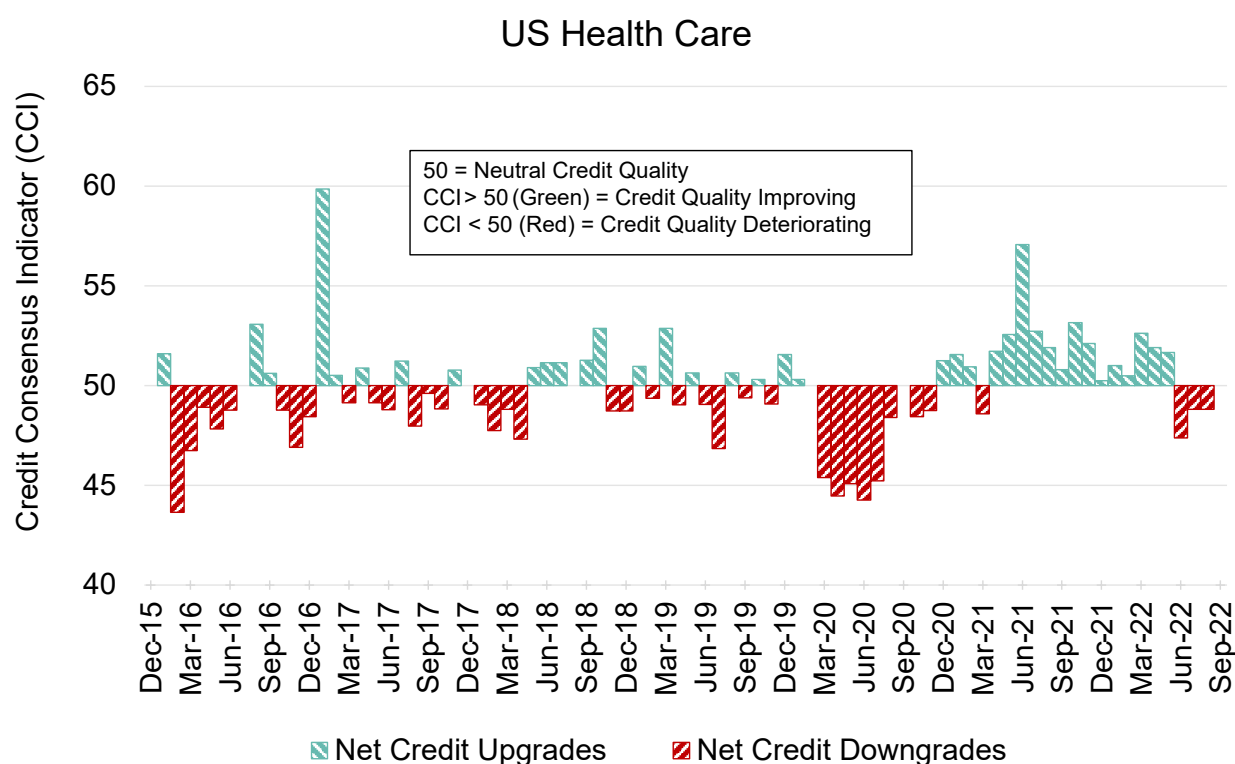


# Not So Healthy? US Health Care Credit Trends

September 2022

As pandemic-related spending continues to fall, the US Health Care sector is beginning to show credit deterioration. Figure 1 shows the Credit Consensus Indicators<sup>1</sup> (CCIs) for US Health Care.

**Figure 1: Credit Consensus Indicators (CCIs), US Health Care: Feb-16 to Aug-22**



After a record run of 14 months of net improvements, this sample of more than 400 US Health Care companies has recorded three months with a CCI below 50, indicating that downgrades now outnumber upgrades.

More CCI industry graphs can be found within [Credit Benchmark's monthly CCI Monitors](#).

The changing balance between upgrades and downgrades in US Health Care is mirrored in Figure 2, showing that the long decline in average credit risk – measured by default probability (axis inverted) – has been faltering, with recent periods of credit deterioration.

<sup>1</sup> The CCI is an index of [forward-looking credit opinions](#) based on the consensus views of over 20,000 credit analysts at 40+ of the world's leading financial institutions.

Drawn from more than 950,000 contributed credit observations, the CCI tracks the total number of upgrades and downgrades made each month by credit analysts to chart the long-term trend in analyst sentiment. A monthly CCI score of 50 indicates neutral credit quality, with an equal number of upgrades and downgrades made over the course of a month. Scores above 50 indicate that credit quality is improving. Scores below 50 indicate that credit quality is deteriorating.

Figure 2: Credit Trend, US Health Care; Aug-20 to Aug-22

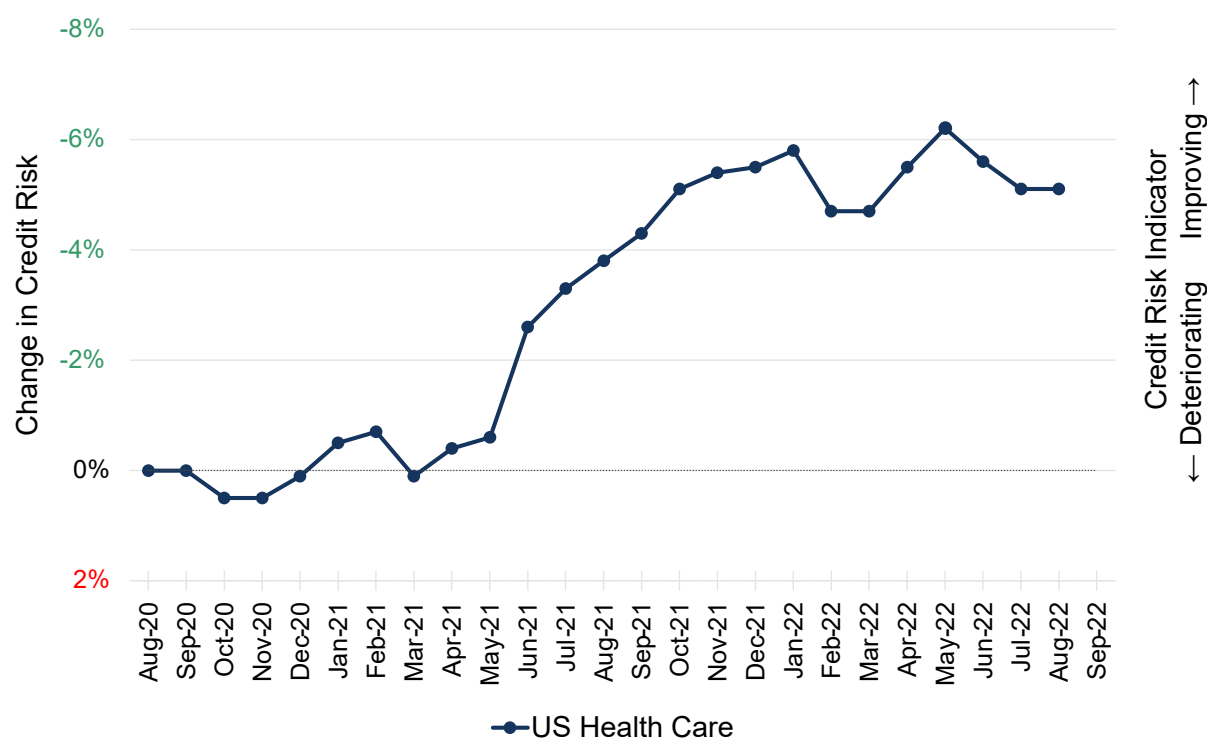
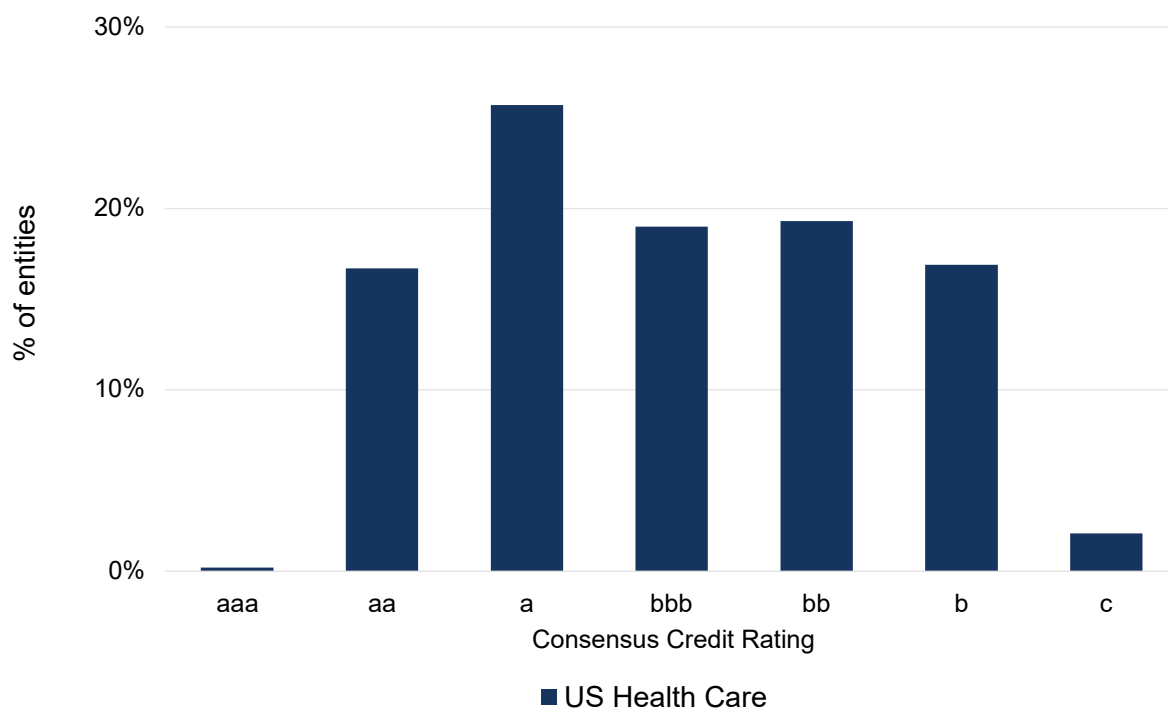


Figure 3 shows the current credit distribution for this sample – the good news is that over 60% are still rated investment grade.

Figure 3: Credit Distribution, US Health Care; Aug-22



While the [Inflation Reduction Act \(IRA\)](#) makes notable strides toward improving the affordability and accessibility of health care in the US, [Fitch Ratings](#) believes this act will pressure revenues and margins and have a negative effect on corporate credit, however, the future of US Health Care is still uncertain.

Figures 4-7 show detailed credit trends for some of the US Health Care companies which have experienced credit deterioration recently, majority of which have limited CRA coverage.

Figure 4: [Dentsply Sirona Inc](#)

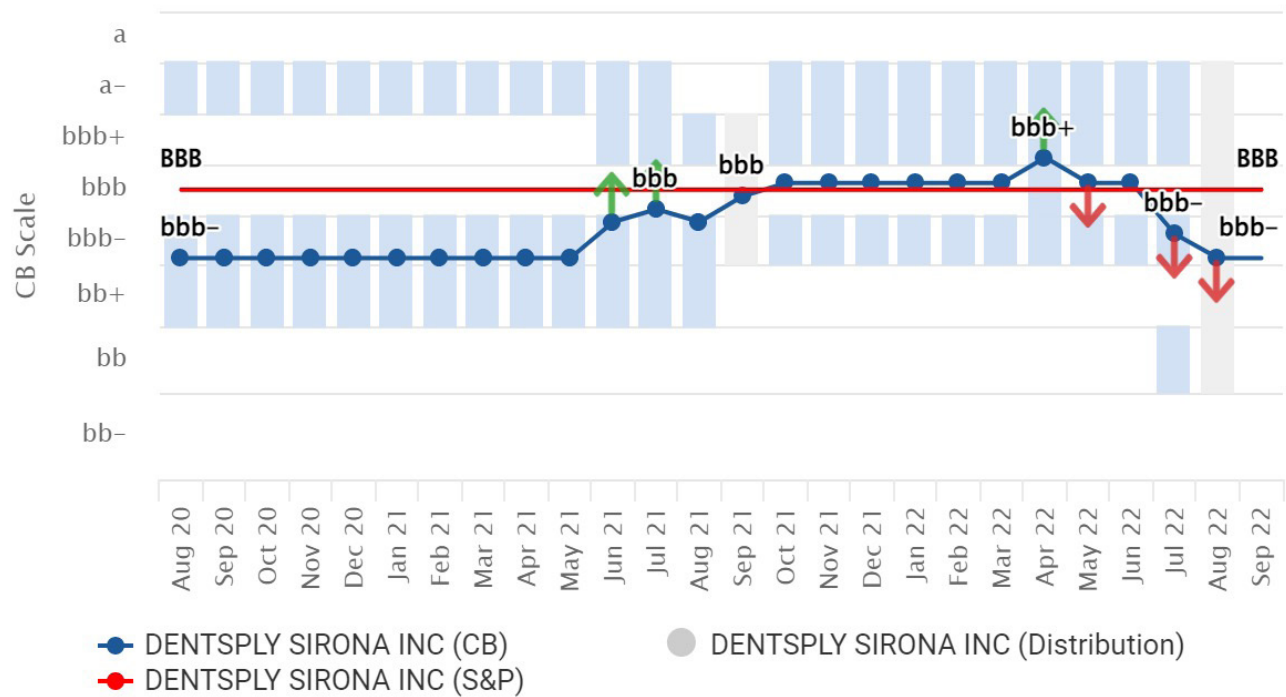


Figure 5: [California Physicians' Service](#)

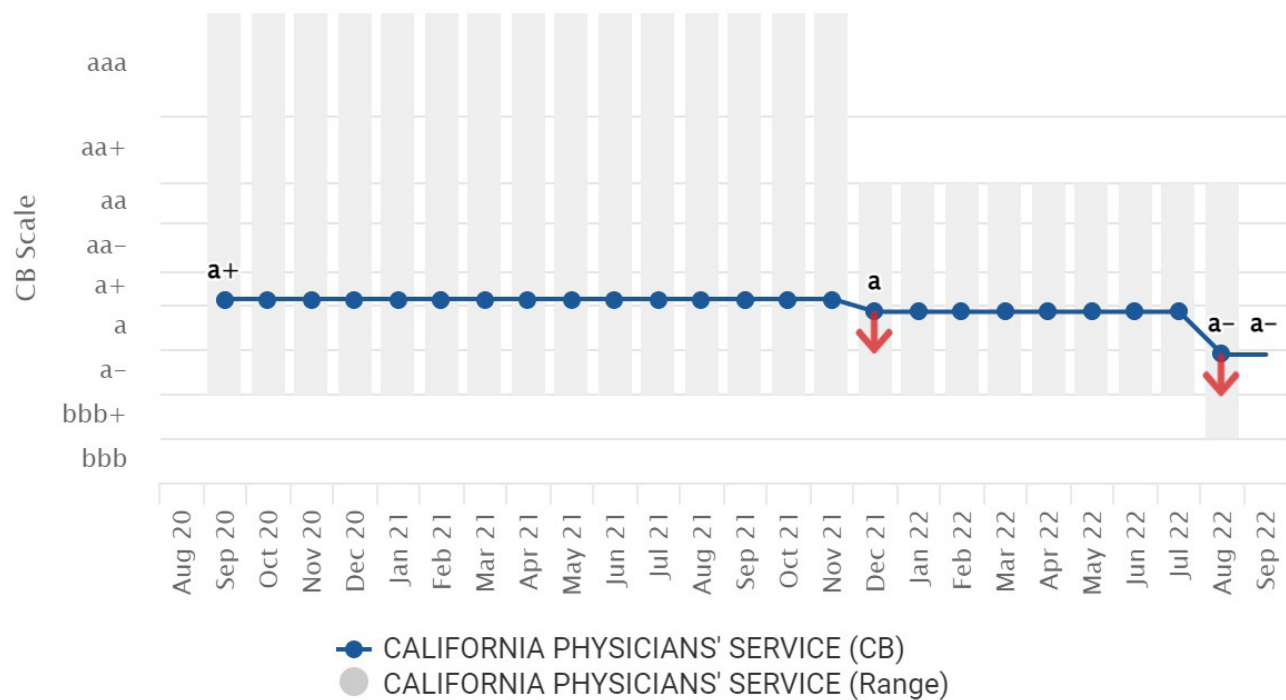


Figure 6: [Marshfield Clinic Health System Inc](#)

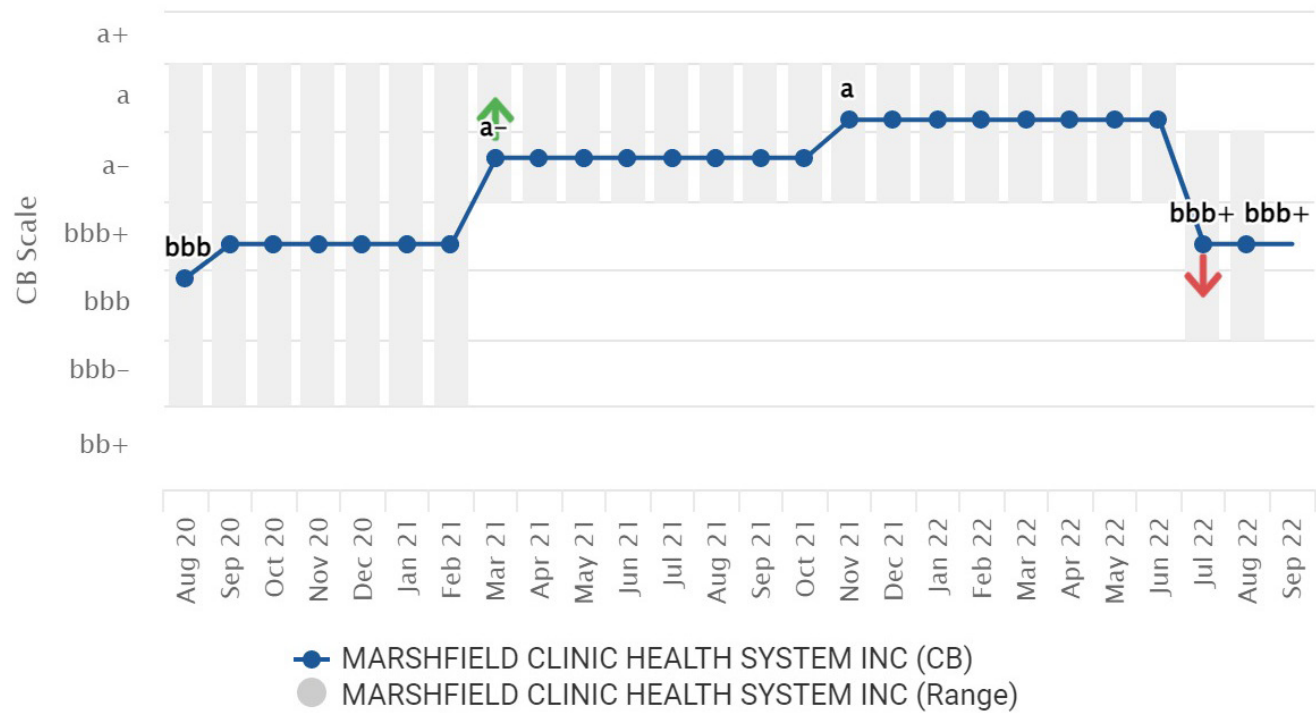
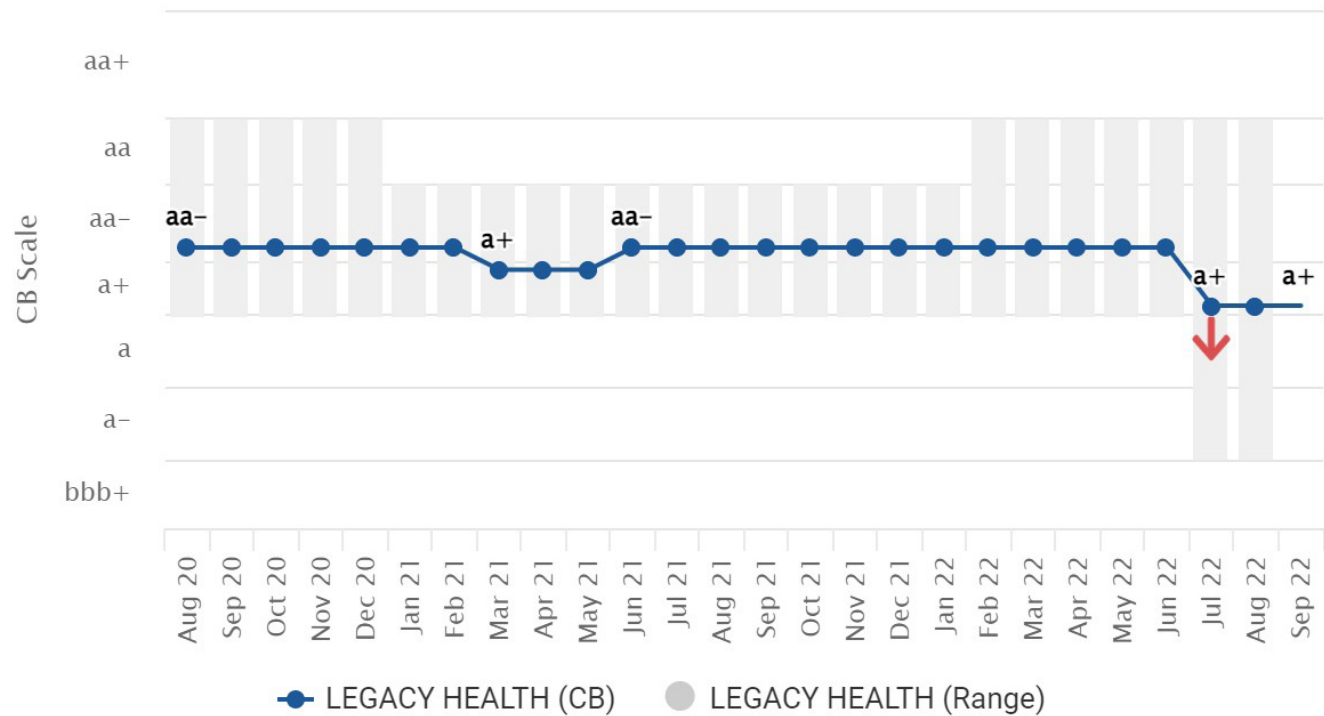


Figure 7: [Legacy Health](#)



# Credit Consensus Ratings and Analytics

## Real-world risk views with unparalleled consensus coverage.

Credit Benchmark provides Credit Consensus Ratings and Analytics based on contributed risk views from 40+ of the world's leading financial institutions, including 15 GSIBs, domiciled in the US, Continental Europe, Switzerland, UK, Japan, Canada, Australia and South Africa.

For regulatory and business reasons, these financial institutions have each created their own regulated internal credit rating agency to assess the creditworthiness of tens of thousands of obligors. Credit Benchmark collects, aggregates and anonymises this information to provide an independent, real-world perspective of risk, delivered twice monthly to our partners.

Credit Benchmark fills an information gap left open by traditional credit risk content providers by offering a timely, comprehensive view of credit risk which proves complementary to issuer-paid rating agencies and third party model vendors. The first of its kind "credit consensus" data reflects the expertise of more than 20,000 credit analysts across the contributing group – a powerful example of the wisdom of crowds.

Credit Consensus Ratings and Analytics are available on over 60,000 corporate, financial, fund and sovereign entities globally, most of which are unrated by credit rating agencies.

### Data that works for you

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

Contact us to learn more and to start a trial of Credit Benchmark data by [clicking here](#) or email [info@creditbenchmark.com](mailto:info@creditbenchmark.com)

### Data Use Cases

- Counterparty Risk Management
- Credit Risk Management
- Systematic Credit Trading
- Securities Finance
- Supply Chain Risk
- Trade Credit Insurance
- Fund Management
- Regulation, RWA & Capital
- Onboarding, KYC & Relationship Management
- Point-in-Time (PIT) Impairments
- Accounts Payable & Receivable



## 10 Million

Contributed Credit Risk Estimates Per Year  
40 Million+ Estimates Collected Since Launch



## 60,000+

Entities Covered



## 2x

Twice Monthly Frequency



## 75%

Unrated by Major Credit Rating Agencies



## 1,200+

Aggregates



## 160+

Countries



## 80+

Months of Data



## 50+

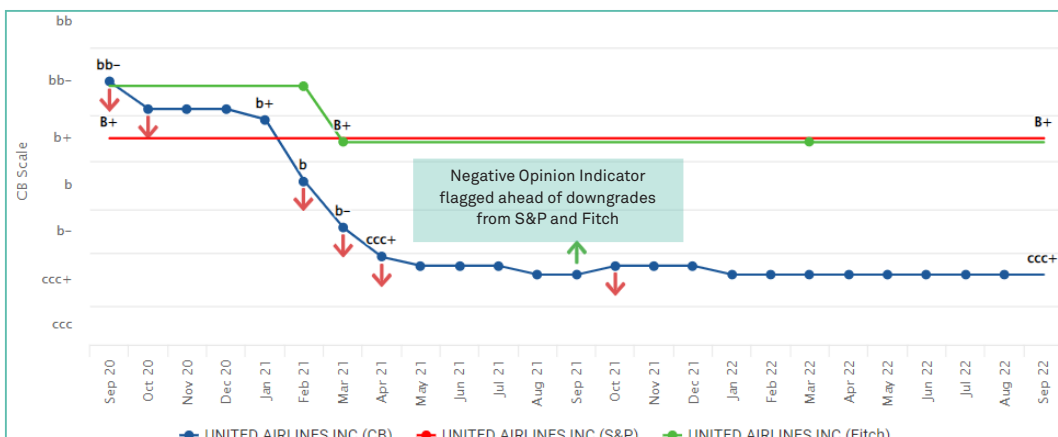
Data Metrics



## 40+

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

# Real-world risk views with unparalleled consensus coverage



**Credit Consensus Rating:**  
Unique measure of creditworthiness based on the views of 40+ leading global financial institutions

**Consensus Analytics:**  
Insights into the depth, dispersion, movement, and directionality of the Credit Consensus Rating's underlying views

**Opinion Indicator:** Month over month observation-level net downgrades or upgrades

Credit Benchmark Web App: Entity-Level Data Sample

Home Coverage Aggregates Single Name Lookup My Portfolios **Screeners** Reports 5 Contact Support

**CB Screeners** View All

Credit Strength Dampens Wildfire Risk  
Focus on Australia  
Credit Benchmark Coverage v. Agencies  
Global Credit Recovery  
Shifting Recreational Trends  
Credit Benchmark Dislocations v. Agencies  
Trade Credit Risk and Supply Chains  
Credit Recovers as Lumber Prices Skyrocket  
5G and Satellite Internet  
Airlines Pulling Out of Credit Risk Tailspin

Quickly filter the database of 60,000+ legal entities

Build screener with criteria below:

Screener name: **Untitled**

☒ S&P Rating is **Unrated**

☒ Fitch Rating is **Unrated**

☒ CCR is **aaa** **aa+** **aa** **aa-** **a+** **a** **a-** **bbb+** **bbb** **bbb-**

+ Add Criteria (3/15)

44,628 Entities found

Save Run Clear All Criteria

Screen for public and non-publicly rated entities within specific geographies, industries, sectors and within your defined rating thresholds

Combine qualitative and quantitative fields to screen for entities that meet your criteria

**Untitled** Result Count 44628 Modify Columns Export

CBID	Entity Name	Credit Consensus Rating	S&P Rating	Fitch Rating
CB0000000009	IHS GLOBAL CANADA LTD	bbb-	Unrated	Unrated
CB0000000025	GYP HOLDINGS III CORP	bb	Unrated	Unrated
CB0000000080	GESTIELLE CEDOLA DUAL BRAND	a-	Unrated	Unrated
CB0000000087	TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA	bbb+	Unrated	Unrated
CB0000000088	TECK HIGHLAND VALLEY COPPER PARTNERSHIP	bbb	Unrated	Unrated

Start creating your first screener

Start

Credit Benchmark Web App: Data Screen Sample

## Data that works for you:

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

[Contact us to learn more and get a free trial of our data.](#)

## Contact

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