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Hospitals Are Back to the Muni Market With Labor Costs Easing.

- **Borrowing this month far outpaces all of last January**
- **Pent-up need for upgrades drives issuance as finances improve**

Hospitals are returning to the municipal-bond market as they aim to pivot from survival to revival. So far this year, hospitals are tapping the market with more than $1.7 billion to expand and upgrade facilities, according to data compiled by Bloomberg as of Jan. 12. That figure outpaces $390.7 million of issuance by hospitals last January.

It’s cheaper to tap the muni market at the moment, with the yield on the 10-year AAA benchmark down 127 basis points since Nov. 1. Financial pressures on hospitals have also started to ease. Staffing costs — by far their heftiest expense — have steadied and operating margins have been improving.

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