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S&P U.S. Not-For-Profit Acute Health Care Rating Actions, 2024 Year-End Review

S&P Global Ratings' 2024 U.S. not-for-profit acute health care rating and outlook actions reversed a three-year downward trend from 2021 through 2023, with fewer downgrades and a meaningful shift to favorable outlook revisions (stable to positive, negative to stable, or negative to positive) and away from unfavorable outlook revisions (stable to negative, positive to stable, or positive to negative). While we upgraded fewer entities in 2024 than in 2023, over half of the upgrades in each year were due to merger and acquisition activity. In addition, the stability of rated entities continues to increase, with 83% of ratings unchanged in 2024, which is comparable with 2022 but significantly improved from 79% in 2023 (see chart 1). At the end of 2024, most organizations carried stable outlooks (77%), up from 72% in 2023 (see chart 2). In our view, these trends support our decision to revise our sector outlook to stable from negative, although we also acknowledge that there are risks and pressures, particularly in the lower-rated categories.

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