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Fitch Ratings Releases 2020 Median Ratios for Not-for-Profit Life Plan Communities.

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Fitch Ratings-New York-01 September 2020: Fitch Ratings has released its 2020 Median Ratios for Not-for-Profit Life Plan Communities (LPCs). The data presented in this report are limited solely to audited fiscal 2019 results.

‘The sector is trying to regain a place of stability – a new normal, which for at least the remainder of 2020, will include the impact of the coronavirus’, says Margaret Johnson, Director. ‘The pandemic has resulted in increased expenses and lower revenues as a result of a decline in post-acute rehabilitation volumes and pressured cash flows. However, none of this impact is captured in this set of medians, as the impact from the coronavirus is only first seen in 1Q20, which will be captured in next year’s median report.’

As of Aug. 18, 2020, Fitch rated a total of 158 LPC providers, of which 156 are included in the median ratio calculations. The median rating is ‘BBB’ and the number of ratings in the ‘BBB’ rating category remains the most numerous at 76 (or about 49%) versus 37 (or 24%) in the ‘A’ rating category. Within Fitch’s median portfolio, Type A contract providers remain the plurality with 62 (about 40% of the portfolio), followed by Type C contract providers and Type B contract providers.

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