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PRESS RELEASE

Audit Reveals Financial Conditions Not Appropriately Monitored at Hospitals, Including Steward Facilities

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Office of the State Auditor

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BOSTON — Today, State Auditor Diana DiZoglio's Office released an audit of the Center for Health Information and Analysis (CHIA), reviewing the period from July 1, 2021 to June 30, 2023.

CHIA is an independent state agency with a mission to promote a more transparent and equitable health care system for residents of the Commonwealth. CHIA manages a consumer health information website, CompareCare, that offers tools to compare the costs of certain medical procedures at a variety of healthcare facilities in Massachusetts.

Among the audit's findings is that CHIA did not adequately monitor the financial conditions of acute care hospitals and health systems.

During the audit period, the Department of Public Health received notification from six acute care hospitals – Anna Jaques Hospital, Tufts Medical Center, Shriners Hospital for Children in Springfield, Steward Norwood Hospital, MetroWest Medical Center and Beth Israel Lahey Health’s Beverly Hospital - for either closure or the discontinuation of essential services.

CHIA’s 2021 and 2022 Massachusetts Acute Hospital Financial Performance Reports make no mention of these six acute care hospitals being at risk for closure or discontinuing essential services. Additionally, the audit found CHIA did not complete any health system profiles for any of the eight hospitals owned by Steward Health Care during the audit period.

By not receiving, analyzing, and reporting on data related to hospitals and health systems in Massachusetts, CHIA limited its own ability to identify and address concerns regarding hospitals at risk of closing. This may have prevented policymakers from becoming aware of these issues and taking actions to prevent or soften the impacts of these issues.

The audit found CHIA did not assess potential fines of \$1,613,000 for acute care hospitals and health systems that did not file financial reports by required deadlines.

During the audit period, CHIA never collected audited financial statements from these 10 acute care hospitals:

- Athol Memorial Hospital
- Heywood Hospital
- Morton Hospital
- Nashoba Valley Medical Center
- Steward Holy Family Hospital
- Steward Carney Hospital
- Steward Good Samaritan Hospital
- Steward Norwood Hospital
- Steward Saint Anne’s Hospital
- Steward St. Elizabeth’s Medical Center

By not ensuring that acute hospitals and health systems meet the Commonwealth’s financial reporting requirements in a timely manner, CHIA risks overlooking hospitals and health systems that are at risk of closing.

Heywood Healthcare, which operates Heywood Hospital and Athol Hospital, filed for bankruptcy in 2023. Steward Health Care, which operated Carney Hospital, Good Samaritan Hospital, Morton Hospital, Holy Family Hospital, Norwood Hospital, Saint Anne’s Hospital, and St. Elizabeth’s Medical Center during the audit period, filed for bankruptcy in 2024.

As it pertains to the CompareCare website, the audit found CHIA did not publicize the availability of the website; did not include certain required information on the website; and did not ensure the website is fully

accessible under the Americans with Disabilities Act.

CHIA cannot fulfill its obligation to assist healthcare consumers in Massachusetts with making informed decisions regarding their healthcare if it does not actively publicize the availability of the CompareCare website. By not updating healthcare cost data on an annual basis, CHIA cannot provide accurate healthcare cost estimates to consumers in Massachusetts. This further impedes CHIA's legal obligation of assisting healthcare consumers in Massachusetts with making informed decisions regarding their healthcare. By not providing any information on infections and serious reportable events, as required by law, CHIA failed to provide certain, critical information to the public regarding the quality and safety of care.

"People must have access to the vital health care services they need," said **Auditor DiZoglio**. "Hospital closures in recent years, however, have left patients worried about where they can access care and resulted in job losses for invaluable nurses and healthcare workers. Our audit of the Center for Health Information and Analysis revealed a startling lack of oversight around the financial conditions of hospitals in the Commonwealth. We urge the Administration to swiftly implement our recommendations and will be revisiting these issues in roughly six months to track progress."

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