Reid Hospital, IN Series 2022, 2016B, and 2015A Fixed-Rate Bond Rating Lowered To 'BBB+' On Operating Losses

LANSING (S&P Global Ratings) Sept. 21, 2023--S&P Global Ratings lowered its long-term rating to 'BBB+' from 'A-' on the Richmond Hospital Authority, Ind.'s series 2022, 2016B, and 2015A fixed-rate bonds issued for Reid Hospital (doing business as Reid Health). At the same time, we lowered our underlying rating (SPUR) one notch to 'BBB+' from 'A-' on the series 2022 fixed-rate bonds. The outlook is stable.

"The rating action reflects our view of Reid's trend of accelerating operating losses and weak maximum annual debt service coverage and commensurate balance sheet deterioration," said S&P Global Ratings credit analyst Concy Richards.

"The rating action also reflects our view of Reid's higher debt burden following its 2022 issuance for the construction of the Connersville Hospital, as well as execution risk associated with the project," Ms. Richards added.
The stable outlook reflects our view that management has a sound strategy to end the year with improved margins, with further improvement expected in the outlook period as management acts on revenue improvement plans.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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Contact the analysts:

Concy Richards  
Primary Credit Analyst, Lansing  
P. 1 312 233 7024  
E. concy.richards@spglobal.com

Marc Bertrand  
Secondary Contact, Chicago  
P. +1 (312) 233 7116  
E. marc.bertrand@spglobal.com