



**3/22/2023**

### **Ballad Health terminates engagement with Moody's Investors Service**

As has been publicly reported<sup>1</sup>, some not-for-profit health systems have opted to reduce the number of rating agencies they seek to engage for rating services. Similarly, on May 19, 2022, Ballad Health (Ballad) notified Moody's Investors Service (Moody's) that it intended to terminate its engagement with Moody's for the rating of Ballad's debt, effective immediately. Between May of 2022 and February of 2023, Ballad did not receive a response to the termination notification, nor was **there any additional communication with Moody's. In February of 2023, Ballad was informed that** Moody's had determined that it would continue to rate Ballad for some period of time without any expected future communication from or information provided by Ballad. Additionally, Moody's indicated that it was going to update the rating (last issued on March 31, 2021) during March of 2023, with or without participation from Ballad.

On March 20th, Moody's announced the affirmation of the Ballad Health A3 rating with a stable outlook. Additionally, Moody's has identified Ballad as a "non-participating issuer". At this time, Ballad can confirm that its engagement of Moody's has been terminated and that Ballad will no longer be participating in any efforts by Moody's to update the rating in the future.

Ballad expects to continue to engage S&P Global Ratings ("S&P") and Fitch Ratings, Inc. ("Fitch") to provide ratings with respect to Ballad's debt.

Ballad's decision to end its engagement with Moody's was based upon an evaluation of the expense and time commitment required to maintain three ratings, combined with significant changes in the assigned staffing at Moody's that covered Ballad. Ballad's decision is not intended to avoid any ratings change, nor is there any effort to prevent or cure a default or event of default, or reduce an applicable spread, under any agreement to which Ballad is a party.

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<sup>1</sup> As reported by The Bond Buyer on October 20, 2022 (<https://www.bondbuyer.com/news/not-for-profit-hospital-chains-cut-number-of-ratings-they-will-pay-for>)