

HFY 2022 MASSACHUSETTS HOSPITAL PROFILES

Introduction

The Hospital Fiscal Year (HFY) 2022 Massachusetts Hospital Profiles provide descriptive and comparative information on acute and non-acute hospitals based on hospital characteristics, services, payer mix, utilization trends, top discharges, and financial performance and cost trends over a five-year period.

The HFY 2022 publication includes an individual profile for each acute hospital, a consolidated profile for each non-acute hospital cohort, and a comprehensive [databook](#). This executive summary focuses on statewide acute hospital findings. Aggregate and provider-specific results can be found in individual hospital profiles and the [interactive dashboard](#) on CHIA's website.

Overview

In HFY 2022, there were 61 acute care hospitals in Massachusetts. Of the 61 hospitals, ten were for-profit hospitals, all of which were part of multi-acute hospital systems. There were 51 non-profit hospitals in Massachusetts, 38 of which are part of larger multi-acute systems, and 13 of which are part of individual hospital systems.

Acute hospitals are categorized into five types—Academic Medical Centers (AMCs), teaching hospitals, community hospitals, community-High Public Payer (HPP) hospitals, and specialty hospitals. For analytical purposes, AMCs, teaching hospitals, community hospitals, and community-HPP hospitals are also considered cohorts of similar hospitals. Specialty hospitals are not considered a cohort, due to their unique patient populations and services. For HFY 2022, there were six AMCs, seven teaching hospitals, 11 community hospitals, 31 community-HPP hospitals, and six specialty hospitals.

In HFY 2022, there were 38 non-acute care hospitals in Massachusetts. Of the 38 hospitals, 23 were for-profit hospitals and 15 were non-profit.

Non-acute hospitals are categorized into six types—behavioral health hospitals, chronic care hospitals, rehabilitation hospitals, Department of Mental Health facilities, Department of Public Health facilities, and specialty hospitals. For HFY 2022, there were 13 behavioral health hospitals, four chronic care hospitals, nine rehabilitation hospitals, five hospitals under the Department of Mental Health, four hospitals under the Department of Public Health, and three specialty hospitals.

Acute Hospital Financial Performance

Profitability

Profitability metrics measure the ability of the hospital to generate a surplus. There are three profitability metrics reported in Hospital Profiles: total margin, operating margin, and non-operating margin. Total margin reflects the excess of total revenues over total expenses (including operating and non-operating activities), as a percentage of total revenue. Operating margin reflects the excess of operating revenues over operating expenses, including patient care and other activities, as a percentage of total revenue. Non-operating margin includes items that are not related to operations, such as investment income, contributions, gains from the sale of assets and other unrelated business activities, as a percentage of total revenue.

The statewide acute hospital median total margin in HFY 2022 was -4.2%, a decrease of 9.2 percentage points in comparison to the prior fiscal year. Similarly, the statewide acute hospital median operating margin (-1.3%) and non-operating margin (-0.4%) decreased from the prior year. All four cohorts reported decreases in median total, operating, and non-operating margins.

In HFY 2022, expenses increased 8.9% while operating revenues increased 5.5% as compared to the prior hospital fiscal year. Net patient service revenue, the most significant component of operating revenue, increased by 3.2%. In aggregate, expenses exceeded operating revenues by \$460 million at acute hospitals.

In HFY 2022, acute hospitals reported \$281.6 million in federal COVID-19 relief funds and \$186.1 million in state relief funds as operating revenue. These funds are included in both the total and operating margins.

The financial performance of hospital health systems is also important to understanding the greater context in which hospitals operate. For more information about the financial performance of hospital health systems and greater detail on acute hospital financials, please see the HFY2022 Massachusetts Acute Hospital and Health System Financial Performance Report available [here](#).

Solvency and Liquidity

Solvency and capital structure metrics measure how a hospital's assets are financed and their ability to take on more debt. Liquidity metrics measure the hospital's ability to meet short-term obligations and generate cash for operations.

There are four solvency and capital structure ratios included in Hospital Profiles: Debt Service Coverage Ratio, Cash Flow to Total Debt, Equity Financing, and Average Age of Plant.

There is one liquidity measure included in Hospital Profiles, the current ratio metric. A ratio of 1.0 or higher means that current liabilities could be adequately covered by existing current assets and indicates financial stability. The statewide acute hospital median current ratio increased by 0.1 between HFY 2021 and 2022, from 1.3 to 1.4. In HFY 2022, 47 out of the 61 acute hospitals had a current ratio of 1.0 or higher.

More information on the financial performance metrics can be found [here](#).

Acute Hospital Utilization

Between HFY 2021 and 2022, aggregate acute hospital inpatient discharges decreased by 2.9%, while aggregate inpatient days increased by 3.4%. All cohorts reported a decrease in aggregate inpatient discharges and an increase in inpatient days. In HFY 2022, acute hospitals reported 14,764 staffed beds.

Statewide outpatient visits decreased by 0.9% between HFY 2021 and HFY 2022. The teaching and community hospital cohorts reported an increase in aggregate outpatient visits (at 1.5% and 5.3%, respectively), while the AMC and community-HPP cohorts saw a decrease (-0.9% and -5.1%, respectively).

Emergency department visits increased by 6.8% between HFY 2021 and 2022. All cohorts saw an increase in aggregate emergency department visits, with the teaching hospital cohort experiencing the greatest percent increase during this time period.

Inpatient hospitalizations are frequently categorized into Diagnosis Related Groups (DRGs), which quantify the predicted resources required to provide care to patients with different medical conditions. Consistent with previous years, the most frequently occurring DRG in Massachusetts was normal neonate births.

Hospital Profiles also reports the distribution of discharges by community to provide a sense of each hospital's inpatient service area. Communities with less than 25 discharges are suppressed for confidentiality.

For more information, please contact:



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