

Hardin Memorial Hospital, KY 2013 Bond Rating Raised Two Notches To 'A-' On Improved Finances

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NEW YORK (S&P Global Ratings) Dec. 19, 2016--S&P Global Ratings raised its underlying rating (SPUR) two notches to 'A-' from 'BBB' on Hardin County, Ky.'s series 2013 revenue bonds, issued on behalf of Hardin Memorial Hospital. The outlook is stable.

"The upgrade acknowledges meaningfully improved financial performance over the past two years," said S&P Global Ratings credit analyst James Fielding, "largely reflecting Medicaid expansion in Kentucky, growth in outpatient services, and the hiring of additional physicians." Net patient revenue, profit margins, and debt service coverage are stronger and days' cash on hand is up by two-thirds.

"These key measures are strong and now provide sufficient cushion for some deterioration if revenue growth moderates and salary and other expenses rise modestly over the next two years, as we currently expect," added Mr. Fielding.

Hardin Memorial operates a 270-bed acute-care hospital in Elizabethtown in central Kentucky. It also has 30 psychiatric and skilled-nursing beds and 45 outpatient facilities in its service area.

"The stable outlook reflects our view that Hardin Memorial's key credit measures will remain in ranges consistent with a strong financial profile assessment and the SPUR, even as margins contract somewhat because of higher

salaries and other expenses over the next 24 months," added Mr. Fielding.

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