Bond Case Briefs

Municipal Finance Law Since 1971

Protons Beams Zap Cancer With Muni-Bonds as Market Strains.

- **Bond sales for the new cancer centers swelled in 2017**
- **‘Investors are going to be caught asleep at the wheel’**

Hospitals and health-care centers borrowed more in the municipal-bond market last year for cancer treatment facilities known as proton clinics than they did over the previous decade after private lenders balked following a string of financial failures brought about by the industry’s aggressive expansion.

Local government agencies — which sometimes lend tax-exempt bond proceeds to businesses — issued $418 million of debt last year for such clinics, up from the $239 million in the prior 10 years, according to data compiled by Bloomberg. The surge is helping to bring new clinics on line, with 18 set to finish construction by 2021, according to the National Association for Proton Therapy. None of the bonds sold last year carried credit ratings, a step that borrowers take to avoid the potential stigma of being labeled junk.

The rapid expansion has concerned some analysts and health-care experts, who say the market for such clinics is already near saturation and wider expansion of proton treatment overextends the clinical use of the technology. Debt sold by rural hospitals and other types of medical clinics are one of the biggest sources of defaults in the municipal market, a haven for individual investors seeking steady, tax-exempt returns.

Continue reading.

Bloomberg Markets

By Zachary Hansen

March 13, 2018

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com