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Ratings

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California Health Facilities Financing Authority
Stanford Health Care; CP; Hospital

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Credit Profile		
US$365.0 mil taxable bnds ser 2021 due 08/31/2051		
Long Term Rating	AA-/Stable	New
US$150.0 mil taxable commercial paper nts ser 2021A dtd 04/01/2021 due 10/01/2021		
Short Term Rating	A-1+	New
US$90.315 mil rev bnds (Stanford Hlth Care) ser 2021A due 08/15/2054		
Long Term Rating	AA-/Stable	New
US$63.205 mil rev bnds (Stanford Hlth Care) ser 2021B due 08/15/2054		
Long Term Rating	AA-/Stable	New

Rating Action

S&P Global Ratings assigned its 'AA-' long-term rating to the California Health Facilities Financing Authority's $90.3 million series 2021A two-year put bonds and $63.2 million series 2021B four-year put bonds issued for Stanford Health Care (SHC; formerly known as Stanford Hospitals & Clinics). In addition, S&P Global Ratings assigned its 'AA-' long-term rating to SHC's $365 million series 2021 taxable revenue bonds. Finally, S&P Global Ratings assigned its 'A-1+' short-term rating to SHC's $150 million taxable commercial paper (CP) program.

S&P Global Ratings also affirmed its various long-term ratings on bonds previously issued for SHC and affirmed its dual ratings on SHC's series 2008B-1 VRDBs in weekly mode, and series 2008B-2-1 and 2008B-2-2 in CP mode. We based our 'A-1+' short-term rating component on the dual ratings, and short-term-only ratings (for the new taxable CP) on our view of SHC's own liquidity and related procedures for handling any potential tenders. The outlook, where applicable, is stable.

The proceeds from the 2021A and 202B tax-exempt issuance, along with premium, will go toward refunding the series 2012D ($100 million) and 2015B ($75 million) bonds. The proceeds from the series 2021 taxable issuance will go toward advance refunding the series 2012A bonds ($340 million). In addition, we are aware that SHC may opt to lower the par amount on the series 2021 taxable issuance and move a portion of that contemplated total par amount to its series 2020 taxable issuance through a CUSIP reopening.

SHC's bonds are secured by gross revenue of the obligated group, of which SHC is the sole member. This analysis includes SHC and the various entities that are included in its consolidated audit.

Credit overview

Our ratings reflect our assessment of SHC's healthy enterprise profile as one of the two main academic medical centers in the largely populated Northern California region with comprehensive services focused on tertiary and quaternary business mix, exceptionally high case mix index, solid market share, and brand strength in a generally competitive market. These factors are aided by SHC's close relationship with Stanford University and its sister organization, the

Lucille Packard Children's Hospital; a large, widely regarded, and well-distributed academic and medical faculty; and solid research funding. SHC's new patient tower (opened in fall 2019), coupled with regional outpatient growth, including through its medical foundation of community-based physicians (University HealthCare Alliance, or UHA) and facilities, should help broaden SHC's reach. Other credit strengths are a solid fundraising program, favorable payer mix, and SHC's location in Silicon Valley, where it is close to numerous technology-related companies.

The rating also incorporates a good but not stellar financial profile and is characterized by historically solid operating margins and cash flow--although weaker in the recent fiscal and interim year and adequate pro forma maximum annual debt service (MADS) coverage and balance-sheet-related metrics. Debt remains elevated but manageable and reflects SHC's recent completion of the hospital on its main campus in Palo Alto, Calif. While we've incorporated the additional CP, we do not expect SHC to draw on it in the near term. A return to healthier cash flow is important in light of SHC's plan for elevated capital spending for the next several years, although we note some flexibility in those plans as needed. Performance in fiscal 2020 was weak primarily as a result of COVID-19 (and was supported by some funds from the Coronavirus Aid, Relief, and Economic Security, or CARES, Act) but also affected by startup/opening costs of the new patient tower in the earlier part of the year. Performance has since rebounded, though to a level still lower than historical levels, but the potential of keeping an additional $393 million of Phase 3 CARES Act funds that has not been accrued, is not in the budget, but is on the balance sheet could result in much more favorable performance in fiscal 2021. We expect that with some balance sheet accretion thus far and continued recovery from COVID-19, management should be able to achieve higher capital spending targets while keeping balance sheet metrics in line with the credit rating (and with no additional debt expected).

Our rating reflects a positive adjustment for SHC's close relationship with the higher-rated Stanford University. In addition, we incorporated a negative adjustment to reflect a more holistic view of the credit profile and SHC's lighter financial profile, to arrive at the 'AA-' rating.

The long-term rating further reflects our opinion of SHC's:

- Sound enterprise position as a premier academic medical center with a strong academic partner highlighted by historically high occupancy and a comprehensive tertiary and quaternary mix of services as reflected in a very high Medicare case mix index;
- Improvement in unrestricted reserves, which, along with expected return of cash flow, should be able to support higher capital spending over the next few years but with likely some moderation of reserves;
- Sound strategy of expanding its overall footprint through significant outpatient expansion, physician recruitment, and partnerships, combined with needed inpatient renovations on the main campus to position SHC well for growth, including the ability to accept many transfers it previously had not been able to accept as a result of space constraints;
- Location in a favorable demographic area that is reflected in SHC's excellent payer mix--although higher cost-of-living expenses can create some challenges for staff retention and recruitment; and
- Focus on expanding its clinical care models and processes and improving its patient experience using digital health and technology and that also incorporates its location and partnerships with businesses in the tech-focused Silicon Valley.

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

- Location in a competitive service area;
- Performance that has improved in 2021 but is still below historical levels with coverage that is adequate but not exceptional for the rating;
- Higher though improving debt; and
- Some dependence of investment markets to maintain reserve growth, particularly given the lighter balance sheet relative to the rating.

The stable outlook reflects our view of SHC's enterprise strengths, including its ties to Stanford University, and our expectation that SHC will meet budgeted expectations in fiscal 2021 as recovery from COVID-19 continues. In addition, the stable outlook reflects our view that despite higher capital spending in the next few years, SHC will be able to maintain balance sheet metrics given the return of cash flow.

Environmental, social, and governance factors

We view SHC's overall environmental risks as elevated relative to those of industry peers given its location in markets that have historically been prone to earthquakes and wildfires. While immediate risk to plant and facilities on the main campus are lower as a result of seismic compliance and location away from immediate wildfire threats, we still view these environmental factors as a risk for the region given that they could affect the outpatient network as well as patient volume trends. We view SHC's social risk as lower than that of industry peers, given its large, broad, and demographically favorable service area though higher costs of living slightly offset this. In addition, approximately 30% of SHC's staff is represented by unions and while there are no immediate issues, higher costs and disruption could result from challenges in the future. Finally, COVID-19 has exposed SHC and other health care providers to additional social risks related to SHC's mission of protecting the health and safety of communities. Specifically, those risks could cause financial pressure should revenue and other federal and state support fail to cover the increased equipment and personnel costs stemming from demand to care for COVID-19 patients and should revenue losses occur as a result of individuals' forgoing care for health and safety reasons related to the pandemic.

Stable Outlook

Downside scenario

We believe a lower rating or negative outlook could result if operating margins do not return to historical levels, especially given the higher capital spending over the next few years. We believe SHC has limited capacity for additional debt, and material deterioration of reserves or cash on hand could also cause rating pressure.

Although SHC has taken steps to address COVID-19 risks, we could consider a negative rating action if financial or economic repercussions from the pandemic are too significant to absorb at the rating.

Upside scenario

We believe SHC's enterprise profile is consistent with a higher rating, and a positive outlook or rating action could result from sustained overall operating margins and improvement to MADS coverage to more than 5x, combined with substantive improvement in balance sheet metrics over time amid completion of larger capital projects for capacity needs.

Credit Opinion

Enterprise Profile: Very Strong

Market position sound with focus on ambulatory footprint and partnerships to support growth

SHC is centered in Palo Alto, with one additional facility in Alameda County (ValleyCare) and a wide regional ambulatory care network, including both faculty physicians (Stanford University School of Medicine) and community physicians (UHA, a medical foundation with professional services agreements with various community physicians). SHC's flagship facility provides tertiary and quaternary services, as reflected in its high case mix index of 2.51 in fiscal 2020 (consistent with prior years). SHC has a significant outpatient presence in Redwood City, Emeryville (in the East Bay), and elsewhere in and around the San Francisco Bay Area. The new SHC hospital provides additional inpatient capacity on the main campus, which had historically run at about 90% occupancy (and is a good indicator of ongoing demand for services at SHC), and although COVID may have temporarily slowed growth we believe the ongoing outpatient growth in the region and broader partnerships should help support the main campus. Management reports that additional mergers are not likely and that it continues to focus on partnerships with acute care providers in the market. Examples of this include plans to expand and integrate oncology services, a destination service line for SHC, with Sutter Health in the East Bay.

SHC has a large 21-county service area encompassing the broad San Francisco Bay Area. Its more centralized market is the large nine-county area in and around San Francisco Bay, where it captures roughly 3% inpatient market share (on a population of about 7.8 million). In its immediate market of Santa Clara and San Mateo counties, it captures roughly 7.3% inpatient market share, which has been stable given the high occupancy. SHC also has a broad patient draw, reflecting its tertiary and quaternary service mix and Level 1 trauma center. Volumes have historically been growing, but as with most providers COVID-19 dampened that in fiscal 2020 and interim fiscal 2021. Volumes started to recover in fiscal 2021, though they continue to be slightly behind those of the prior-year period.

Ties to Stanford University support the SHC credit rating

SHC is a controlled and wholly owned subsidiary of Stanford University and is adjacent to the Stanford University School of Medicine (SOM). Approximately two-thirds of the medical staff are members of the SOM faculty (and employed by SOM) and account for roughly 90% of SHC's total admissions.

Considerable funds flow to and from the university, but these funds are largely for services rendered or received. In addition, SHC transfers a sizable amount out every year, including $98.0 million in fiscal 2020, $120.1 million in fiscal 2019, and $98.2 million in fiscal 2018 to Stanford University to support the SOM's academic mission and related initiatives, including faculty recruitment, the academic community, and the school's physical plant. A small portion of this funding is included in operating and nonoperating performance, and the larger amounts, which are mostly related to capital payments, are not captured in financial performance metrics in table 2. The university provides other types of support to the hospital, including management of some of SHC's investments, occasional inclusion in the university's broader fundraising program, and joint-venture partnerships in certain physician-related and imaging businesses. The SOM faculty also conducts significant third-party-funded research.

Stanford University and its other wholly owned hospital subsidiary, the Lucile Salter Packard Children's Hospital (also known as Stanford Children's Health), are separately rated, as the university does not guarantee SHC's debt and as SHC and Lucile Packard Children's Hospital are not co-obligated.

Stable management team focuses on partnerships and growth

SHC's management team has been stable for several years and continues to execute on SHC's strategic plan that was put in place a few years ago. The plan essentially focuses on the strengths of its academic medical center with an exceptionally strong academic faculty and the ability to attract high-end tertiary and quaternary business from a large multicounty service area while also attending to the primary care needs of the local population. The strategy also focuses on promoting value and expanding digital capabilities, the latter which was accelerated as a result of COVID-19. The local strategy incorporates community physicians, increasingly through UHA, to augment its faculty, and a robust outpatient facility strategy to expand its coverage of the local market, ultimately throughout the entire San Francisco Bay Area. Management reports that the ValleyCare Health acquisition is not likely to be repeated, as the main strategy is to maintain a largely single high-end campus on the inpatient side while expanding ambulatory care presence across the Bay Area with an eye toward partnerships in the region, including with other acute care hospitals. SHC has also emphasized supporting its own faculty and their research ideas to develop digital strategies that help augment and improve care, but is also partnering with outside technology companies when appropriate.

A few recent areas of focus using digital technologies and tele-capabilities to improve care and value for its patients and payers as well as continuing to enhance destination service lines such as cardiovascular and cancer care and oncology, including the recent partnership with Sutter Health in the East Bay.

Table 1

Stanford Health Care Utilization

	--Six months ended Feb. 28 --	--Fiscal year ended Aug. 31--		
	2021	**2020**	**2019**	**2018***
PSA population	N.A.	N.A.	7,796,235	7,825,226
PSA market share (%)	N.A.	N.A.	3.0	2.9
Inpatient admissions§	15,419	33,859	33,687	33,955
Equivalent inpatient admissions	33,817	76,516	76,957	74,680
Emergency visits	52,055	107,318	113,872	111,133
Inpatient surgeries	7,993	20,522	22,115	21,638
Outpatient surgeries	17,486	39,283	42,888	41,253
Medicare case mix index	2.6600	2.5100	2.2700	2.4201
FTE employees	14,951	14,816	13,542	11,993
Active physicians†	2,710	2,693	3,207	3,009
Medicare (%)‡	22.5	22.1	22.7	22.8
Medicaid (%)‡	5.8	6.0	7.0	7.3

Table 1

Stanford Health Care Utilization (cont.)				
	--Six months ended Feb. 28 --	--Fiscal year ended Aug. 31--		
	2021	2020	2019	2018*
Commercial/Blues (%)‡	70.5	68.9	67.3	66.3

*Market share is calendar year information. §Excludes normal newborn, psychiatric, rehabilitation, and long-term care facility admissions. †Counting of active physicians changed between 2019 and 2020. ‡Based on net revenue. FTE--Full-time equivalent. N.A.--Not available. PSA--Primary service area.

Financial Profile: Very Strong

Operating profile is expected to remain healthy, but with lighter performance in 2020 and 2021

As with other hospitals, COVID-19 interrupted SHC's operating performance and resulted in an operating loss in fiscal 2020 followed by improvement through interim fiscal 2021. The opening of the new hospital earlier in the year also affected fiscal 2020 results. Operating losses in fiscal 2020 would have been even higher without the CARES Act funds of $135 million (which includes $10 million of employee retention credits). Volumes continued to improve somewhat in early fiscal 2021, and SHC has had positive margins through first six months of fiscal 2021 and with only $9.7 million of CARES Act funds included in operations. We note that we've moved certain fixed payments to the SOM into operating expense, and included variable payments to SOM based on SHC performance into nonoperating expense. Excluded are transfers to SOM for capital that were sizable in the past couple of years at $50 million to $78 million.

Management has conservatively forecast lighter operating performance at slightly less than 4% over the next couple of years, but we believe SHC could outperform that. Excluded from interim fiscal 2021 and the budget is the approximate $393 million of CARES funding that SHC received in January; management is evaluating whether to keep or return a portion or the total amount. Historically, SHC experienced very healthy margins of more than 5% with growing volumes and strong revenue growth and with excellent fundraising capabilities and minimal dependence on provider tax and disproportionate share revenue--all of which we think SHC could return to over time. The team continues to focus on boosting patient activity, expanding access through its SOM faculty and UHA physicians, and focusing on destination programs.

Investment income and contributions support excess income, offset by transfer payments to SOM that are based on SHC's operating results. These transfer payments have risen as operating results improved at SHC though were down in fiscal 2020 and interim fiscal 2021. Pro forma MADS coverage is adequate for the rating but below medians. Noncancelable operating leases have risen over time and reduced lease-adjusted pro forma MADS coverage to around 3x, which we consider weak for the rating. S&P Global Ratings historically does not include unrealized gains or losses in its income calculation, and management reports that the change in value of its unrestricted cash and investments that Stanford University manages (a sizable amount) will be unrealized until the investments are liquidated. As a result, investment income, cash flow, and coverage may be slightly understated.

Higher capital spending in the next few years may temper unrestricted reserve growth

Unrestricted reserves improved to $4.2 billion at Feb. 27, 2021 (compared with $2.9 billion at Aug. 31, 2019), despite the pandemic disruption and as a result of reimbursement from bonds issued in spring 2020, CARES Act funds (including Phase 3 amounts that have not been accrued), healthy market investment activity, and reduced capital spending. We foresee unrestricted cash and investments and cash on hand at levels more consistent with the rating, but if cash flow doesn't return to historical levels, reserves could decline as capital spending ramps up for renovations at 300 Pasteur (the previous main hospital next to the new tower) and for other ambulatory projects, and this could pressure the rating. Approximately half of SHC's investments reside within Stanford University's merged pool and are generally more illiquid. The remaining mix at SHC is cash and cash equivalents, fixed-rate investments, and equities. A recent change at SHC increased the allocation to SHC's long-term liquidity portfolio (mostly equities) but was completed in conjunction with analysis of SHC's strategic needs as well as broader risks.

Although capital spending took a slight pause following the completion of SHC's new hospital in 2019 (for more information, please see our report published March 12, 2020, on RatingsDirect) and as a result of the pandemic, we expect expenditures to return to higher levels (around $500 million to $600 million annually for the next few years), potentially reducing reserves (depending on cash flow). In our view, this will limit rating improvement in the near term. Upcoming capital projects include renovations at the existing hospital that will take place over several years, a new cancer center in partnership with Sutter Health in the East Bay, and other routine and information technology needs. The new outpatient facility in Redwood City is still under consideration, but management is reviewing plans for that project.

SHC's fundraising program remains a credit strength, and includes recent success through a corporate partners program with many widely known Silicon Valley high-tech companies and other substantial donations. As of Feb. 28, 2021, SHC raised $677 million toward its $700 million for the "New Stanford Hospital," with $610 million in cash received.

Debt-related metrics remain moderate following debt for the completion of new hospital

We consider debt-related metrics light for the rating though improving; smoothed pro forma debt burden remains in line with medians though. Excluded from debt or pro forma debt-related metrics is the $150 million of taxable CP availability that management does not intend to use over the next year; management expects no other new money debt over the next couple of years. The overall pro forma debt structure remains relatively conservative with multiple counterparties for swaps and likely elimination of direct purchase with the upcoming refinancing, although four bullet payments create some long-term risk and pro forma put bonds create medium-term remarketing risk. The series 2020 and 2021 taxable issuances and 2020A tax exempt issuance have bullets in nine and 30 years, respectively.

In addition, SHC has a diverse but sizable swap portfolio with a notional amount of $575 million, or about 25% of total debt outstanding, of floating- to fixed-rate swaps. Certain swap agreements require SHC (or the counterparties) to post collateral, based on ratings and fair market value thresholds. As of February 2021, SHC posted $17.2 million collateral, while the mark-to-market on the swap portfolio was a liability of $266 million. SHC's overall counterparty exposure has been diversified over the past few years and is now divided among four major institutions.

As of Feb. 28, 2021, SHC identified $1.8 billion in fixed-income and money market assets from its various investments to guarantee the full and timely purchase price of $168.2 million in debt outstanding supported by self-liquidity and the pro forma $150 million of taxable CP. S&P Global Ratings monitors liquidity monthly. A range of assets made up of various investments in actively managed diversified portfolios backs the debt. The bonds in CP mode are multimodal and carry a dual rating.

SHC's pension is well funded with a small $9 million unfunded pension liability because the plan was frozen in 1997, combined with a slightly increased though still manageable postretirement benefit liability of $113 million at fiscal year-end Aug 31, 2020.

Table 2

Stanford Health Care Financial Summary					
	--Six months ended Feb. 28--	--Fiscal year ended Aug. 31--			'AA-' rated stand-alone hospital medians
	2021	2020	2019	2018	2019
Financial performance					
Net patient revenue ($000s)	2,853,411	5,140,938	5,113,052	4,677,929	926,302
Total operating revenue ($000s)	3,010,159	5,566,097	5,384,436	4,910,485	1,019,281
Total operating expenses ($000s)	2,925,145	5,582,758	5,037,241	4,622,282	MNR
Operating income ($000s)	85,014	(16,661)	347,195	288,203	MNR
Operating margin (%)	2.82	(0.30)	6.45	5.87	4.30
Net nonoperating income ($000s)	20,468	38,832	(3,602)	(8,070)	MNR
Excess income ($000s)	105,482	22,171	343,593	280,133	MNR
Excess margin (%)	3.48	0.40	6.39	5.71	7.90
Operating EBIDA margin (%)	8.83	5.86	11.00	10.50	11.00
EBIDA margin (%)	9.45	6.51	10.94	10.36	14.20
Net available for debt service ($000s)	286,326	365,141	588,833	507,704	149,061
MADS ($000s)*	122,703	122,703	122,703	122,703	MNR
MADS coverage (x)	4.67	2.98	4.80	4.14	7.30
Operating-lease-adjusted coverage (x)	3.06	2.15	2.90	2.61	5.30
Liquidity and financial flexibility					
Unrestricted reserves ($000s)	4,217,257	3,432,446	2,903,324	2,941,379	815,807
Unrestricted days' cash on hand	275.6	235.3	218.6	241.5	319.9
Unrestricted reserves/total long-term debt (%)	190.7	154.3	159.4	151.6	254.2
Unrestricted reserves/contingent liabilities (%)	1,228.8	1,000.1	720.1	729.5	720.9
Average age of plant (years)	8.3	8.0	9.6	9.3	11.5
Capital expenditures/depreciation and amortization (%)	90.0	120.5	291.0	268.6	116.5
Debt and liabilities					
Total long-term debt ($000s)*	2,211,852	2,224,863	1,821,179	1,940,167	MNR
Long-term debt/capitalization (%)	32.0	34.7	33.9	37.0	22.0
Contingent liabilities ($000s)	343,200	343,200	403,200	403,200	MNR
Contingent liabilities/total long-term debt (%)	15.5	15.4	22.1	20.8	39.1
Debt burden (%)	2.02	2.19	2.28	2.50	1.90
Defined-benefit plan funded status (%)	N.A.	96.06	91.91	96.45	89.50

Table 2

Stanford Health Care Financial Summary (cont.)					
	--Six months ended Feb. 28--	--Fiscal year ended Aug. 31--			'AA-' rated stand-alone hospital medians
	2021	2020	2019	2018	2019
Miscellaneous					
Medicare advance payments ($000s)§	397,393	397,393	N/A	N/A	MNR
Short-term borrowings ($000s)§	N/A	N/A	N/A	N/A	MNR
CARES Act grants recognized ($000s)	9,736	124,551	N/A	N/A	MNR
Risk based capital ratio (%)	N/A	N/A	N/A	N/A	MNR
Total net special funding ($000s)	33,082	25,029	72,619	24,493	MNR

*Pro forma $150 million of taxable commercial paper excluded from long-term debt and debt service. §Excluded from unrestricted reserves, long-term debt, and contingent liabilities. CARES--Coronavirus Aid, Recovery, and Economic Security. MNR--Median not reported. MADS--Maximum annual debt service. N.A.--Not available. N/A--Not applicable.

Credit Snapshot

- Security: The bonds are secured by gross revenue of SHC includes patient revenue from hospital-based services along with numerous outpatient clinics in the greater San Francisco region.
- Group rating methodology: The rating is based on our view of SHC's group credit profile (i.e., the consolidated audit for the system as a whole) and the obligated group's core status within the system. The obligated group is considered core to SHC's revenue and assets, and thus is rated at the same level as the group as a whole.
- Organization description: SHC is an academic medical center closely tied to the Stanford University School of Medicine. SHC's sole corporate member is Stanford University and its board elects all of SHC's board of directors. SHC includes its main hospital campus with 592-staffed-acute-care-bed hospital directly adjacent to Stanford University and the 167-licensed-bed ValleyCare Health System. The organization also includes joint ventures with Stanford University and other entities, UHA with around 300 affiliated physicians, and an insurance captive.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of April 13, 2021)		
Stanford Hlth Care rev bnds ser 2018 due 08/15/2048		
Long Term Rating	AA-/Stable	Affirmed
California Hlth Facs Fincg Auth, California		
Stanford Hlth Care, California		
California Health Facilities Finance Authority (Stanford Hlth Care)		
Long Term Rating	AA-/A-1+/Stable	Affirmed
California Health Facilities Finance Authority (Stanford Hlth Care)		

Ratings Detail (As Of April 13, 2021) (cont.)		
Long Term Rating	AA-/Stable	Affirmed
Unenhanced Rating	NR(SPUR)	Current
California Hlth Facs Fincg Auth (Stanford Hlth Care) hosp rev bnds (Stanford Hlth Care) ser 2010AB dtd 06/16/2010 due 11/15/2011-2021 2025 2031 2036		
Long Term Rating	AA-/Stable	Affirmed
California Hlth Facs Fincg Auth (Stanford Hlth Care) rev bnds (Stanford Hlth Care) ser 2020C due 08/15/2051		
Long Term Rating	NR	Current
California Hlth Facs Fincg Auth (Stanford Hlth Care) rfdg hosp rev bnds (Stanford Hlth Care) ser 2008B-2 dtd 06/02/2008 rmktd dtd 06/15/2011 due 11/15		
Long Term Rating	AA-/A-1+/Stable	Affirmed
California Hlth Facs Fincg Auth (Stanford Hlth Care) rfdg hosp rev bnds (Stanford Hlth Care) ser 2008B-2 dtd 06/02/2008 rmktd dtd 06/15/2011 due 11/15		
Long Term Rating	AA-/A-1+/Stable	Affirmed

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