal year.

All cohorts saw an increase in their median non-operating margins compared to the prior fiscal year. The teaching hospital cohort reported the largest change in median non-operating margin, an increase of 5.2 percentage points.

Non-operating margins are influenced by changes in the investment markets. Starting in FY 2020, accounting standards required realized and unrealized gains be recognized in financial performance. These results are included in the non-operating margins in this report.

Figure 4: Median Non-Operating Margin by Hospital Cohort



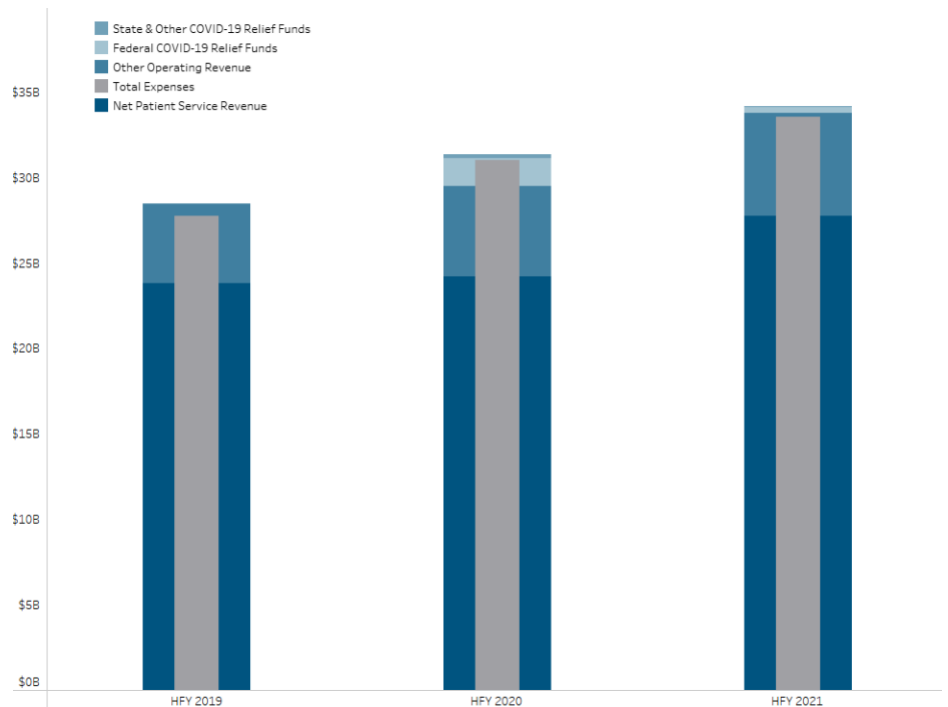
	HFY 2019	HFY 2020	HFY 2021
<b>Statewide Median</b>	<b>0.6%</b>	<b>1.0%</b>	<b>3.7%</b>
AMC (6 of 6 Reporting)	0.3%	0.5%	2.1%
Teaching Hospital (4 of 7 Reporting)	1.0%	0.6%	5.8%
Community Hospital (11 of 11 Reporting)	0.1%	1.1%	4.4%
Community-HPP (22 of 31 Reporting)	1.3%	1.5%	3.5%

## Revenue and Expenses

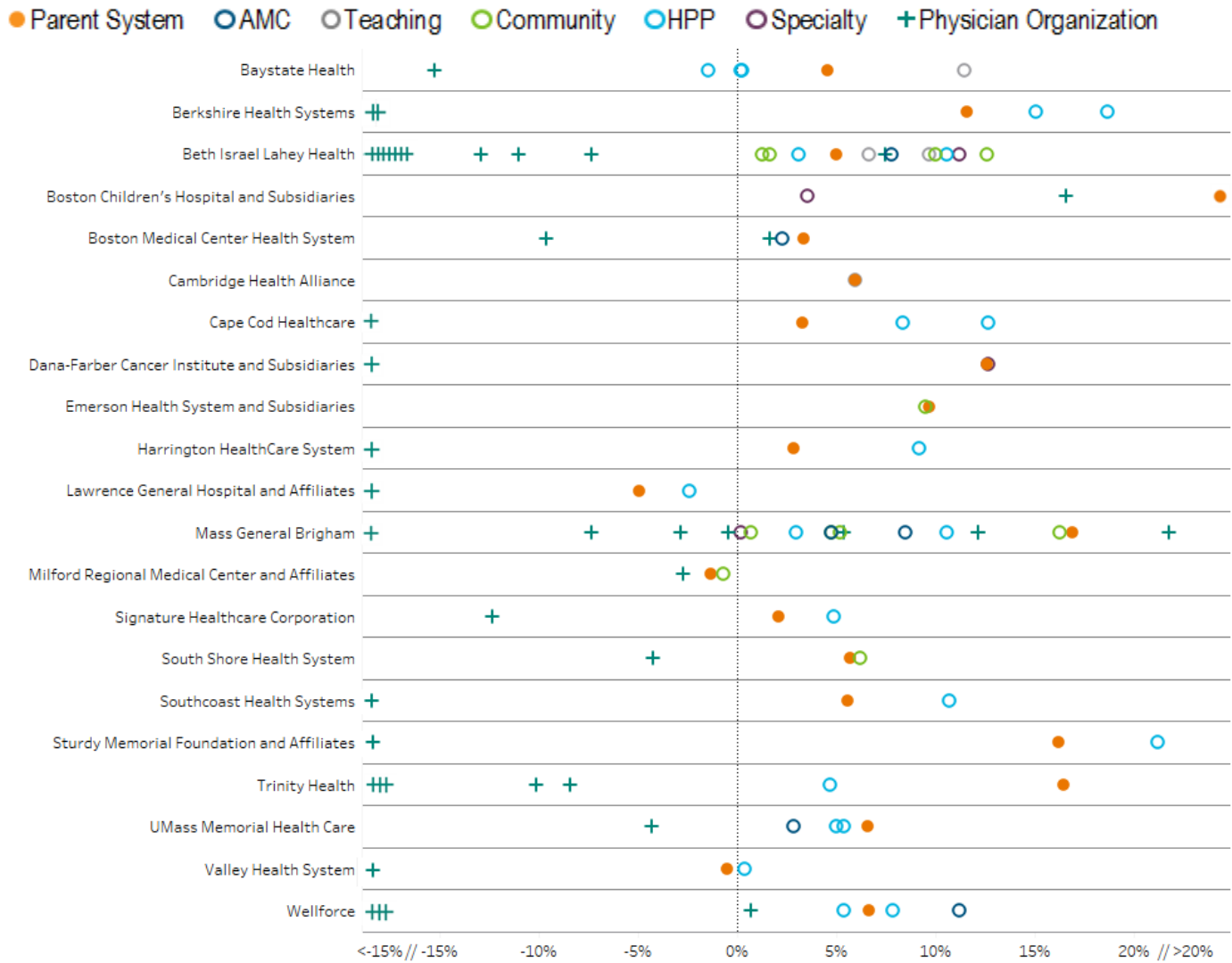
Aggregate total operating revenue increased by \$2.8 billion (9.0%), while aggregate net patient service revenue, the most significant component of operating revenue, increased by \$3.5 billion (14.6%) when compared to the prior fiscal year. Aggregate expenses increased \$2.5 billion (8.0%) in FY 2021 as compared to the prior fiscal year.

In FY 2021, hospitals reported \$405 million in COVID-19 relief funds in their operating revenue, as compared to \$1.8 billion in FY 2020.

Figure 5: Hospital Operating Revenue and Expenses Trends



**Figure 6: Total Margin of Hospital Health Systems, Acute Hospitals, and Affiliated Physician Organizations**



Note: Some entities had margins of <-15% or >20%. In order to display all entities in one graph, there is an axis break at -15% and 20% to account for those organizations. For more details, see the databook.

### Profitability: Hospital Health Systems and Physician Organizations

In FY 2021, 18 of the 21 hospital health systems were profitable and reported a positive total margin. Total margins reported by the hospital health systems were influenced primarily by non-operating margins during this time period.

Thirty-seven of 45 affiliated physician organizations reported a net loss in FY 2021. This is consistent with prior years.

Hospital Health System									
Entity	Organization Type	Months Reported	Operating Margin	Non-Operating Margin	Total Margin	COVID Funding in Operating Revenue <sup>3</sup>	Excess (Deficit) of Revenue over Expenses	Current Ratio	Net Assets
<b>Baystate Health</b>		<b>12</b>	<b>0.9%</b>	<b>3.7%</b>	<b>4.6%</b>	<b>\$0.0</b>	<b>\$133.1</b>	<b>1.9</b>	<b>\$1,422.6</b>
Baystate Franklin	Community-High Public Payer	12	-1.7%	0.3%	-1.4%	\$0.0	(\$1.5)	1.1	\$52.4
Baystate Medical Center ε	Teaching Hospital	12	5.4%	6.1%	11.5%	\$0.0	\$195.7	2.6	\$1,071.3
Baystate Noble	Community-High Public Payer	12	0.1%	0.1%	0.2%	\$0.0	\$0.1	1.0	\$30.8
Baystate Wing	Community-High Public Payer	12	-1.2%	1.6%	0.3%	\$0.0	\$0.3	1.1	\$43.8
Baystate Medical Practices	Physician Organization	12	-15.3%	0.1%	-15.2%	\$0.0	(\$59.4)	-	-
<b>Berkshire Health Systems</b>		<b>12</b>	<b>2.5%</b>	<b>9.1%</b>	<b>11.6%</b>	<b>\$17.6</b>	<b>\$94.6</b>	<b>1.6</b>	<b>\$602.3</b>
Berkshire Medical Center	Community-High Public Payer	12	6.5%	8.5%	15.1%	\$13.2	\$96.7	1.4	\$540.9
Fairview Hospital	Community-High Public Payer	12	11.7%	6.9%	18.7%	\$4.2	\$15.5	1.4	\$55.3
Berkshire Faculty Services	Physician Organization	12	-32.1%	10.1%	-22.0%	\$0.2	(\$12.8)	-	-
Berkshire Orthopaedic Associates	Physician Organization	12	-27.4%	0.0%	-27.4%	\$0.0	(\$2.8)	-	-
<b>Beth Israel Lahey Health</b>		<b>12</b>	<b>1.6%</b>	<b>3.5%</b>	<b>5.0%</b>	<b>\$143.6</b>	<b>\$352.0</b>	<b>2.1</b>	<b>\$3,742.0</b>
Anna Jaques Hospital	Community Hospital	12	-1.3%	2.6%	1.3%	\$4.9	\$1.9	1.6	\$26.6
Beth Israel Deaconess Hospital - Milton	Community Hospital	12	5.6%	4.4%	10.0%	\$0.0	\$15.2	1.8	\$123.3
Beth Israel Deaconess Hospital - Needham	Community Hospital	12	0.6%	1.2%	1.7%	\$0.0	\$2.1	1.5	\$64.0
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	12	1.7%	1.3%	3.1%	\$0.9	\$10.0	1.4	\$122.3
Beth Israel Deaconess Medical Center	Academic Medical Center	12	3.9%	3.9%	7.8%	\$0.0	\$181.4	2.2	\$1,303.6
Lahey Hospital and Medical Center	Teaching Hospital	12	7.6%	2.0%	9.7%	\$29.3	\$110.7	1.7	\$555.7
Mount Auburn Hospital	Teaching Hospital	12	1.2%	5.5%	6.7%	\$13.4	\$23.1	1.9	\$255.6
New England Baptist Hospital	Specialty Hospital	12	8.9%	2.4%	11.2%	\$17.2	\$28.4	3.1	\$177.9
Northeast Hospital	Community-High Public Payer	12	3.9%	6.7%	10.6%	\$0.0	\$45.6	3.4	\$313.2
Winchester Hospital	Community Hospital	12	5.9%	6.7%	12.6%	\$0.0	\$42.8	4.1	\$360.2
The Affiliated Physicians Group	Physician Organization	12	-27.4%	0.0%	-27.4%	\$2.2	(\$27.9)	-	-
Community Physicians Associates	Physician Organization	12	-63.9%	0.0%	-63.9%	\$0.0	(\$2.6)	-	-
Harvard Medical Faculty Physicians	Physician Organization	12	3.3%	4.2%	7.5%	\$0.0	\$62.7	-	-
Jordan Physicians Associates	Physician Organization	12	-33.8%	0.0%	-33.8%	\$1.6	(\$10.7)	-	-
Lahey Clinic	Physician Organization	12	-16.5%	-2.1%	-18.6%	\$29.5	(\$58.4)	-	-
Lahey Physician Community Org	Physician Organization	12	-12.8%	-0.1%	-12.9%	\$0.9	(\$3.1)	-	-
Mount Auburn Professional Services	Physician Organization	12	-23.7%	0.0%	-23.7%	\$8.1	(\$22.4)	-	-
New England Baptist Medical Associates	Physician Organization	12	-29.9%	0.0%	-29.9%	\$0.0	(\$3.0)	-	-
Northeast Medical Practice	Physician Organization	12	-42.4%	-0.1%	-42.5%	\$2.4	(\$15.8)	-	-
Seacoast Affiliated Group Practice	Physician Organization	12	-11.0%	0.0%	-11.0%	\$1.1	(\$1.6)	-	-
Winchester Physician Association	Physician Organization	12	-7.2%	0.0%	-7.3%	\$2.1	(\$4.1)	-	-
<b>Boston Children's Hospital and Subsidiaries</b>		<b>12</b>	<b>-0.3%</b>	<b>27.6%</b>	<b>27.3%</b>	<b>\$26.5</b>	<b>\$1,088.7</b>	<b>1.4</b>	<b>\$7,909.3</b>
Boston Children's Hospital	Specialty Hospital	12	-0.8%	4.4%	3.6%	\$0.0	\$75.1	6.6	\$5,170.7
Physicians Organization at Children's Hospital and Foundation	Physician Organization	12	-3.7%	20.3%	16.6%	\$26.5	\$177.4	-	-
<b>Boston Medical Center Health System</b>		<b>12</b>	<b>1.9%</b>	<b>1.4%</b>	<b>3.4%</b>	<b>\$60.0</b>	<b>\$154.8</b>	<b>1.7</b>	<b>\$2,052.9</b>
Boston Medical Center ε	Academic Medical Center	12	0.5%	1.9%	2.3%	\$60.0	\$46.0	1.9	\$1,420.5
Boston University Affiliated Physicians	Physician Organization	12	-9.6%	0.0%	-9.6%	\$0.0	(\$0.1)	-	-
BMC Faculty Practice Foundation	Physician Organization	12	-0.9%	2.7%	1.7%	\$0.0	\$7.4	-	-
<b>Cambridge Health Alliance</b>		<b>12</b>	<b>-3.6%</b>	<b>9.6%</b>	<b>6.0%</b>	<b>\$0.0</b>	<b>\$50.1</b>	<b>4.1</b>	<b>\$299.2</b>
Cambridge Health Alliance ε	Teaching Hospital	12	-3.6%	9.6%	6.0%	\$0.0	\$50.1	4.1	\$299.2
<b>Cape Cod Healthcare</b>		<b>12</b>	<b>-1.1%</b>	<b>4.4%</b>	<b>3.3%</b>	<b>\$17.2</b>	<b>\$33.1</b>	<b>1.3</b>	<b>\$893.0</b>
Cape Cod Hospital	Community-High Public Payer	12	5.1%	3.3%	8.4%	\$11.6	\$52.7	1.5	\$513.0
Falmouth Hospital	Community-High Public Payer	12	1.1%	11.7%	12.7%	\$3.9	\$24.2	0.9	\$247.6
Medical Affiliates of Cape Cod	Physician Organization	12	-59.1%	-21.9%	-81.0%	\$0.9	(\$52.0)	-	-
<b>Dana-Farber Cancer Institute and Subsidiaries</b>		<b>12</b>	<b>-7.3%</b>	<b>19.9%</b>	<b>12.6%</b>	<b>\$24.0</b>	<b>\$323.4</b>	<b>1.1</b>	<b>\$2,900.3</b>
Dana-Farber Cancer Institute	Specialty Hospital	12	-7.2%	19.9%	12.7%	\$23.5	\$326.0	1.2	\$2,942.8
Dana-Farber Cancer Care Network, Inc	Physician Organization	12	-19.6%	0.0%	-19.5%	\$0.5	(\$1.8)	-	-

Hospital Health System									
Entity	Organization Type	Months Reported	Operating Margin	Non-Operating Margin	Total Margin	COVID Funding in Operating Revenue <sup>3</sup>	Excess (Deficit) of Revenue over Expenses	Current Ratio	Net Assets
<b>Emerson Health System and Subsidiaries</b>		<b>12</b>	<b>0.6%</b>	<b>9.1%</b>	<b>9.7%</b>	<b>\$0.0</b>	<b>\$33.8</b>	<b>1.4</b>	<b>\$86.0</b>
Emerson Hospital	Community Hospital	12	0.4%	9.1%	9.5%	\$0.0	\$33.0	1.7	\$88.2
<b>Heywood Healthcare</b>									
Athol Hospital		Heywood Healthcare was not able to submit financial data in time for this publication.							
Heywood Hospital									
Heywood Medical Group									
<b>Lawrence General Hospital and Affiliates</b>		<b>12</b>	<b>-5.9%</b>	<b>1.0%</b>	<b>-4.9%</b>	<b>\$0.0</b>	<b>(\$16.3)</b>	<b>1.4</b>	<b>\$66.2</b>
Lawrence General Hospital	Community-High Public Payer	12	-3.4%	1.0%	-2.4%	\$0.0	(\$7.5)	1.3	\$72.8
Community Medical Associates	Physician Organization	12	-106.8%	-7.4%	-114.1%	\$0.0	(\$7.1)	-	-
<b>Mass General Brigham</b>		<b>12</b>	<b>2.4%</b>	<b>14.5%</b>	<b>16.9%</b>	<b>\$234.1</b>	<b>\$3,162.2</b>	<b>2.7</b>	<b>\$16,175.5</b>
Brigham & Women's Faulkner Hospital	Community Hospital	12	4.8%	0.0%	4.8%	\$6.8	\$15.9	0.7	\$68.4
Brigham & Women's Hospital	Academic Medical Center	12	8.4%	0.1%	8.5%	\$47.0	\$314.8	0.8	\$612.8
Cooley Dickinson Hospital	Community-High Public Payer	12	10.6%	0.0%	10.6%	\$4.8	\$25.0	0.7	\$41.7
Martha's Vineyard Hospital	Community Hospital	12	4.0%	12.3%	16.3%	\$1.5	\$21.2	2.1	\$160.0
Massachusetts Eye & Ear Infirmary	Specialty Hospital	12	0.2%	0.0%	0.2%	\$7.7	\$0.6	1.1	\$19.2
Massachusetts General Hospital	Academic Medical Center	12	4.7%	0.1%	4.8%	\$82.6	\$241.2	0.8	\$3,194.2
Nantucket Cottage Hospital	Community Hospital	12	-0.9%	6.1%	5.2%	\$1.1	\$4.0	3.5	\$162.9
Newton-Wellesley Hospital	Community Hospital	12	1.2%	-0.5%	0.7%	\$2.0	\$4.2	0.7	\$87.6
North Shore Medical Center	Community-High Public Payer	12	3.1%	-0.1%	3.0%	\$3.8	\$15.7	0.7	\$212.3
Brigham and Women's Physicians Organization	Physician Organization	12	4.9%	7.2%	12.2%	\$14.5	\$142.4	-	-
CD Practice Associates	Physician Organization	12	-21.2%	0.0%	-21.2%	\$2.5	(\$13.8)	-	-
Massachusetts Eye and Ear Associates	Physician Organization	12	3.6%	1.8%	5.4%	\$3.4	\$9.5	-	-
Massachusetts General Hospital Physicians Organization	Physician Organization	12	2.8%	9.4%	12.2%	\$16.6	\$181.7	-	-
Nantucket Physician Organization	Physician Organization	12	21.8%	0.0%	21.8%	\$0.0	\$0.1	-	-
Newton-Wellesley Physician Hospital Group	Physician Organization	12	-0.4%	0.0%	-0.4%	\$0.7	(\$0.5)	-	-
North Shore Physicians Group	Physician Organization	12	-7.2%	0.0%	-7.3%	\$6.8	(\$14.0)	-	-
Partners Community Physician Organization	Physician Organization	12	-8.4%	5.6%	-2.8%	\$3.2	(\$4.4)	-	-
<b>Milford Regional Medical Center and Affiliates</b>		<b>12</b>	<b>-3.5%</b>	<b>2.2%</b>	<b>-1.3%</b>	<b>\$2.7</b>	<b>(\$4.4)</b>	<b>1.7</b>	<b>\$123.5</b>
Milford Regional Medical Center	Community Hospital	12	-3.7%	3.0%	-0.7%	\$1.9	(\$1.8)	1.8	\$119.4
Milford Regional Physician Group	Physician Organization	12	-2.7%	0.0%	-2.7%	\$0.8	(\$2.6)	-	-
<b>Shriners Hospitals for Children</b>									
Shriners Hospital for Children - Boston		Shriner's Hospital for Children has a fiscal year end date of December 31 and therefore their data is not due at this time							
Shriners Hospital for Children - Springfield									
<b>Signature Healthcare Corporation</b>		<b>12</b>	<b>1.0%</b>	<b>1.0%</b>	<b>2.1%</b>	<b>\$19.3</b>	<b>\$8.4</b>	<b>0.8</b>	<b>\$110.4</b>
Signature Healthcare Brockton Hospital	Community-High Public Payer	12	3.8%	1.2%	4.9%	\$15.8	\$17.0	0.7	\$92.8
Signature Healthcare Medical Group	Physician Organization	12	-12.3%	0.0%	-12.3%	\$3.5	(\$9.0)	-	-
<b>South Shore Health System Inc.</b>		<b>12</b>	<b>-0.7%</b>	<b>6.4%</b>	<b>5.7%</b>	<b>\$6.6</b>	<b>\$51.9</b>	<b>1.3</b>	<b>\$491.0</b>
South Shore Hospital	Community Hospital	12	-0.4%	6.7%	6.2%	\$0.3	\$49.9	1.0	\$403.5
Coastal Medical Associates	Physician Organization	12	-4.2%	0.0%	-4.2%	\$6.3	(\$4.5)	-	-
<b>Southcoast Health Systems</b>		<b>12</b>	<b>-2.8%</b>	<b>8.5%</b>	<b>5.6%</b>	<b>\$6.2</b>	<b>\$70.6</b>	<b>1.1</b>	<b>\$950.7</b>
Southcoast Hospital Group	Community-High Public Payer	12	3.0%	7.7%	10.7%	\$6.2	\$106.5	1.1	\$697.0
Southcoast Physician Group	Physician Organization	12	-34.4%	0.0%	-34.4%	\$0.0	(\$78.0)	-	-
<b>Steward Health Care</b>									
Morton Hospital		Steward Health Care has a fiscal year end date of December 31 and therefore their data is not due at this time							
Nashoba Valley Medical Center									
Steward Carney Hospital									
Steward Good Samaritan Medical Center									
Steward Holy Family Hospital									
Steward Norwood Hospital									
Steward Saint Anne's Hospital									
Steward St. Elizabeth's Medical Center									
Steward Medical Group									

Hospital Health System									
Entity	Organization Type	Months Reported	Operating Margin	Non-Operating Margin	Total Margin	COVID Funding in Operating Revenue <sup>3</sup>	Excess (Deficit) of Revenue over Expenses	Current Ratio	Net Assets
<b>Sturdy Memorial Foundation and Affiliates</b>		<b>12</b>	<b>-4.0%</b>	<b>20.3%</b>	<b>16.2%</b>	<b>\$0.0</b>	<b>\$56.8</b>	<b>1.3</b>	<b>\$591.1</b>
Sturdy Memorial Hospital	Community-High Public Payer	12	-1.4%	22.6%	21.2%	\$0.0	\$61.5	1.2	\$514.9
Sturdy Memorial Associates	Physician Organization	12	-18.5%	-0.7%	-19.2%	\$0.0	(\$11.6)	-	-
<b>Tenet Healthcare</b>									
MetroWest Medical Center									
Saint Vincent Hospital $\epsilon$									
Metrowest Physician Services									
Saint Vincent Medical Company									
Tenet Healthcare has a fiscal year end date of December 31 and therefore their data is not due at this time									
<b>Trinity Health</b>		<b>12</b>	<b>2.8%</b>	<b>13.7%</b>	<b>16.5%</b>	<b>\$632.4</b>	<b>\$3,852.0</b>	<b>2.1</b>	<b>\$18,508.3</b>
Mercy Medical Center	Community-High Public Payer	12	-0.4%	5.1%	4.7%	(\$3.4)	\$15.8	1.8	\$199.5
Mercy Inpatient Medical Associates	Physician Organization	12	-10.1%	0.0%	-10.1%	\$0.0	(\$2.8)	-	-
Mercy Medical Group	Physician Organization	12	-80.4%	0.0%	-80.4%	(\$0.0)	(\$3.2)	-	-
Mercy Specialist Physicians	Physician Organization	12	-62.1%	0.0%	-62.1%	\$0.5	(\$1.7)	-	-
Pioneer Valley Cardiology Associates	Physician Organization	12	-70.7%	0.0%	-70.7%	\$0.0	(\$6.0)	-	-
Riverbend Medical Group	Physician Organization	12	-8.4%	0.0%	-8.4%	\$14.7	(\$6.5)	-	-
<b>UMass Memorial Health Care</b>		<b>12</b>	<b>-2.1%</b>	<b>8.7%</b>	<b>6.6%</b>	<b>\$38.7</b>	<b>\$220.7</b>	<b>1.4</b>	<b>\$1,457.8</b>
HealthAlliance-Clinton Hospital	Community-High Public Payer	12	0.4%	4.7%	5.0%	\$1.3	\$11.6	1.1	\$178.4
Marlborough Hospital	Community-High Public Payer	12	1.4%	4.0%	5.4%	\$0.8	\$6.0	1.3	\$58.4
Harrington Memorial Hospital	Community-High Public Payer	12	6.8%	2.5%	9.2%	\$0.0	\$14.6	2.2	\$80.6
UMass Memorial Medical Center $\epsilon$	Academic Medical Center	12	0.7%	2.2%	2.9%	\$22.3	\$64.4	1.1	\$479.3
Harrington Physician Services	Physician Organization	12	-38.4%	-0.1%	-38.5%	\$0.0	(\$9.3)	-	-
UMass Memorial Medical Group Inc.	Physician Organization	12	-5.4%	1.1%	-4.3%	\$1.8	(\$27.8)	-	-
<b>Valley Health System</b>		<b>12</b>	<b>-0.4%</b>	<b>0.0%</b>	<b>-0.5%</b>	<b>\$0.0</b>	<b>(\$1.0)</b>	<b>1.4</b>	<b>\$22.8</b>
Holyoke Medical Center	Community-High Public Payer	12	0.8%	-0.4%	0.4%	\$0.0	\$0.8	1.3	\$10.5
Western Mass Physician Associates	Physician Organization	12	-23.3%	0.0%	-23.3%	\$0.0	(\$1.6)	-	-
<b>Wellforce</b>		<b>12</b>	<b>0.1%</b>	<b>6.6%</b>	<b>6.7%</b>	<b>\$17.9</b>	<b>\$165.2</b>	<b>1.1</b>	<b>\$966.9</b>
Lowell General Hospital	Community-High Public Payer	12	1.7%	3.7%	5.4%	\$11.5	\$27.9	1.2	\$160.4
MelroseWakefield Health	Community-High Public Payer	12	-3.6%	11.5%	7.9%	\$1.5	\$21.3	0.7	\$191.1
Tufts Medical Center $\epsilon$	Academic Medical Center	12	4.5%	6.7%	11.2%	\$7.6	\$135.3	1.4	\$387.9
Circle Health Physicians	Physician Organization	12	-19.6%	-0.2%	-19.8%	(\$4.3)	(\$13.4)	-	-
Hallmark Health Medical Associates	Physician Organization	12	-30.7%	0.0%	-30.7%	(\$0.8)	(\$16.1)	-	-
Tufts Medical Center Community Care	Physician Organization	12	-27.5%	0.0%	-27.5%	\$0.0	(\$2.5)	-	-
Tufts Medical Center Physician Organization	Physician Organization	12	0.7%	0.0%	0.7%	\$0.0	\$2.1	-	-

All dollar values are in millions.

<sup>3</sup> Sum of amounts reported as Other Operating Revenue: Federal COVID-19 Relief Funds and Other Operating Revenue: State & Other COVID-19 Relief Funds. This value does not include COVID-19 relief funds reported on other line items.

$\epsilon$  Indicates a hospital meets the High Public Payer threshold.

- Indicates current ratio and net assets are not collected from the physician organization.

## REPORT NOTES

### Description of Financial Metrics

Financial ratio analysis is one critical component of assessing an entity's financial condition. As part of this preliminary annual financial performance report, the Center for Health Information and Analysis (CHIA) collects data and reports on profitability, liquidity, and solvency metrics. The measures are used for hospitals and hospital health systems. The physician organizations only report on profitability metrics. Below are the descriptions and calculations for each.

#### Operating Margin

Operating income is income from normal operations of an entity, including patient care and other activities, such as research, gift shops, parking, and cafeteria, minus the expenses associated with such activities. Operating margin is a critical ratio that measures how profitable the entity is when looking at the performance of its primary activities.

Of note, some federal and state COVID-19 relief funds received are included in the entity's operating income.

Operating Margin = (Total Operating Revenue - Total Expenses Including Nonrecurring Gains Losses) / Total Unrestricted Revenue, Gains, and Other Support

#### Non-Operating Margin

Non-operating income or loss is net of expenses and includes items that are not related to operations, such as investment income, contributions, gains from the sale of assets, and other unrelated business activities.

Non-Operating Margin = Total Non-Operating Revenue / Total Unrestricted Revenue, Gains, and Other Support

#### Total Margin

This ratio evaluates the overall profitability of the entity using both operating surplus (or loss) and non-operating surplus (or loss).

Total Margin = Total Excess of Revenue, Gains, and Other Support Over Expenses / Total Unrestricted Revenue, Gains, and Other Support

#### COVID Funding in Operating Revenue

This metric sums all sources of COVID-19 relief funding that was reported as other operating revenue in the financial statements. This may include COVID-19 relief funding received under the CARES Act, HHS public health and social service emergency funds, private foundation grants or contributions, or state relief funds.

COVID Funding in Operating Revenue = Other Operating Revenue: Federal COVID-19 Relief Funds + Other Operating Revenue: State & Other COVID-19 Relief Funds

#### Current Ratio

This ratio measures an entity's ability to meet its current liabilities with its current assets. A ratio of 1.0 or higher indicates that current liabilities could be adequately covered by the entity's existing current assets.

Current Ratio = Total Current Assets / Total Current Liabilities



## Other Measures

The following are individual line items from the hospital and health system standardized financial filing:

- **Total Excess of Revenue, Gains, and Other Support Over Expenses:** Total dollar amount of surplus or loss derived from all operating and non-operating activities
- **Net Patient Service Revenue (NPSR):** Revenue an entity would expect to collect for services provided, including premium revenue, less contractual allowances. NPSR is the primary source of revenue for an entity.
- **Other Operating Revenue: Federal COVID-19 Relief Funds:** Revenue an entity received from the federal government related to the COVID-19 pandemic.
- **Other Operating Revenue: State & Other COVID-19 Relief Funds:** Revenue an entity received from the state government or source other than the federal government related to the COVID-19 pandemic.
- **Net Assets:** For not-for-profit entities, this represents the difference between the assets and liabilities of an entity, comprised of retained earnings from operations and contributions from donors. Changes from year to year are attributable to two major categories: (1) increases and/or decreases in Unrestricted Net Assets, which are affected by operations, and (2) changes in Restricted Net Assets (restricted contributions). The for-profit equivalent of Total Net Assets is Owner's Equity.

## Data Caveats

All COVID Funding metrics are presented as reported by the hospital or entity.

There was an accounting change (ASU 2016-01) adopted by most hospitals beginning in FY 2020 in which unrealized gains and losses on investments are recognized as non-operating income.

All metrics in this report, including prior year comparisons, include 47 of the 61 acute hospitals in Massachusetts. Due to this, the medians and metrics calculated may differ from fiscal year data previously reported for 2019 and 2020 which included all acute hospitals.

## Fiscal Year End Information

This report displays twelve months of financial data for each health system, acute hospital, and affiliated physician organization regardless of an entity's fiscal year end date. Most entities included in this report have a fiscal year end date of September 30. Trinity Health (Mercy Medical Center) and Cambridge Health Alliance have a fiscal year end date of June 30.

### CENTER FOR HEALTH INFORMATION AND ANALYSIS

501 Boylston Street, Boston, MA 02116

617. 701. 8100 | [www.chiamass.gov](http://www.chiamass.gov)

Publication Number 22-139-CHIA-01