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[LA Children's Hospital Taps Muni Market as It Contends With Medicaid Cuts.](#)

Takeaways by Bloomberg AI

- The Children's Hospital Los Angeles is planning to sell \$187.5 million of federally taxable municipal revenue bonds to fund working capital, refinance outstanding debt, and cover issuance costs.
- The hospital faces financial challenges due to federal and state cuts to California's Medicaid program, with more than 70% of its patients covered by Medicaid.
- The hospital has run a revenue deficit since 2022 and has taken steps to improve its finances, including implementing a turnaround plan and a hiring freeze that cut or reassigned about 440 positions.

The Children's Hospital Los Angeles is planning to sell \$187.5 million of federally taxable municipal revenue bonds as it contends with financial pressure tied to federal and state cuts to California's Medicaid program.

The hospital is issuing the bonds through the [California Public Finance Authority](#), and proceeds will fund working capital, refinance outstanding debt, and cover issuance costs. They are backed by mortgage liens on some hospital properties and a pledge of gross revenues, according to the bond documents.

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Bloomberg Markets

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