

DECEMBER 2020

About this Report

The Center for Health Information and Analysis (CHIA) reports quarterly on the financial performance of the Commonwealth’s acute care hospitals, associated hospital health systems (HHS), and affiliated physician organizations. This report provides a quarterly update on profitability, liquidity, and solvency for the fiscal year-to-date period ending June 30, 2020. Additionally, this report was expanded in order to include the financial impact of COVID-19 on hospitals.

Governor Baker declared a state of emergency on March 10 and therefore this report includes the first four months of the financial impact of COVID-19 on hospital health care operations. Federal COVID-related funding was distributed in April, May, and June to hospitals as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. A portion of this funding was reported as operating revenue and is reflected in the data as such. State relief funds were also distributed to hospitals in this time period.

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 22 of the 23 HHS required to submit data. Steward Health Care provided hospital data, but did not provide the required HHS or physician organization data. For most systems, this report includes nine months of fiscal year data.

Key Findings

Profitability: Hospitals

Overall acute hospital profitability,¹ as measured by the median total margin, was -0.7%, a decrease of 4.3 percentage points in comparison to the same period of the prior year (figure 2).

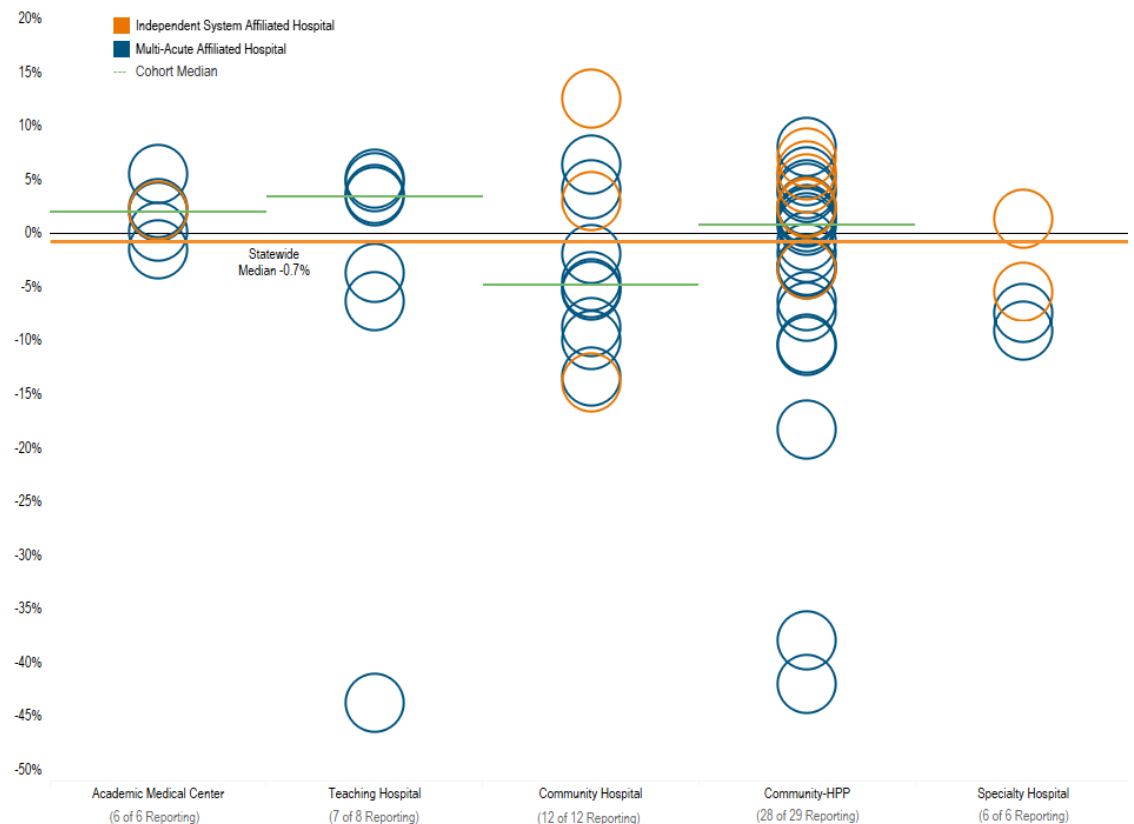
As of June 30, 2020, 49% of hospitals (29 of 59) reported positive total margins.

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

¹ Profitability or profit indicates an excess of revenues over expenses.

Note: Some hospitals reported total margins <-50% that are not displayed on figure 1. For more detail on these entities, see the [databook](#).

Figure 1: Acute Hospital Total Margin by Hospital Type

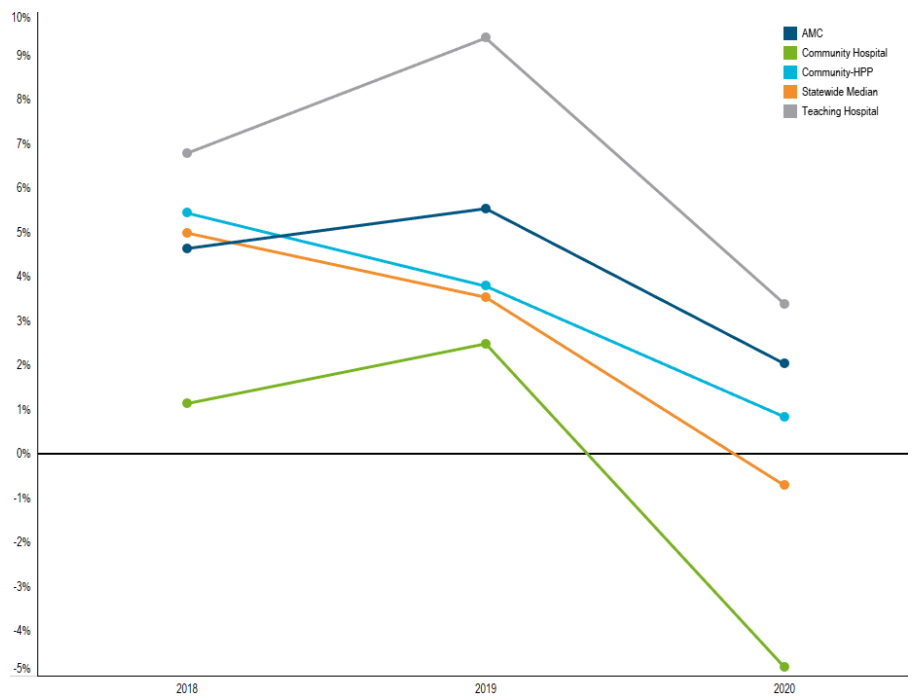


All four cohorts² experienced a decrease in profitability when compared to the same period last year. The community hospital cohort reported the largest decrease of 7.3 percentage points, while the community-High Public Payer cohort reported the smallest decrease of 2.9 percentage points. The community hospital cohort was the only cohort to report a negative median total margin, though the overall statewide median was also negative.

Changes in total margin were driven primarily by operating margins as non-operating margins remained largely stable year-over-year.

² 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.

Figure 2: Median Total Margin by Hospital Cohort

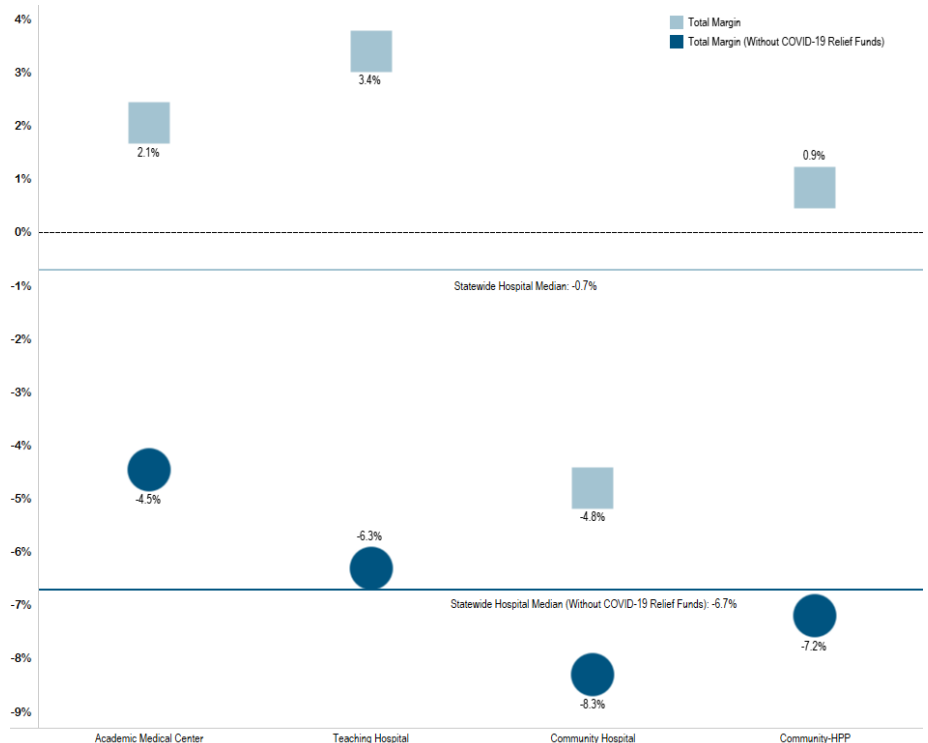


	June 30, 2018	June 30, 2019	June 30, 2020
Statewide Median	5.0%	3.6%	-0.7%
AMC	4.7%	5.6%	2.1%
Teaching Hospital	6.8%	9.4%	3.4%
Community Hospital	1.2%	2.5%	-4.8%
Community-HPP	5.5%	3.8%	0.9%

Impact of COVID-19 Relief Funds

Hospitals reported \$1.1 billion in federal funding and \$160.1 million in state funding in their operating revenue through June 30, which improved their operating income and margins. If these COVID-19 relief funds had not been distributed, the hospital median total margin would have been -6.7%. Additionally, all hospital cohorts would have experienced negative median total margins.

Figure 3: Median Total Margin by Hospital Cohort, With and Without COVID-19 Relief Funds

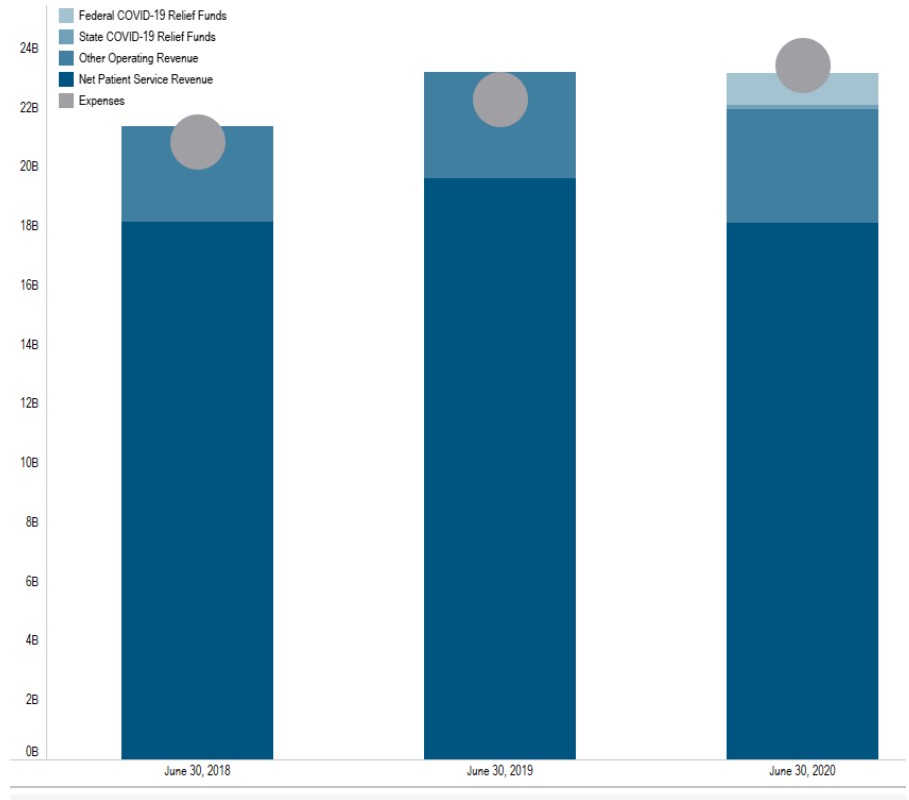


Operating Revenue and Expenses

Aggregate total operating revenue remained stable for the period when compared to the prior year. This can be attributed to federal and state COVID-19 relief funds reported through June 2020, which supplemented hospitals' operating revenue.

Aggregate net patient service revenue, the most significant component of operating revenue, decreased by \$1.5 billion (-7.7%), while aggregate expenses increased \$1.1 billion (5.1%) for the fiscal-year-to-date period through June 30, 2020 as compared to the same period in 2019.

Figure 4: Hospital Operating Revenue and Expenses Trends



Liquidity

Current ratio measures short-term financial health and indicates whether an entity is able to meet current liabilities with current assets. A ratio of 1.0 or higher indicates that current liabilities could be adequately covered by existing current assets and indicates short-term financial stability.

The current ratio shown in figure 5 is evaluated at the hospital health system level, as many organizations employ strategies to efficiently manage their cash flow requirements at that level.

All hospital health systems reported a current ratio above 1.0 for the period ending June 30, 2020, an indication that they have sufficient current assets to meet their current liabilities. The median current ratio for the hospital health systems was 1.4, a decrease of 0.3 in comparison to the same period of the prior year.

Figure 5: Current Ratio by Hospital Health System

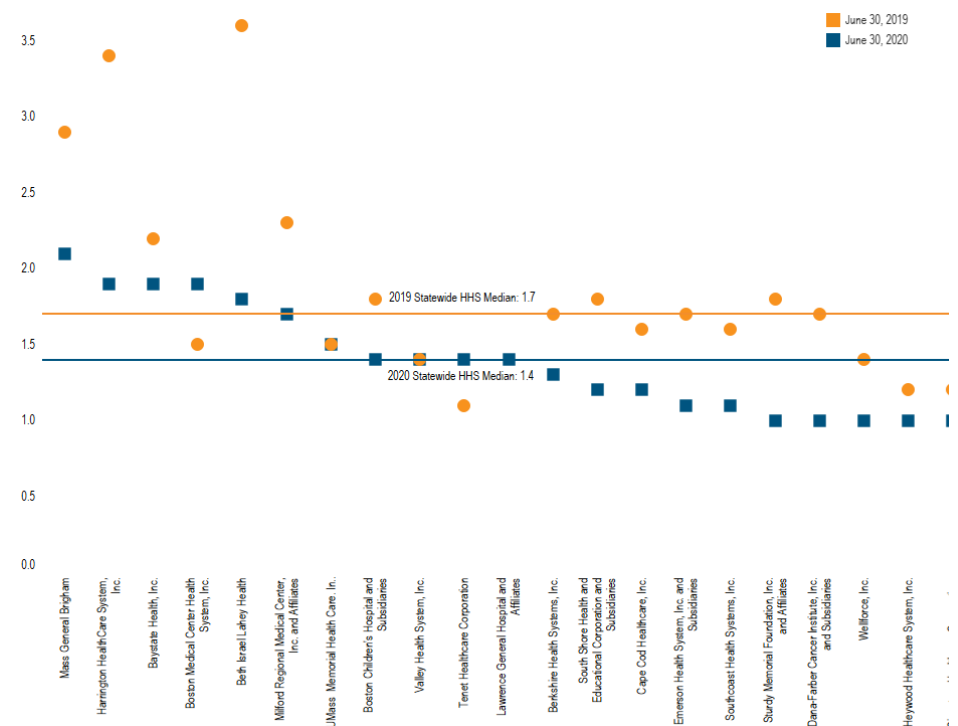
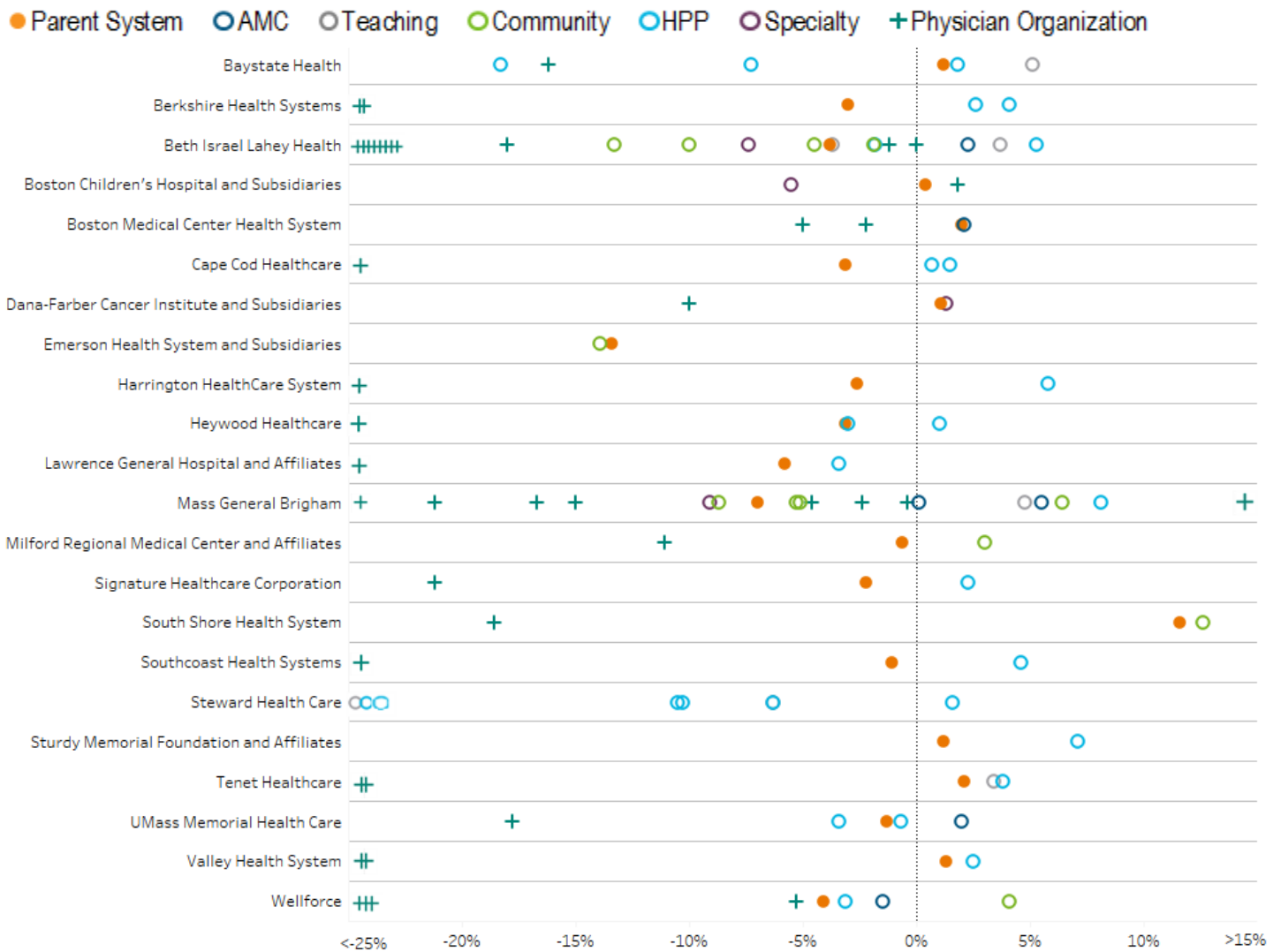


Figure 6: Total Margin of Hospital Health Systems, Acute Hospitals, and Affiliated Physician Organizations



Note: Some entities had margins of <-25% or >15%. In order to display all entities in one graph, there is an axis break at -25% and 15% to account for those organizations. For more details, see the [databook](#). Shriners Hospital Boston (SHB) and Shriners Hospital Springfield have been excluded from the graphics but are included in the statewide median and the [databook](#).

Profitability: Hospital Health Systems and Physician Organizations

Profitability at the hospital health systems also declined during this time period. As of June 30, 2020, eight hospital health systems were profitable and reported a positive total margin, while the remaining 14 systems that reported data had negative total margins. This compares unfavorably to the same period of the prior year when 17 of 22 HHS reported positive total margins.

Forty-one of 44 affiliated physician organizations reported a net loss for the period ending June 30, 2020.

Figure 7: Comparison of Total Margin by Hospital - Data through June 30, 2020 compared to data through June 30, 2019



* Steward Health Care is in the only health system that did not report any COVID-19 relief funding received as operating revenue. Due to this, their financial metrics do not include these funds and may appear lower during this period.

** The total margin calculation for South Shore Hospital's fiscal year data through June 30, 2020 incorporates approximately \$60 million in a one-time, nonrecurring sale of investment assets that occurred in March, which was necessary in order to transfer assets into a different fund. This portion of the total margin was not generated through regular hospital operations.

	As of June 30, 2019	As of June 30, 2020
Profitable Hospitals	49	29
Total Hospitals Reporting	58	59

Entity	Organization Type	Months Reported	Operating Margin	Total Margin	COVID Funding		Total COVID		
					in Operating Revenue ³	Excess (Deficit) of Revenue over Expenses	Funding Reported ⁴	Current Ratio	Net Assets
Baystate Health		9	1.7%	1.2%	\$93.2	\$21.8	\$392.2	1.9	\$1,106.9
Baystate Franklin	Community-High Public Payer	9	1.3%	1.8%	\$9.3	\$1.4	\$27.4	1.3	\$46.3
Baystate Medical Center ε	Teaching Hospital	9	5.6%	5.1%	\$71.0	\$55.4	\$319.6	2.3	\$835.3
Baystate Noble	Community-High Public Payer	9	-18.3%	-18.3%	\$3.5	(\$7.5)	\$15.6	0.7	\$23.2
Baystate Wing	Community-High Public Payer	9	-7.3%	-7.3%	\$4.2	(\$4.8)	\$18.8	1.0	\$38.2
Baystate Medical Practices	Physician Organization	9	-16.6%	-16.2%	\$4.7	(\$41.4)	\$10.8	-	-
Berkshire Health Systems		9	-4.3%	-3.0%	\$27.5	(\$14.5)	\$117.0	1.3	\$496.0
Berkshire Medical Center	Community-High Public Payer	9	1.4%	2.6%	\$20.4	\$10.3	\$96.7	1.2	\$449.7
Fairview Hospital	Community-High Public Payer	9	1.6%	4.1%	\$5.6	\$2.1	\$15.3	0.6	\$42.5
Berkshire Faculty Services	Physician Organization	9	-69.1%	-69.1%	\$1.5	(\$23.6)	\$5.0	-	-
Berkshire Orthopaedic Associates	Physician Organization	9	-42.8%	-42.8%	\$0.0	(\$3.7)	\$0.0	-	-
Beth Israel Lahey Health⁵		9	-3.3%	-3.8%	\$205.7	(\$157.4)	\$1,034.2	1.8	\$2,662.3
Anna Jaques Hospital	Community Hospital	9	-10.9%	-10.0%	\$3.0	(\$9.0)	\$27.9	1.5	\$12.0
Beth Israel Deaconess Hospital - Milton	Community Hospital	9	-2.3%	-4.5%	\$3.0	(\$3.9)	\$37.9	1.6	\$88.4
Beth Israel Deaconess Hospital - Needham	Community Hospital	9	-13.3%	-13.3%	\$1.9	(\$9.2)	\$23.9	1.1	\$47.7
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	9	-1.2%	-1.8%	\$8.5	(\$3.9)	\$82.7	1.3	\$102.0
Beth Israel Deaconess Medical Center	Academic Medical Center	9	3.6%	2.3%	\$98.6	\$34.5	\$321.0	2.0	\$1,078.4
Lahey Hospital and Medical Center	Teaching Hospital	9	3.5%	3.7%	\$35.4	\$28.0	\$226.5	1.3	\$120.9
Mount Auburn Hospital	Teaching Hospital	9	-2.6%	-3.7%	\$6.4	(\$8.7)	\$64.7	2.2	\$228.7
New England Baptist Hospital	Specialty Hospital	9	-7.0%	-7.4%	\$5.1	(\$11.1)	\$40.2	2.6	\$137.7
Northeast Hospital	Community-High Public Payer	9	4.5%	5.3%	\$21.6	\$15.5	\$94.3	2.8	\$220.0
Winchester Hospital	Community Hospital	9	-3.2%	-1.9%	\$5.2	(\$4.0)	\$52.1	3.2	\$290.5
The Affiliated Physicians Group	Physician Organization	9	-40.0%	-40.0%	\$1.5	(\$25.6)	\$4.9	-	-
Community Physicians Associates	Physician Organization	9	-67.7%	-67.7%	\$0.1	(\$2.0)	\$0.2	-	-
Harvard Medical Faculty Physicians	Physician Organization	9	-1.0%	-1.2%	\$0.0	(\$6.1)	\$0.0	-	-
Jordan Physicians Associates	Physician Organization	9	-36.7%	-36.7%	\$0.7	(\$8.0)	\$2.7	-	-
Lahey Clinic	Physician Organization	9	-48.1%	-48.0%	\$5.9	(\$95.2)	\$17.9	-	-
Lahey Physician Community Org	Physician Organization	9	-41.9%	-42.0%	\$0.3	(\$7.0)	\$1.2	-	-
Mount Auburn Professional Services	Physician Organization	9	-48.0%	-48.0%	\$1.5	(\$27.2)	\$4.9	-	-
New England Baptist Medical Associates	Physician Organization	9	-38.8%	-38.8%	\$0.3	(\$3.1)	\$0.3	-	-
New England Baptist Physician Group	Physician Organization	9	0.0%	0.0%	\$0.0	\$0.0	\$0.0	-	-
Northeast Medical Practice	Physician Organization	9	-68.3%	-68.4%	\$0.6	(\$14.6)	\$2.3	-	-
Seacoast Affiliated Group Practice	Physician Organization	9	-32.3%	-32.3%	\$0.3	(\$3.3)	\$0.3	-	-
Winchester Physician Association	Physician Organization	9	-18.0%	-18.0%	\$1.3	(\$5.7)	\$3.0	-	-
Boston Children's Hospital and Subsidiaries		9	-5.3%	0.4%	\$63.6	\$8.4	\$87.9	1.4	\$6,121.7
Boston Children's Hospital	Specialty Hospital	9	-4.2%	-5.5%	\$60.4	(\$73.8)	\$71.5	7.5	\$4,322.9
Physicians Organization at Children's Hospital and Foundation	Physician Organization	9	-7.4%	1.8%	\$0.0	\$10.8	\$0.0	-	-
Boston Medical Center Health System		9	1.2%	2.0%	\$115.6	\$65.2	\$318.1	1.9	\$1,737.2
Boston Medical Center ε	Academic Medical Center	9	0.3%	2.1%	\$115.6	\$28.3	\$318.1	2.1	\$1,248.8
Boston University Affiliated Physicians	Physician Organization	9	-2.2%	-2.2%	\$0.0	(\$0.1)	\$0.0	-	-
BMC Faculty Practice Foundation	Physician Organization	9	-3.7%	-5.0%	\$0.0	(\$14.6)	\$0.0	-	-
Cambridge Health Alliance									
Cambridge Health Alliance ε	Cambridge Health Alliance has a fiscal year end date of June 30 and therefore their data was not due at this time								
Cape Cod Healthcare		9	-5.3%	-3.1%	\$29.4	(\$20.8)	\$199.1	1.2	\$802.5
Cape Cod Hospital	Community-High Public Payer	9	-0.1%	1.5%	\$16.9	\$6.1	\$151.9	1.4	\$466.3
Falmouth Hospital	Community-High Public Payer	9	-2.6%	0.7%	\$4.4	\$0.9	\$41.3	1.0	\$223.8
Medical Affiliates of Cape Cod	Physician Organization	9	-46.6%	-46.6%	\$2.4	(\$27.4)	\$5.9	-	-
Dana-Farber Cancer Institute and Subsidiaries		9	-11.3%	1.1%	\$23.8	\$16.7	\$167.2	1.0	\$1,987.5
Dana-Farber Cancer Institute	Specialty Hospital	9	-11.3%	1.3%	\$22.6	\$18.7	\$166.0	1.1	\$2,027.8
Dana-Farber Cancer Care Network, Inc	Physician Organization	9	-10.1%	-10.0%	\$1.2	(\$2.0)	\$1.2	-	-

Entity	Organization Type	Months Reported	Operating Margin	Total Margin	COVID Funding		Total COVID		Current Ratio	Net Assets
					in Operating Revenue ³	Excess (Deficit) of Revenue over Expenses	Funding Reported ⁴			
Emerson Health System and Subsidiaries		9	-12.3%	-13.4%	\$5.2	(\$24.8)	\$23.9	1.1	\$30.7	
Emerson Hospital	Community Hospital	9	-12.8%	-13.9%	\$5.2	(\$25.6)	\$23.9	1.0	\$25.3	
Harrington HealthCare System		9	-8.9%	-2.6%	\$5.4	(\$3.2)	\$26.4	1.9	\$66.3	
Harrington Hospital	Community-High Public Payer	9	-1.5%	5.8%	\$4.9	\$6.1	\$25.7	3.0	\$65.7	
Harrington Physician Services	Physician Organization	9	-55.1%	-55.1%	\$0.5	(\$9.3)	\$0.7	-	-	
Heywood Healthcare		9	-2.4%	-3.1%	\$5.8	(\$4.2)	\$37.0	1.0	\$66.2	
Athol Hospital	Community-High Public Payer	9	5.7%	1.0%	\$1.0	\$0.2	\$8.7	1.1	\$19.9	
Heywood Hospital	Community-High Public Payer	9	-3.3%	-3.0%	\$4.3	(\$3.2)	\$27.1	0.9	\$34.1	
Heywood Medical Group	Physician Organization	9	-26.1%	-26.0%	\$0.5	(\$1.5)	\$1.1	-	-	
Lawrence General Hospital and Affiliates		9	-6.3%	-5.8%	\$52.0	(\$13.0)	\$90.0	1.4	\$87.7	
Lawrence General Hospital	Community-High Public Payer	9	-4.6%	-3.4%	\$52.0	(\$7.4)	\$89.9	1.3	\$100.9	
Community Medical Associates	Physician Organization	9	-89.8%	-90.4%	\$0.0	(\$3.9)	\$0.0	-	-	
Mass General Brigham		9	-5.1%	-7.0%	\$389.9	(\$698.2)	\$1,410.6	2.1	\$9,066.6	
Brigham & Women's Faulkner Hospital	Teaching Hospital	9	4.8%	4.8%	\$23.5	\$10.9	\$65.4	1.2	\$109.2	
Brigham & Women's Hospital	Academic Medical Center	9	0.1%	0.1%	\$68.3	\$3.1	\$338.6	1.1	\$682.2	
Cooley Dickinson Hospital	Community Hospital	9	-5.4%	-5.3%	\$3.9	(\$7.5)	\$31.4	0.6	\$37.7	
Martha's Vineyard Hospital	Community Hospital	9	3.8%	6.4%	\$6.7	\$5.0	\$22.9	1.9	\$132.6	
Massachusetts Eye & Ear Infirmary	Specialty Hospital	9	-8.3%	-9.1%	\$4.9	(\$17.4)	\$34.7	1.2	\$29.2	
Massachusetts General Hospital	Academic Medical Center	9	5.5%	5.5%	\$153.7	\$181.7	\$517.5	1.3	\$2,768.7	
Nantucket Cottage Hospital	Community Hospital	9	-14.5%	-5.1%	\$5.8	(\$2.2)	\$9.3	3.1	\$154.7	
Newton-Wellesley Hospital	Community Hospital	9	-8.3%	-8.7%	\$22.9	(\$33.3)	\$82.0	1.0	\$118.5	
North Shore Medical Center	Community-High Public Payer	9	7.9%	8.1%	\$49.9	\$31.0	\$105.4	1.6	\$311.1	
Brigham and Women's Physicians Organization	Physician Organization	9	-0.9%	-0.4%	\$9.4	(\$2.7)	\$38.4	-	-	
CD Practice Associates	Physician Organization	9	-37.0%	-37.0%	\$0.9	(\$13.8)	\$1.0	-	-	
Massachusetts Eye and Ear Associates	Physician Organization	9	-14.8%	-15.0%	\$2.4	(\$13.5)	\$2.4	-	-	
Massachusetts General Hospital Physicians Organization	Physician Organization	9	-5.0%	-4.6%	\$9.6	(\$38.5)	\$40.1	-	-	
Nantucket Physician Organization	Physician Organization	9	74.5%	74.5%	\$0.0	\$0.5	\$0.0	-	-	
Newton-Wellesley Physician Hospital Group	Physician Organization	9	-2.2%	-2.4%	\$0.9	(\$1.9)	\$3.8	-	-	
North Shore Physicians Group	Physician Organization	9	-16.8%	-16.7%	\$2.1	(\$19.3)	\$9.1	-	-	
Partners Community Physician Organization	Physician Organization	9	-21.6%	-21.2%	\$0.9	(\$19.0)	\$0.9	-	-	
Milford Regional Medical Center and Affiliates		9	-1.3%	-0.6%	\$16.6	(\$1.4)	\$49.8	1.7	\$128.7	
Milford Regional Medical Center	Community Hospital	9	2.0%	3.0%	\$15.3	\$5.0	\$45.8	1.8	\$129.6	
Milford Regional Physician Group	Physician Organization	9	-11.0%	-11.1%	\$1.3	(\$6.4)	\$4.0	-	-	
Shriners Hospitals for Children		6	-62.6%	-30.0%	\$0.6	(\$105.3)	\$0.6	9.5	\$9,169.9	
Shriners Hospital for Children - Boston*	Specialty Hospital									
Shriners Hospital for Children - Springfield*	Specialty Hospital									
Signature Healthcare Corporation		9	-2.8%	-2.2%	\$11.4	(\$5.9)	\$84.3	1.0	\$73.1	
Signature Healthcare Brockton Hospital	Community-High Public Payer	9	1.4%	2.3%	\$9.2	\$5.3	\$75.2	1.2	\$70.0	
Signature Healthcare Medical Group	Physician Organization	9	-21.2%	-21.2%	\$2.2	(\$11.2)	\$9.0	-	-	
South Shore Health System Inc.		9	-2.3%	11.6%	\$33.0	\$76.0	\$132.6	1.2	\$407.8	
South Shore Hospital ⁶	Community Hospital	9	-0.1%	12.6%	\$30.6	\$72.3	\$125.6	1.1	\$347.8	
Coastal Medical Associates	Physician Organization	9	-18.6%	-18.6%	\$2.3	(\$10.8)	\$7.2	-	-	
Southcoast Health Systems		9	-2.6%	-1.1%	\$35.4	(\$9.2)	\$187.5	1.1	\$786.1	
Southcoast Hospital Group	Community-High Public Payer	9	3.5%	4.6%	\$29.6	\$29.9	\$162.4	1.1	\$570.0	
Southcoast Physician Group	Physician Organization	9	-35.0%	-35.0%	\$4.0	(\$51.5)	\$15.9	-	-	

Entity	Organization Type	Months Reported	Operating Margin	Total Margin	COVID Funding		Excess (Deficit) of Revenue over Expenses	Total COVID Funding Reported ⁴	Current Ratio	Net Assets
					in Operating Revenue ³					
Steward Health Care⁷										
Steward Health Care did not submit the required hospital health system data										
Morton Hospital	Community-High Public Payer	6	-42.0%	-42.0%	\$0.0		(\$22.7)	\$40.4	0.9	(\$3.5)
Nashoba Valley Medical Center	Community-High Public Payer	6	-37.9%	-37.9%	\$0.0		(\$8.8)	\$7.7	1.1	\$6.2
Steward Carney Hospital ε	Teaching Hospital	6	-43.8%	-43.8%	\$0.0		(\$25.8)	\$41.5	0.9	\$23.5
Steward Good Samaritan Medical Center	Community-High Public Payer	6	-10.5%	-10.5%	\$0.0		(\$13.4)	\$77.1	0.9	\$24.7
Steward Holy Family Hospital	Community-High Public Payer	6	-10.3%	-10.3%	\$0.0		(\$12.1)	\$43.5	0.9	\$18.1
Steward Norwood Hospital	Community-High Public Payer	6	-6.3%	-6.3%	\$0.0		(\$5.7)	\$29.5	0.8	\$30.1
Steward Saint Anne's Hospital	Community-High Public Payer	6	1.6%	1.6%	\$0.0		\$2.0	\$50.5	1.2	\$37.1
Steward St. Elizabeth's Medical Center ε	Teaching Hospital	6	-6.3%	-6.3%	\$0.0		(\$11.5)	\$66.4	0.9	\$57.9
Steward Medical Group	Physician Organization	Steward Health Care did not submit the required physician organization data								
Sturdy Memorial Foundation and Affiliates										
		9	-9.2%	1.2%	\$5.4		\$2.5	\$5.4	1.0	\$451.3
Sturdy Memorial Hospital	Community-High Public Payer	9	-5.2%	7.1%	\$4.4		\$11.7	\$4.4	1.2	\$400.5
Sturdy Memorial Associates	Physician Organization	9	-26.7%	-26.8%	\$1.0		(\$10.4)	\$1.0	-	-
Tenet Healthcare										
		6	3.1%	2.1%	\$511.0		\$181.0	\$712.0	1.4	\$2,194.0
MetroWest Medical Center	Community-High Public Payer	6	3.7%	3.8%	\$28.2		\$5.0	\$64.9	0.7	\$68.5
Saint Vincent Hospital ε	Teaching Hospital	6	3.3%	3.4%	\$19.6		\$7.5	\$81.2	0.8	\$588.6
Metrowest Physician Services	Physician Organization	6	-73.0%	-73.0%	\$0.1		(\$3.6)	\$0.5	-	-
Saint Vincent Medical Company	Physician Organization	6	-47.4%	-47.4%	\$0.4		(\$7.4)	\$1.8	-	-
Trinity Health										
Mercy Medical Center		Trinity Health has a fiscal year end date of June 30 and therefore their data was not due at this time								
Mercy Inpatient Medical Associates										
Mercy Medical Group										
Mercy Specialist Physicians										
Pioneer Valley Cardiology Associates										
Riverbend Medical Group										
UMass Memorial Health Care										
		9	-3.4%	-1.3%	\$112.1		(\$26.5)	\$340.1	1.5	\$1,068.7
HealthAlliance-Clinton Hospital	Community-High Public Payer	9	-2.0%	-0.7%	\$9.6		(\$1.1)	\$30.6	1.0	\$150.7
Marlborough Hospital	Community-High Public Payer	9	-4.0%	-3.4%	\$6.6		(\$2.2)	\$15.6	1.4	\$43.7
UMass Memorial Medical Center ε	Academic Medical Center	9	1.0%	2.0%	\$90.2		\$29.7	\$275.2	1.2	\$423.5
UMass Memorial Medical Group Inc.	Physician Organization	9	-18.0%	-17.8%	\$5.3		(\$70.1)	\$18.3	-	-
Valley Health System										
		9	1.0%	1.3%	\$13.9		\$2.1	\$19.0	1.4	(\$6.1)
Holyoke Medical Center	Community-High Public Payer	9	2.2%	2.5%	\$11.9		\$3.4	\$17.0	1.4	(\$15.5)
Western Mass Physician Associates	Physician Organization	9	-54.8%	-54.8%	\$0.2		(\$3.7)	\$0.2	-	-

Entity	Organization Type	Months Reported	Operating Margin	Total Margin	COVID Funding		Total COVID Funding Reported ⁴	Current Ratio	Net Assets
					in Operating Revenue ³	Excess (Deficit) of Revenue over Expenses			
Wellforce		9	-4.9%	-4.1%	\$56.8	(\$62.9)	\$257.4	1.0	\$726.8
Lowell General Hospital	Community-High Public Payer	9	-3.2%	-3.1%	\$15.2	(\$10.6)	\$77.1	0.9	\$103.3
MelroseWakefield Health	Community Hospital	9	0.6%	4.1%	\$14.0	\$7.5	\$45.7	1.1	\$162.2
Tufts Medical Center ϵ	Academic Medical Center	9	-1.1%	-1.5%	\$27.6	(\$11.0)	\$123.7	1.0	\$127.8
Circle Health Physicians	Physician Organization	9	-35.1%	-35.1%	\$0.0	(\$13.1)	\$0.9	-	-
Hallmark Health Medical Associates	Physician Organization	9	-47.0%	-47.0%	\$0.0	(\$15.5)	\$0.0	-	-
Tufts Medical Center Community Care	Physician Organization	9	-82.5%	-82.5%	\$0.0	(\$4.0)	\$0.0	-	-
Wellforce Tufts Medical Center Physician Organization	Physician Organization	9	-5.2%	-5.3%	\$0.0	(\$10.7)	\$10.0	-	-

All dollar values are in millions.

³ 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.

⁴ Sum of all COVID-19 relief funding reported regardless of line item upon which it was recorded. Hospital Health System values represent the amount reported by the hospital health system or the sum reported by all affiliated entities within that system. See [databook](#) for more details.

⁵ Beth Israel Lahey Health merged on March 1, 2019.

⁶ The total margin calculation for South Shore Hospital's fiscal year data through June 30, 2020 incorporates approximately \$60 million in a one-time, nonrecurring sale of investment assets that occurred in March, which was necessary in order to transfer assets into a different fund. This portion of the total margin was not generated through regular hospital operations.

⁷ Steward Health Care is in the only health system that did not report any COVID-19 relief funding received as operating revenue. Due to this, their financial metrics do not include these funds and may appear lower during this period.

ϵ Indicates a Hospital meets the High Public Payer threshold.

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

* Shriners Hospital Boston (SHB) and Shriners Hospital Springfield are part of the national Shriners Hospitals for Children system (SHC) and are reliant upon support from the SHC endowment to cover the costs associated with fulfilling their mission to provide care to patients regardless of their ability to pay. This support is provided through transfers from the SHC's endowment to the hospitals, as these transfers are not considered revenue for the purpose of calculating profitability margin. SHB's and SHS's profitability margins are not comparable to other acute hospitals. Therefore, they have been excluded from the graphics but are included in the statewide median and the [databook](#).

REPORT NOTES

Description of Financial Metrics

Financial ratio analysis is one critical component of assessing an entity's financial condition. As part of this quarterly 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 recorded 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, state relief funds, or MassHealth advance payments.

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

Total COVID Funding

This metric sums all sources of COVID-19 relief funding regardless of how that funding was recorded in the financial statements. Some COVID-19 relief funding was recorded as net patient service revenue, current liabilities, and long-term liabilities.

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

Steward Health Care is the only health system in which entities did not recognize any of their COVID-19 relief funding as operating revenue. Due to this, their financial metrics also do not include these funds and may appear lower during this period.

Lawrence General Hospital and Affiliates was given a one-time exemption and did not submit quarterly data through June 30, 2019.

For health systems that did not report COVID-19 relief funding at the system-level, the Total COVID Funding Reported metric is equal to the sum of the funding reported for each of their affiliated entities.

Data represents the period through June 30, 2020 and is not necessarily an indication of the financial position that an entity will have at its fiscal year end.

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