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How S&P Intends to Implement Its U.S. Not-For-Profit Acute-Care Stand-Alone Hospital Criteria and Apply Them to Ratings.

Standard & Poor's Ratings Services today published its revised criteria for rating U.S. not-for-profit acute-care stand-alone hospitals (see "U.S. Not-For-Profit Acute-Care Stand-Alone Hospitals — Methodology and Assumptions"). The revised criteria is effective immediately. We plan to complete our review of the existing ratings covered by these criteria within 12 months. These criteria apply to hospitals with revenue bonds and hospitals with debt portfolios that include both tax-secured and revenue bonds. Ratings on hospitals with tax-secured bonds continue to be governed by our criteria "Tax-Secured Hospital Debt", published May 3, 2007, while the revenue bond rating is governed by these criteria. Multihospital health systems, as defined in the revised criteria, are not rated under these criteria but will continue to be rated under the applicable sections of our June 14, 2007, criteria "Not-For-Profit Health Care".

The criteria update is part of Standard & Poor's commitment to enhance the transparency, rigor, and specificity of its criteria across sectors and asset classes. Our objective is to provide market constituents with greater insight into how we rate stand-alone hospitals and to enhance the global comparability of our ratings through a clear, coherent, and globally consistent criteria framework.

We began communicating the process for updating our criteria when we published an advance notice of proposed criteria change on Nov. 13, 2013. We then published our proposed revised ratings framework on Dec. 5, 2013 (see "Request For Comment: U.S. Not-For-Profit Acute-Care Stand-Alone Hospitals — Methodology And Assumptions"). During the subsequent three-month comment period which ended in March 2014, we interacted with market participants through seminars, teleconferences, and one-on-one meetings. We used the sessions to increase participants' awareness and understanding of the proposed changes and to solicit, evaluate, and incorporate feedback as appropriate. We also solicited written comments through a criteria mailbox. We have summarized changes to the criteria, which were made based on market feedback as well as additional testing, in a report published today (see "RFC Process Summary: Rating Methodology And Assumptions For U.S. Not-For-Profit Acute-Care Stand-Alone Hospitals"). Summary information about the revised criteria is also available in an article released today: "Credit FAQ: An Overview Of Standard & Poor's Updated Methodology For Rating U.S. Not-For-Profit Acute-Care Stand-Alone Hospitals" on RatingsDirect, and a CreditMatters TV segment, "U.S. Not-For-Profit Acute-Care Stand-Alone Hospital Revised Criteria Published".

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15-Dec-2014