

Northeast Hospital, which includes the Addison Gilbert Hospital and Beverly Hospital campuses, is a non-profit community-High Public Payer (HPP) hospital located in the Northeastern Massachusetts region. It is among the larger acute hospitals in Massachusetts and is a member of Beth Israel Lahey Health. Between FY16 and FY20, outpatient visits decreased by 5.3%, compared to a median decrease of 15.2% for its peer cohort. Northeast Hospital reported a profit in each of the last five years, including a profit of \$53.5M in FY20 and a total margin of 12.8%, higher than the 4.0% median for its peer cohort.

At a Glance

Overview / Size

Hospital System Affiliation:	Beth Israel Lahey Health
Hospital System Surplus (Deficit) in FY20:	\$73,031,000
Change in Ownership (FY16-20):	Beth Israel Lahey Health 3/1/19
Total Staffed Beds:	353, among the larger acute hospitals
% Occupancy:	72.3%, > cohort avg. (63%)
Trauma Center Designation:	Adult: Level 3
Case Mix Index:	0.94, < cohort avg. (1.00); < statewide (1.16)

Financial

Inpatient NPSR per CMAD:	\$10,933
Change FY19-FY20:	2.8%
Inpatient Outpatient Revenue in FY20:	37%:63%
Outpatient Revenue in FY20:	\$154,744,599
Change FY19-FY20:	-10.6%
Total Revenue in FY20:	\$417,095,000
COVID Funding Included in Total Revenue:	\$35,054,000
Total Surplus (Deficit) in FY20:	\$53,547,000

Payer Mix

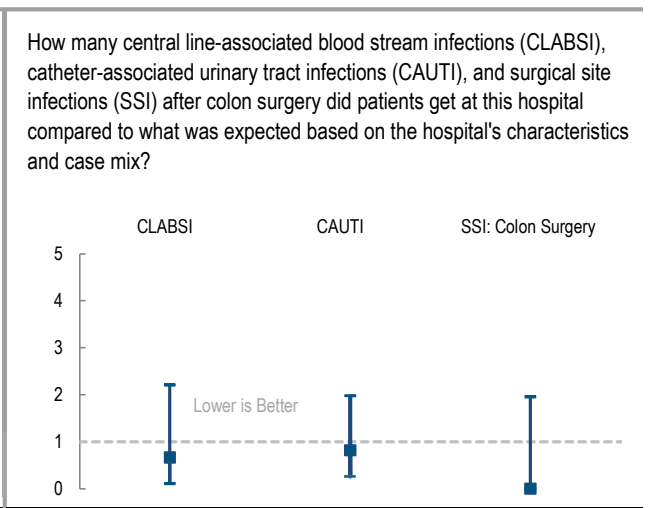
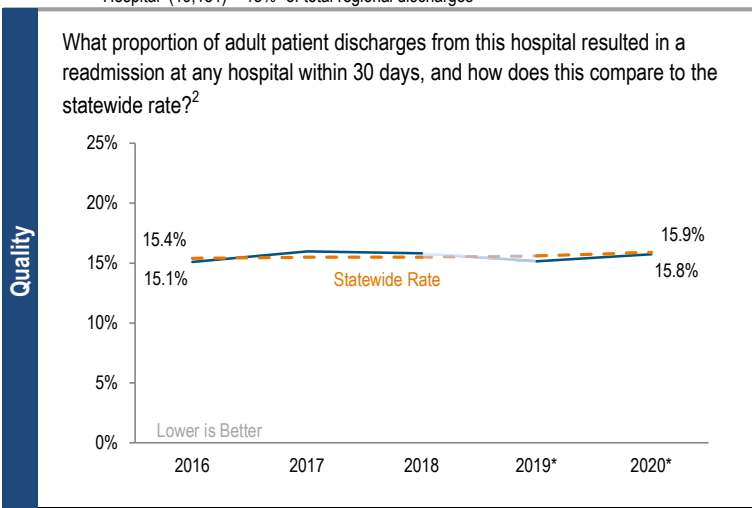
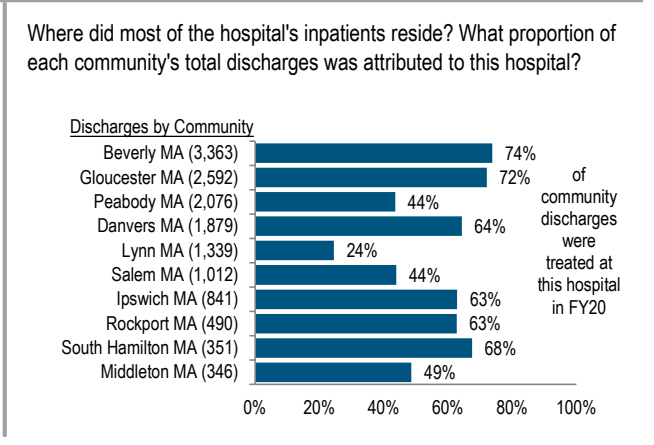
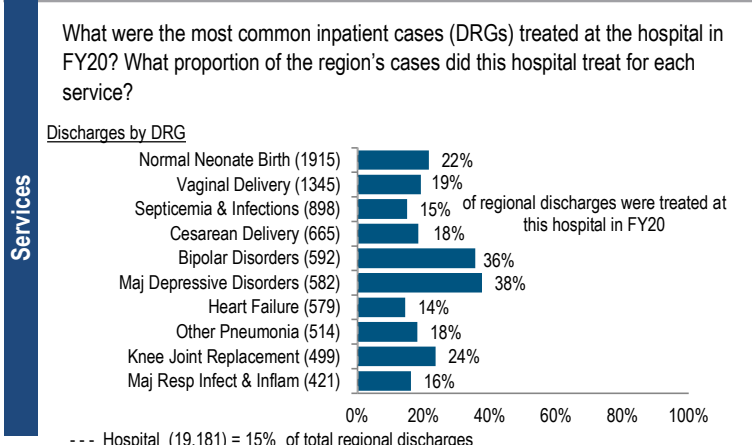
Public Payer Mix ¹ :	63.9% HPP Hospital
CY19 Commercial Statewide Relative Price:	0.832
Top 3 Commercial Payers:	Blue Cross Blue Shield Harvard Pilgrim Tufts HMO

Utilization

Inpatient Discharges in FY20:	19,181
Change FY19-FY20:	-9.0%
Emergency Department Visits in FY20:	53,386
Change FY19-FY20:	-13.2%
Outpatient Visits in FY20:	406,758
Change FY19-FY20:	-14.9%

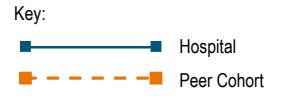
Quality

Readmission Rate in FY20:	15.8%
Change FY19-FY20 (percentage points):	0.6
Early Elective Deliveries Rate:	0.0%



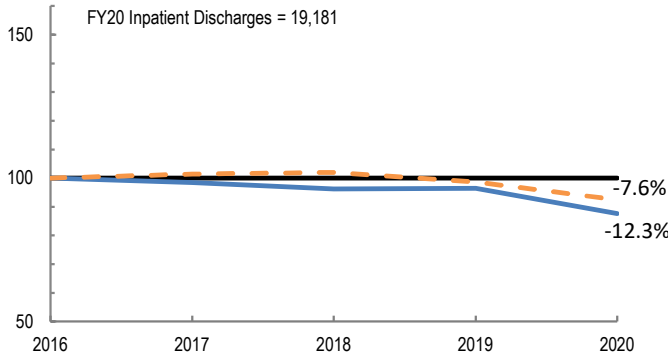
2020 HOSPITAL PROFILE: NORTHEAST HOSPITAL

Cohort: Community-High Public Payer Hospital

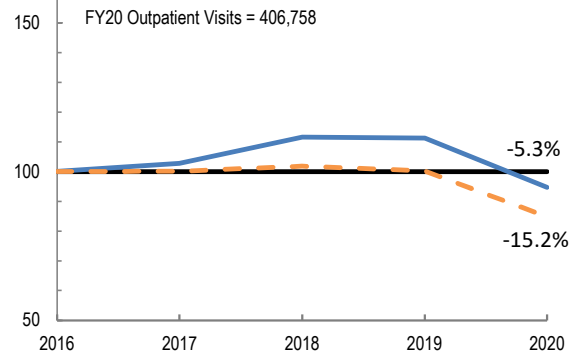


Utilization

How has the volume of the hospital's inpatient discharges changed compared to FY16, and how does this compare to the hospital's peer cohort median? (FY16=100)

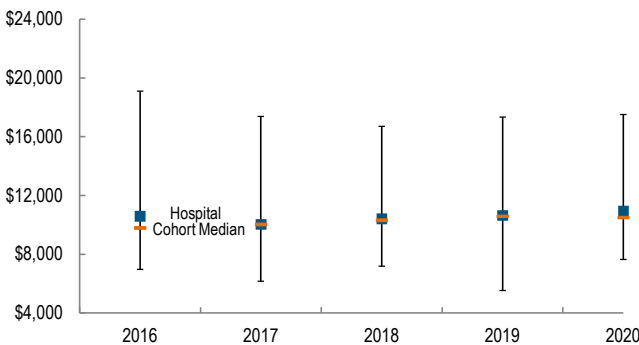


How has the volume of the hospital's outpatient visits changed compared to FY16, and how does this compare to the hospital's peer cohort median? (FY16=100)

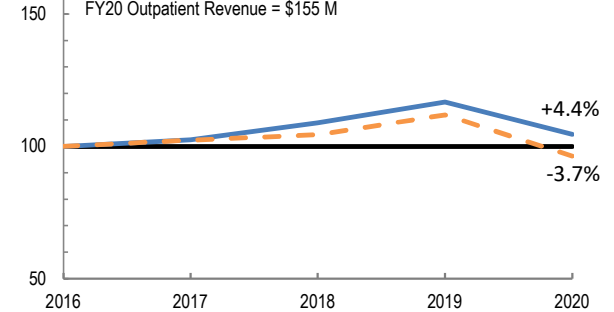


Patient Revenue Trends

What was the hospital's net inpatient service revenue³ per case mix adjusted discharge between FY16 and FY20, and how does this compare to the hospital's peer cohort median?



How has the hospital's net outpatient revenue³ changed compared to FY16, and how does this compare to the hospital's peer cohort median? (FY16=100)



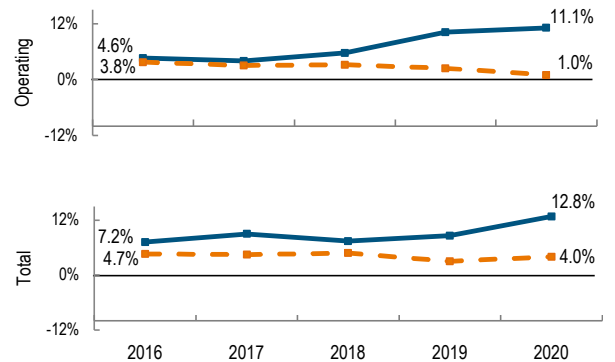
Financial Performance

How have the hospital's total revenue and costs changed between FY16 and FY20? (COVID funding affects FY20 only)

Revenue, Cost, & Profit/Loss (in millions)

FY	2016	2017	2018	2019	2020
Operating Revenue	\$ 349.5	\$ 350.2	\$ 373.4	\$ 235.2	\$ 410.0
COVID Funding Included in Operating Revenue					\$ 35.1
Non-Operating Revenue⁴	\$ 9.4	\$ 18.5	\$ 6.3	\$ (3.8)	\$ 7.1
Total Revenue	\$ 358.9	\$ 368.7	\$ 379.7	\$ 231.4	\$ 417.1
Total Costs	\$ 333.0	\$ 335.6	\$ 351.7	\$ 211.5	\$ 363.5
Total Profit (Loss)	\$ 25.9	\$ 33.1	\$ 28.0	\$ 19.9	\$ 53.5

What were the hospital's total margin and operating margins between FY16 and FY20, and how do these compare to the hospital's peer cohort medians? (Note: FY20 margins include COVID funding)



For descriptions of the metrics, please see the technical appendix.

¹ High Public Payer Hospitals (HPP) reported a minimum of 63% of gross patient service revenue from public payers.

² For 2019 and 2020 readmission rates, a new methodology was used. These rates may not be comparable to earlier years. For more information, please see: <https://www.chiamass.gov/assets/docs/r/pubs/2022/Readmissions-Technical-Appendix-2011-2020.pdf>

³ Effective FY 2020 supplemental revenue is not included in net patient service revenue for all hospitals. Prior to FY 2020, reporting of supplemental revenue varied by hospital.

⁴ There was an accounting change adopted by most hospitals beginning in FY 2020 in which unrealized gains and losses on investments are now recognized as non-operating income