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S&P U.S. Not-For-Profit Health Care Rating Actions, December 2020 And Fourth-Quarter 2020.

S&P Global Ratings' Not-For-Profit health care rating actions for the fourth quarter of 2020 had seven downgrades and two upgrades. There were also six favorable and six unfavorable outlook revisions.

The rating activity during the fourth quarter aligns with previous commentary regarding elevated downgrades and continued unfavorable outlook revisions relative to upgrades and favorable outlook revisions. Reflecting largely pandemic related credit pressure, we affirmed our negative sector outlook shortly after the end of the fourth quarter (see "[Outlook For U.S. Not-For-Profit Acute Health Care: Navigating The Bumps While Getting Back On Track](#)," published on Jan. 12, 2021). While there were two upgrades during the fourth quarter, those upgrades were due to the merger or combination with higher rated entities. All three upgrades since we revised the sector outlook to negative from stable on March 25, 2020, were related to merger related activity and not underlying improvement in credit quality. Despite the negative outlook on the sector and industry pressures, there has also been meaningful stability among many issuers, evidenced by the 68 affirmations during the fourth quarter of 2020, representing about three-quarters of credits analyzed.

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