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Hospitals Face More Credit Rating Downgrades Ahead, Fitch Says.

- **Operating margins will improve over time, but slowly**
- **Margins still falling short of what's needed to save, invest**

The not-for-profit hospital sector may continue to see downgrades as their health-care entities struggle to recover from the pandemic.

While 2023 didn't face the same intensity of challenges as its predecessor, namely higher labor costs and disappointing revenues, not-for-profit hospitals are still a ways off from being stable, Fitch Ratings senior director Kevin Holloran said during a presentation Thursday.

"For a lot of people, this is going to be another make-or-break year for the sector," he explained. Labor "is still troublesome for a big swath of the sector that's out there."

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Bloomberg Markets

By Lauren Coleman-Lochner

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