S&P Global Ratings

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CommonSpirit Health, Colorado; Hospital; System

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CommonSpirit Health, Colorado; Hospital; System

Credit Profile		
US$1234.847 mil taxable bnds ser 2022 dtd 10/25/2022 due 06/30/2053		
Long Term Rating	A-/Stable	New
US$360.765 mil rev bnds (CommonSpirit Health) ser 2022A dtd 10/25/2022 due 06/30/2052		
Long Term Rating	A-/Stable	New
US$174.37 mil rev bnds series 2022b (CommonSpirit Health) ser 2022B-1 dtd 10/25/2022 due 06/30/2063		
Long Term Rating	A-/Stable	New
US$173.255 mil rev bnds series 2022b-2 (CommonSpirit Health) ser 2022B-2 dtd 10/25/2022 due 06/30/2063		
Long Term Rating	A-/Stable	New

Credit Highlights

- S&P Global Ratings assigned its 'A-' long-term rating to CommonSpirit Health (CommonSpirit), Colo.'s $1.2 billion series 2022 taxable revenue bonds, the Colorado Health Facilities Authority's (COHFA) $360.8 million series 2022A tax-exempt fixed-rate revenue bonds, COHFA's $174.4 million series 2022B-1 tax-exempt revenue bonds (likely five-year put), and COHFA's $173.3 million series 2022B-2 tax-exempt revenue bonds (likely seven-year put), all issued for CommonSpirit.
- At the same time, S&P Global Ratings affirmed its 'A-' long-term rating and underlying rating (SPUR) on various series of bonds issued for CommonSpirit.
- S&P Global Ratings also affirmed its 'BBB+' on the Washington Health Care Facilities Authority's series 2017 tax-exempt fixed-rate bonds and series 2013 taxable fixed-rate bonds issued for Virginia Mason Medical Center (VMMC) and its 'BBB+' SPUR on an insured portion of the authority's series 2013 bonds also issued for VMMC. Under our group rating methodology criteria, we have designated VMMC as highly strategic to CommonSpirit given its integration with the strategically important Franciscan Health system as well as management's intention to refinance VMMC's debt when costs are more in line. As a "highly strategic" entity, the VMMC debt rating will remain one notch below the CommonSpirit debt rating.
- In addition, S&P Global Ratings affirmed its 'A-/A-2' dual rating on certain series of CommonSpirit's variable-rate demand bonds. The long-term component is based on CommonSpirit, while the short-term component is based on self-liquidity.
- Finally, S&P Global Ratings affirmed its 'A-2' short-term rating on CommonSpirit's commercial paper.
- The outlook, where applicable, is stable.

Security

The series 2022 bonds and previously issued bonds, including those issued for legacy Dignity Health and Catholic Health Initiatives (CHI), are secured under CommonSpirit Health's master trust indenture (MTI).

The security and covenants for all CommonSpirit rated debt include gross revenue of the obligated group. Financial covenants include a minimum of 1.1x historical debt service coverage under the MTI, a minimum of 75 days' cash on hand, and a maximum of 65% debt to capitalization under CommonSpirit's bank and swap agreements.

Proceeds from the series 2022 bonds, along with expected premium, will go toward refinancing certain debt outstanding and will provide as much as $750 million of net new money that will be used to reimburse prior capital spending and for general corporate purposes. The amount issued will depend on market conditions. Debt outstanding that could be refinanced consists of $800 million of bullet payments on two different series 2012 taxable bonds; $156 million on the line of credit that was used to refund various series of debt, including COHFA's series 2004B-6 variable-rate direct placement bonds, COHFA's series 2008D-3 fixed-rate put bonds, and the Kentucky Economic Development Finance Authority's series 2009B fixed-rate put bonds; and, potentially, $265 million of series 2013D taxable bonds

Credit overview

The 'A-' rating reflects our view of CommonSpirit's exceptionally broad geographic reach, supporting a financially diversified health system across 21 states with a large revenue base of nearly $34 billion. The rating further reflects our view of the system's strategic plan (introduced in fiscal 2022) to help the organization position itself as a national leader in the changing health care landscape, offset by a financial profile that we still consider adequate given uneven operating performance since the merger of legacy CHI and Dignity Health and higher pro forma leverage. Weakened performance in fiscal 2022 and just adequate pro forma maximum annual debt service (MADS) coverage temper the credit profile, in our view, and limit flexibility at the rating. Although pro forma unrestricted reserves are down from the highs of fiscal year-end 2021, we still view them as good and as helping to maintain the stable outlook.

Management had previously reported that it could issue additional new money debt this year; the amount is slightly higher than expected, but we believe the balance sheet can absorb the issuance at the rating. Although pro forma MADS coverage is weak at less than 2x, we note that actual debt service is uneven with a few bullets that we expect will be refinanced over the next 10 years. Average pro forma annual debt service coverage is healthier at more than 2.5x.

CommonSpirit reverted to operating losses in fiscal 2022 with a negative 4.5% operating margin, largely as a result of sector pressures around inflation and labor shortages. We believe additional integration synergies and efforts to mitigate these challenges, including several initiatives underway around labor, could help ease losses over the outlook period. In addition, good demand and patient volumes in CommonSpirit's growing markets such as the Southwest and Colorado, coupled with refining market strategies and other targeted performance and productivity initiatives, could help CommonSpirit reach its 5%-6% operating EBIDA targets by fiscal year-end 2023. Management has higher 8% operating EBIDA long-term goals, but we believe that could take a few years to achieve. We believe the team has a solid set of initiatives to reach targets for this year, but we recognize that the sector pressures are likely to remain and that sustained operating improvements will require discipline and focus. And while we believe the system's scale and good balance sheet provide some flexibility for CommonSpirit to demonstrate operating improvement, failure to achieve performance closer to break-even would likely pressure the rating.

The organization has continued to integrate its newer assets in Arizona and Washington, and has acquired two smaller assets in the Colorado region in late fiscal 2022. The team's decision to exit from the MercyOne joint venture reduced CommonSpirit's footprint in Iowa, but doesn't meaningfully affect cash flow and brings about $500 million of transaction net proceeds back to the balance sheet. Management continues to review its assets, but no other imminent divestitures are under review. The sale of facilities in the upper Midwest to Essentia did not occur, but this region, while not strong, has not historically been a material financial challenge. Management continues to work on multiple strategies in Houston, one of its historically challenged markets, but implementation and changes have been slower than expected, most likely as a result of the COVID-19 pandemic and other sector pressures. In addition, management has made progress integrating and systemizing the two large legacy organizations into one, but we expect that there are still efficiency and financial benefits that could be achieved, albeit with more difficulty in the current environment.

Wright Lassiter III was appointed CEO of CommonSpirit Health effective Aug. 1, 2022. Lassiter comes from Henry Ford Health in Detroit and brings experience from a competitive market with a large health insurance plan, albeit at an organization with much less scale and organizational complexities than CommonSpirit. That said, he also brings an outside perspective from the two legacy systems. The team continues to focus on the strategic plan in place since fiscal 2022 as well as the current operating issues in the sector, and we believe demonstration of operating improvement in fiscal 2023 will provide perspective into the CEO's focus on operating performance as well as the organization's operating flexibility.

The 'A-' rating further reflects our view of CommonSpirit's:

- Significant scale and leverage opportunities as one of the largest health care systems in the country, with 142 hospitals and approximately 2,200 clinical sites in 21 states generating almost $34 billion in annual revenue;
- Healthy pro forma cash on hand of around 175 days that we expect should be maintained given management's commitment to maintaining a strong balance sheet, although we recognize that market volatility could change that;
- Demonstration of management's ability to achieve break-even operations in fiscal 2021, albeit with support from CARES Act funds, coupled with our view that operations should return to break-even over time with performance improvement and synergy plans; and
- Adequate pro forma MADS coverage in recent years (with fiscal 2022 weaker) but healthier pro forma average annual debt service coverage as a result of an uneven schedule.

Partly offsetting the above strengths, in our view, are CommonSpirit's:

- Uneven performance that provides limited visibility into the true operating run rate given the pandemic and the recent inflationary and sector pressures, although we believe break-even targets should be achievable;
- Longer-term performance issues in the Texas market that will require several initiatives along with newer performance challenges across most markets, particularly the West Coast and Southeast, given sector pressures;
- Moderate pro forma debt to capitalization; and
- Reliance on special funding sources, including disproportionate share hospital and state provider fees, though the system's diversity of programs across states provides some offset.

Environmental, social, and governance

We analyzed CommonSpirit's environmental risk as elevated given the location of a substantial portion of hospital assets in areas prone to earthquakes, wildfires, areas of drought, and, to a limited extent, hurricanes--especially in Houston. Despite these risks, we believe the diversity of the system's assets in a wide range of locations and improved reserves help mitigate the risks. We also recognize that CommonSpirit has steadily invested in seismic retrofits and rebuilds to adhere to California's seismic regulations.

We view CommonSpirit's large and broad service area with multiple distinct markets across 21 states and with some of those markets showing healthy population growth and economics as lowering its social capital risk. However, recent inflationary pressures, particularly around labor, have led to increased human capital social risks that are affecting increased salary and agency costs and ultimately depressing cash flow and margins. While the team has multiple pronged strategies to address these issues, we expect this challenge to persist through at least fiscal 2023. Furthermore, slightly more than half of legacy Dignity Health participate in collective bargaining agreements with a much smaller percentage at legacy CHI. There is one larger contract with the Service Employees International Union (17,000 nurses), expiring in April 2023, which we will monitor.

We view CommonSpirit's governance risk as neutral to the credit rating.

Outlook

The stable outlook reflects our expectation that CommonSpirit will execute on its financial improvement plan, return closer to break-even performance over the outlook period, and generate solid pro forma MADS coverage closer to 3x. The outlook also reflects our expectation of maintenance in the system's balance sheet profile. We view positively management's comprehensive improvement plan and integration synergies, as we see limited flexibility for continued losses of this scale at the rating.

Downside scenario

We believe that CommonSpirit has cushion at the rating to withstand some pressure given its balance sheet ratios and additional benefits from the net new money from the upcoming financing. However, we could consider a negative action without a trend of operating improvement and a run rate closer to break-even over the outlook period. Given the weaker operating profile, we see no room for meaningful declines in cash on hand or additional debt at the rating.

Upside scenario

While we believe CommonSpirit's enterprise profile could support a higher rating over time, operating pressures lead us to view a positive outlook or higher rating as unlikely within the outlook period.

Credit Opinion

Enterprise Profile: Very Strong

Market focus expands from inpatient to ambulatory and digital sites of care

The organization has healthy revenue dispersion across the 21 states where it operates and manages the system by divisions, which have been consolidated to eight: Northern California, Southern California, the Southwest (which includes Arizona and Nevada), Colorado, the Pacific Northwest, Midwest, Texas, and the Southeast. Performance challenges exist in almost all the divisions given the inflationary pressures, although Colorado and the Southwest are doing better. Texas has historically been a more challenged market, and management has a few key initiatives to improve that region, including enhancing relationships with physicians (both employed and with Baylor College of Medicine), expanding key service lines, building out ambulatory capabilities, and coordinating Baylor St. Luke's

Medical Center in Houston with other regional facilities. Certain capital expenditures (mostly for inpatient) have been delayed. The Pacific Northwest market has been particularly challenged in 2022 as a result of state regulations regarding the ability to flex staff quickly and as a result of increased wage pressure in this region. The team continues to integrate VMMC with legacy Franciscan Health, and that should ensure a meaningful presence in that region. More broadly, the pandemic and acquisitions/divestitures have affected general volumes, but management reports good demand for services, particularly outpatient, with lower inpatient volumes as a result of COVID and higher lengths of stay and care delivery transitions to outpatient.

CommonSpirit continues to focus on outpatient growth as well as expanding the continuum of care and on strengthening clinical quality and outcomes. To that end, management has a number of joint ventures and has accelerated use of technology for remote monitoring, hospital at home, and other technology-enabled solutions both for clinical care and workforce management. In addition, and as a byproduct of identifying certain solutions with partner entities, management holds a diverse portfolio of strategic investments from which it has benefited both organizationally and financially. The organization also continues to make strides in annual clinical goals as well as in increased magnet designated hospitals and the number of four- and five-star Centers for Medicare & Medicaid Services hospitals.

New CEO steps in as integration continues, amid a challenging sector environment

With the CEO transition, there have been no significant changes to the leadership team, and none are expected in the near term. A couple of positions are open (chief strategy officer and chief digital officer), but we expect those to be filled shortly. We have historically viewed the team as having a strong managerial culture and success functioning in difficult markets. We believe the team has made progress toward its integration goals and has effectively navigated the COVID-19 pandemic. Many of the major areas of integration have been completed, but management has identified $500 million of opportunities in 2023, including areas such as real estate, pharmaceutical spending, and purchased service optimization, to get closer to its $2 billion improvement goal (of which $1.3 billion has been achieved). Approximately $455 million was realized in fiscal 2022. While we believe the management team has the discipline and organizational strength to generate improved performance through both synergies and performance improvement plans, CommonSpirit has not had a chance to demonstrate stabilized financial performance since the merger given the events of the past few years.

Table 1

CommonSpirit Health Utilization

	--Fiscal year ended June 30--			
	2022	**2021**	**2020**	**2019**
PSA population				
PSA market share (%)				
Inpatient admissions*	757,662	745,793	744,666	788,201
Equivalent inpatient admissions	1,588,884	1,532,867	1,539,180	1,640,581
Emergency visits	3,873,484	3,361,252	3,661,255	3,994,286
Inpatient surgeries	199,560	203,375	213,524	233,627
Outpatient surgeries	350,234	333,314	306,391	346,734
Medicare case mix index	2.02	2.03	1.94	1.90

Table 1

CommonSpirit Health Utilization (cont.)				
	--Fiscal year ended June 30--			
	2022	2021	2020	2019
FTE employees	134,000	128,086	124,389	
Active physicians	18,908	19,106	19,948	20,101
Medicare (%)§	44.6	45.0	44.0	44.0
Medicaid (%)§	21.2	21.0	21.0	21.0
Commercial/Blues (%)§	27.5	28.0	28.0	28.0

*Includes normal newborn, psychiatric, rehabilitation, and long-term care facility admissions. §Based on gross revenue. FTE--Full-time equivalent. PSA--Primary service area.

Financial Profile: Adequate

Financial performance regresses in 2022; improvement necessary in 2023

CommonSpirit experienced higher operating losses in fiscal 2022 than in the early years of the merger. That said, excluded from those losses is $190 million on joint venture sales, including its remaining interest in Concentra and $260 million tied to the California Provider Fee program that the Centers for Medicare & Medicaid Services has yet to approve. Cash flow continues to benefit from disproportionate share funds and various states' provider fee fund programs. We view the revenue and cash flow diversity for the organization as a strength, but despite that and accounting for the one-time issues, we don't view the current losses as consistent with the rating.

To achieve management's fiscal 2023 operating EBIDA targets will likely require the synergies mentioned above as well as broader performance improvements. In addition to investments in retention and recruitment, significant efforts around labor are underway that could result in short-term and longer-term benefits, but materially decreasing the costs related to overall labor pressures will likely take a couple of years. Specific labor initiatives include redesign of care models, development of a nurse residency program, and use of innovative virtually integrated care models. The previous quarter brought signs of initial improvement with a net increase in registered nurses coming into the organization. Other areas of focus for performance improvement include rationalization of services in certain markets, payer negotiations, and productivity improvements, including some staff reviews. Margin may also benefit from about $260 million of additional provider relief funding received in early fiscal 2023. We expect fiscal 2023 will likely be another challenging year but with improvement from 2022.

Unrestricted reserves have declined from 2021, but are still healthy with good access to liquidity

CommonSpirit's unrestricted reserves and access to liquidity continue to support the credit despite a decline of $2.7 billion over the past year largely resulting from weak investment performance, capital spending of $1.4 billion, and weaker cash flow. We view liquidity as good with about 65% of reserves available within 30 days. In addition, CommonSpirit maintains a $900 million syndicated line of credit and a $190 million line of credit for self-liquidity-backed debt that we view as providing additional support for liquidity needs. The draw on its line has been included in long-term debt, as it was used to pay down debt and will be part of the upcoming refinancing.

CommonSpirit has continued to invest at slightly more than annual depreciation levels in the past couple of years, with good average age of plant (although we note that age of fixed assets may be underreported given the purchase accounting reflected at the time of consolidation). Management reports its commitment to maintain the strength of the balance sheet, and we expect that the team will manage spending to cash flow to do so. Management projects capital spending to remain healthy at more than 100% of depreciation expense ($1.6 billion of spending), but we understand that it could curtail spending if it deems doing so necessary, as has occurred recently. Several larger capital projects underway could be slowed if needed with most of those in the California market (some are seismic related). A series of key projects in the Houston market will likely need to be completed sooner rather than later given the growth and competition in that market and CommonSpirit's weaker position there. We understand that the system does not plan to make any wholesale changes to merge the entire system under one electronic medical record, so we don't anticipate a massive electronic medical record overhaul. CommonSpirit's healthy balance sheet ratios are an important aspect to the credit rating, especially given the uneven cash flow and margins of recent years and the broad industry pressures.

CommonSpirit has consolidated its investments into three main pools of funds: the operating pool, the retirement trust, and the captive insurance trust. At June 30, 2022, the combined operating investment pool was quite liquid, as mentioned above, with an allocation of about 38.0% public equities, 33.0% private equity and hedge funds, 22.5% fixed income and cash, and 8.0% real assets--all of which seems reasonable for an investment portfolio of this size.

Moderate pro forma debt with good diversity of products and structure

CommonSpirit's pro forma long-term debt remains stable but moderate with a fairly conservative debt structure and a variety of products. S&P Global Ratings estimates contingent liability debt at a reasonable $2.1 billion or so (slightly higher on a pro forma basis if put bonds are issued). CommonSpirit's contingent liabilities primarily consist of variable-rate demand bonds, direct placements, and the commercial paper program. In addition, we recognize that the system's swap portfolio includes some event-based risk, such as if the CommonSpirit long-term rating were to fall to less than 'BBB-' by S&P Global Ratings or to less than 'Baa1' by Moody's.

CommonSpirit maintains multiple defined benefit pension plans from legacy CHI and Dignity Health. With improvement in the discount rate and long-term returns from investment markets on the assets, the unfunded portion of the defined benefit pension and postretirement benefit plans liability has continued to decrease but remains high at $2.2 billion ($3.3 billion last year). Management maintains good funding discipline on its pension plans, most of which are considered church plans and are not subject to Employee Retirement Income Security Act funding guidelines. A small percentage of the plans are closed with benefits frozen, but the majority are open with ongoing accrual of benefits.

Table 2

CommonSpirit Health Financial Summary

	--Fiscal year ended June 30--			'A-' rated health care system medians
	2022	**2021**	**2020**	**2021**
Financial performance				
Net patient revenue + premium revenue ($000s)	31,646,000	30,185,000	27,365,000	2,151,080
Total operating revenue ($000s)	33,633,000	32,666,000	29,517,000	2,525,214
Total operating expenses ($000s)	35,143,000	32,448,000	30,201,000	2,388,333
Operating income ($000s)	(1,510,000)	218,000	(684,000)	70,095

Table 2

CommonSpirit Health Financial Summary (cont.)

	--Fiscal year ended June 30--			'A-' rated health care system medians
	2022	**2021**	**2020**	**2021**
Operating margin (%)	(4.49)	0.67	(2.32)	1.40
Net nonoperating income ($000s)	1,363,815	1,378,000	696,000	54,300
Excess income ($000s)	(146,185)	1,596,000	12,000	86,877
Excess margin (%)	(0.42)	4.69	0.04	4.00
Operating EBIDA margin (%)	1.05	6.39	4.56	6.60
EBIDA margin (%)	4.91	10.18	6.76	10.30
Net available for debt service ($000s)	1,716,815	3,466,000	2,043,000	255,243
MADS ($000s) - pro forma	924,490	924,490	924,490	74,293
MADS coverage (x)	1.86	3.75	2.21	4.10
Operating-lease-adjusted coverage (x)	1.61	2.91	1.76	3.00
Average annual debt service ($000s) - pro forma	681,002	681,002	681,002	MNR
Average annual debt service coverage (x)	2.52	5.09	3.00	MNR
Liquidity and financial flexibility				
Unrestricted reserves ($000s)	15,422,000	18,153,000	12,336,000	1,476,126
Unrestricted days' cash on hand	167.1	214.0	157.0	215.8
Unrestricted reserves/total long-term debt (%)	100.7	117.9	84.8	142.6
Unrestricted reserves/contingent liabilities (%)	731.1	857.7	396.2	509.0
Average age of plant (years)	7.9	7.1	6.5	12.6
Capital expenditures/depreciation and amortization (%)	101.6	100.7	84.1	99.3
Debt and liabilities				
Total long-term debt ($000s)	15,317,070	15,394,000	14,545,000	1,204,656
Long-term debt/capitalization (%)	43.5	42.5	53.3	41.0
Contingent liabilities ($000s)	2,109,536	2,116,565	3,113,763	336,250
Contingent liabilities/total long-term debt (%)	13.8	13.7	21.4	27.2
Debt burden (%) - MADS	2.64	2.72	3.06	2.20
Defined benefit plan funded status (%)	81.88	77.02	63.05	93.80
Pro forma ratios - Assumes $750 mil. of net new money for reimbursement				
Unrestricted reserves ($000s)	16,172,000	N/A	N/A	MNR
Total long-term debt ($000s)	16,067,070	N/A	N/A	MNR
Unrestricted days' cash on hand	175	N/A	N/A	MNR
Unrestricted reserves/total long-term debt (%)	100.7	N/A	N/A	MNR
Long-term debt/capitalization (%)	44.7	N/A	N/A	MNR
Miscellaneous				
Medicare advance payments ($000s)*	825,000	2,510,000	2,646,000	MNR
Short-term borrowings ($000s)*	0	0	800,000	MNR
COVID-19-related funds ($000s)	243,000	690,000	826,000	MNR
Risk-based capital ratio (%)	N/A	N/A	N/A	MNR

Table 2

CommonSpirit Health Financial Summary (cont.)				
	--Fiscal year ended June 30--			'A-' rated health care system medians
	2022	**2021**	**2020**	**2021**
Total net special funding ($000s)	1,175,620	1,737,384	889,412	MNR

*Excluded from unrestricted reserves, long-term debt, and contingent liabilities. MADS--Maximum annual debt service. MNR--Median not reported. N/A--Not applicable.

Credit Snapshot

- Organization description: CommonSpirit Health was formed through the combination of Dignity Health and CHI on Feb. 1, 2019. The organization is one of the largest health care systems in the country, with 142 hospitals and approximately 2,200 clinical locations across 21 states as of June 30, 2022.
- Group status--CommonSpirit Health: The obligated group established pursuant to CommonSpirit's MTI is considered core, according to our group rating methodology. The obligated group accounted for 85% of total revenue as of June 30, 2022. The MTI also has a provision creating restricted affiliates of the obligated group. Members of the obligated group can direct restricted affiliates to transfer funds to enable the obligated group to comply with provisions of the MTI. Baylor St. Luke's Medical Center is the only restricted affiliate.
- Group status--VMMC: Highly strategic (see analysis above)
- Swaps: CommonSpirit (including legacy Dignity Health and CHI) is party to 29 floating- to fixed-rate swaps, eight total return swaps, and one basis swap. The counterparties are Bayerische Landesbank, JPMorgan Chase Bank N.A., UBS AG, Morgan Stanley, Piper Jaffrey, Bank of America/Merrill Lynch, Barclay's Bank PLC, Mizuho Capital Markets, Sumitomo Mitsui Banking Corp., Deutsche Bank, PNC Bank, and BMO Harris Bank N.A. As of June 30, 2022, the total notional amount of the swap portfolio was $2.8 billion, with a negative mark-to-market of $150 million, net of $84 million of collateral.
- Self-liquidity: The 'A-1' short-term component of the rating on two series of VRDBs ($96.7 million) and the $553.5 million CP program outstanding reflects our view of the credit strength inherent in the 'A-' long-term rating on CommonSpirit Health's debt and the sufficiency of unrestricted reserves to provide liquidity support for that debt. Our Fund Ratings and Evaluations Group assesses the liquidity of CommonSpirit's unrestricted investment portfolio monthly to determine the adequacy and availability of these funds to guarantee the timely purchase of the bonds tendered in the event of a failed remarketing. CommonSpirit identified approximately $6.7 billion of discounted assets as of June 30, 2022, to provide self-liquidity. The assets are invested in highly rated money market funds, U.S. Treasuries, agencies, investment-grade debt, speculative-grade debt, and domestic equities, providing sufficient coverage in the event of a failed remarketing. Management has established clear and detailed procedures to ensure the maintenance of sufficient asset coverage and to meet liquidity demands on a timely basis.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of September 23, 2022)

Catholic Health Initiatives taxable bnds		
Long Term Rating	A-/Stable	Affirmed
Catholic Health Initiatives taxable bnds ser 2017A due 10/01/2027		
Long Term Rating	A-/Stable	Affirmed
Catholic Health Initiatives US$900.mil taxable hosp CP nts ser A&B		
Short Term Rating	A-2	Affirmed
CommonSpirit Health sys		
Long Term Rating	A-/Stable	Affirmed
CommonSpirit Health sys (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Stable	Affirmed
CommonSpirit Health sys (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Stable	Affirmed
Dignity Hlth sys		
Long Term Rating	A-/Stable	Affirmed
Dignity Hlth sys (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Stable	Affirmed
Dignity Hlth (Dignity Hlth) SYSTEM		
Long Term Rating	A-/Stable	Affirmed
Virginia Mason Med Ctr taxable rev bnds		
Long Term Rating	BBB+/Stable	Affirmed
Virginia Mason Med Ctr (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Stable	Affirmed
Arizona Hlth Facs Auth, Arizona		
Dignity Hlth, California		
Arizona Hlth Fac Auth (Dignity Health)		
Long Term Rating	A-/Stable	Affirmed
California Hlth Facs Fincg Auth, California		
CommonSpirit Health, Colorado		
California Hlth Facs Fincg Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
California Hlth Facs Fincg Auth (CommonSpirit Health) sys (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Stable	Affirmed
California Hlth Facs Fincg Auth, California		
Dignity Hlth, California		
California Hlth Facs Fincg Auth (Dignity Hlth) SYSTEM		
Long Term Rating	A-/Stable	Affirmed
California Hlth Facs Fin Auth (Dignity Health)		
Long Term Rating	A-/Stable	Affirmed
California Statewide Communities Dev Auth, California		
Dignity Hlth, California		
California Statewide Comntys Dev Auth (Dignity Health) (AGM)		

Ratings Detail (As Of September 23, 2022) (cont.)		
Unenhanced Rating	A-(SPUR)/Stable	Affirmed
Chattanooga Hlth, Educl & Hsg Fac Brd, Tennessee		
Catholic Health Initiatives, Colorado		
Chattanooga Hlth Ed & Hsg Fac Brd (Catholic Hlth Initiatives)		
Long Term Rating	A-/A-2/Stable	Affirmed
Chattanooga Hlth Ed & Hsg Fac Brd (Catholic Hlth Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Chattanooga Hlth, Educl & Hsg Fac Brd, Tennessee		
CommonSpirit Health, Colorado		
Chattanooga Hlth, Educl & Hsg Fac Brd (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Chattanooga Hlth, Educl & Hsg Fac Brd, Tennessee		
Dignity Hlth, California		
Chattanooga Hlth, Educl & Hsg Fac Brd (Dignity Hlth) tax exempt rev bnds (Dignity Health) ser 2019A-1 due 07/01/2049		
Long Term Rating	A-/Stable	Affirmed
Colorado Hlth Fac Auth, Colorado		
Catholic Health Initiatives, Colorado		
Colorado Hlth Fac Auth (Catholic Health Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Colorado Hlth Fac Auth (Catholic Health Initiatives) SYSTEM		
Long Term Rating	A-/Stable	Affirmed
Colorado Hlth Fac Auth, Colorado		
CommonSpirit Health, Colorado		
Colorado Hlth Fac Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Colorado Hlth Fac Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Colorado Hlth Fac Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Colorado Hlth Fac Auth (CommonSpirit Health) sys (AGM) (SECMKT)		
Unenhanced Rating	A-(SPUR)/Stable	Affirmed
Colorado Hlth Fac Auth, Colorado		
Dignity Hlth, California		
Colorado Hlth Fac Auth (Dignity Hlth) tax exempt fixed rate rev bnds (Dignity Health) ser 2019A-1 due 07/01/2049		
Long Term Rating	A-/Stable	Affirmed
Kentucky Econ Dev Fin Auth, Kentucky		
Catholic Health Initiatives, Colorado		
Kentucky Econ Dev Fin Auth (Catholic Health Initiatives)		
Long Term Rating	A-/A-2/Stable	Affirmed
Kentucky Econ Dev Fin Auth (Catholic Health Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Kentucky Econ Dev Fin Auth (Catholic Health Initiatives) SYSTEM		
Long Term Rating	A-/Stable	Affirmed

Ratings Detail (As Of September 23, 2022) (cont.)		
Kentucky Econ Dev Fin Auth, Kentucky		
CommonSpirit Health, Colorado		
Kentucky Econ Dev Fin Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Kentucky Econ Dev Fin Auth, Kentucky		
Dignity Hlth, California		
Kentucky Econ Dev Fin Auth (Dignity Hlth) tax exempt rev bnds (Dignity Hlth) ser 2019A-1 due 07/01/2049		
Long Term Rating	A-/Stable	Affirmed
Kentucky Econ Dev Fin Auth, Kentucky		
Sylvania Franciscan Hlth Oblig Grp, Ohio		
Kentucky Econ Dev Fin Auth (Sylvania Franciscan Health Obligated Group)		
Long Term Rating	A-/Stable	Affirmed
Louisville and Jefferson County Metropolitan Government, Kentucky		
Catholic Health Initiatives, Colorado		
Louisville & Jefferson Cnty Metro Govt (Catholic Hlth Initiatives) sys		
Long Term Rating	A-/Stable	Affirmed
Montgomery Cnty, Ohio		
Catholic Health Initiatives, Colorado		
Montgomery Cnty (Catholic Health Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Montgomery County (Catholic Health Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Short Term Rating	NR	Affirmed
Montgomery County (Catholic Health Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Umatilla Cnty Hosp Fac Auth, Oregon		
Catholic Health Initiatives, Colorado		
Umatilla Cnty Hosp Fac Auth (Catholic Health Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Washington Health Care Facilities Authority, Washington		
Catholic Health Initiatives, Colorado		
Washington Health Care Facilities Authority (Catholic Health Initiatives)		
Long Term Rating	A-/Stable	Affirmed
Washington Hlth Care Fac Auth (Catholic Health Initiatives) SYSTEM		
Long Term Rating	A-/Stable	Affirmed
Washington Health Care Facilities Authority, Washington		
CommonSpirit Health, Colorado		
Washington Hlth Care Fac Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Washington Hlth Care Fac Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Washington Hlth Care Fac Auth (CommonSpirit Health) sys		

Ratings Detail (As Of September 23, 2022) (cont.)		
Long Term Rating	A-/Stable	Affirmed
Washington Hlth Care Fac Auth (CommonSpirit Health) sys		
Long Term Rating	A-/Stable	Affirmed
Washington Health Care Facilities Authority, Washington		
Dignity Hlth, California		
Washington Hlth Care Fac Auth (Dignity Hlth) tax exempt rev bnds (Dignity Health) ser 2019A-1 due 07/01/2049		
Long Term Rating	A-/Stable	Affirmed
Washington Health Care Facilities Authority, Washington		
Virginia Mason Med Ctr, Washington		
Washington Health Care Facilities Authority (Virginia Mason Medical Center)		
Long Term Rating	BBB+/Stable	Affirmed

Many issues are enhanced by bond insurance.