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## **S&P: U.S. Not-For-Profit Health Care Children's Hospital Median Financial Ratios -- 2018 vs. 2017**

### **Table of Contents**

- Ratio Analysis
- Related Research

Stand-alone children's hospitals rated by S&P Global Ratings continue to exhibit healthy credit characteristics. This has led to favorable rating distributions, including an increasing number of rated children's hospitals within the 'AA' rating category over the last several years, with overall excellent financial median ratios reflecting stable and strong credit fundamentals. We rate 20 children's hospitals; 86% of them are rated 'A+' or higher, including one rated 'AA+', which is currently the highest rating that a U.S. not-for-profit acute health care provider has (see chart 1). Since our last published median report, two children's hospitals moved up to the 'AA' category from the 'A' category, and none moved to a lower rating. We added one new hospital, East Tennessee Children's Hospital (A/Stable), to our portfolio in the past year. Children's hospitals have remained stable historically: 19 of the 20 carried a stable outlook at Aug. 15, 2019; one had a positive outlook (see chart 2). Because of the small sample size, we do not calculate financial medians on the individual rating level and have excluded the single 'BBB+' provider as well.

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