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## **S&P: U.S. Not-For-Profit Acute Health Care Stand-Alone Hospital Median Financial Ratios -- 2018 vs. 2017**

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Financial ratios for stand-alone hospitals in 2018 saw improvement in median operating margin across all rating categories and nearly all rating levels, representing a reversal of the significant trend of tightening performance that was first documented in 2016. This observation is consistent with health system medians, as well as the overall median level for our entire rated acute care sector including both stand-alone hospitals and health systems. In addition, balance sheet medians for stand-alone hospitals generally held stable in 2018, with mixed results across most rating levels and rating categories and some minor weakening in debt-related metrics. We believe the sharp investment market decline at the end of calendar 2018 played a role in pressuring the fiscal 2018 balance sheet medians as about one-third of all hospitals have Dec. 31 year-ends. Most rated stand-alone hospitals experienced some balance sheet recovery in early 2019, as unrealized investment losses were offset wholly, or at least partly, by year-to-date equity market gains.

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