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## **S&P U.S. Not-For-Profit Acute Health Care 2025 Outlook: Stable But Shaky For Many Amid Uneven Recovery And Regulatory Challenges**

### **Sector View: Stable**

- Good revenue and demand for services, easing of certain labor-related and inflationary expenses, and generally sound balance sheets support S&P Global Ratings' stable outlook on U.S. not-for-profit acute health care providers. This is translating to outlook trends that show signs of stabilization following a period of increased rating activity.
- Our stable outlook also incorporates a meaningful reduction in organizations with negative outlooks and far fewer negative outlooks among higher-rated categories. Although we will likely continue to see some negative bias related to credit activity in 2025, we expect the pace of rating changes will slow and could be more concentrated among lower-rated categories.
- That said, sector uncertainty persists as a subset of providers continues to work toward improved and stable cash flow, with likely increased capital investments in coming years. Industry headwinds and an incoming new federal administration could set new priorities and policies that may alter our view of credit quality for the sector.

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