

All Distress Indices Up for Sixth Consecutive Quarter – Health Care Reaching Highest Distress in 15 Years

(Nov. 12, 2024) The latest [Polsinelli-TrBK Distress Indices Report](#) shows that the U.S. economy continues to see increased distress levels across the board. Health Care distress is at its highest in 15 years, and the Health Care Index has reached the highest level in the report's history for the sixth consecutive quarter.

Indices for the overall economy and for real estate are also both showing increased levels compared with recent years. Chapter 11 distress has been rising consistently for two years and is just over eight points below when tracking began in 2010 at the end of the Great Recession.

"The Health Care Index continues to reach historic highs, reflecting a 1,200% increase in health care distress since the fourth quarter of 2010. This significant change underscores the massive transformation in how we deliver health care services in the U.S.," said Jeremy Johnson, a bankruptcy and restructuring attorney at Polsinelli and co-author of the report. "While the Chapter 11 and Real Estate Indices have also been high for the past two years, our tracking of the Indices has consistently shown a divergence between health care and the general economy. When examining the U.S. economy, the Indices collectively highlight the dynamic and expanding economy. However, health care remains a notable outlier, showing significant and outsized distress despite robust growth."

The report, released by Polsinelli, includes the following updates:

The Chapter 11 Distress Research Index was 95.16 for the third quarter of 2024. The Chapter 11 Index increased over 3 points since the last quarter. Compared with the same period over one year ago, the Index has increased over 37 points and compared with the benchmark period of the fourth quarter of 2010, it is down over 4 points.

The Real Estate Distress Research Index was 55.70 for the third quarter of 2024. The Real Estate Index increased nearly 2 points since the last quarter and follows the trend of increased distress over the last two years. Compared with the same period over one year ago, the Index is over 24 points higher and compared with the benchmark period of the fourth quarter of 2010, it is down over 43 points.

The Health Care Services Distress Research Index was 1,256.67 for the third quarter of 2024. The Health Care Index increased over 15 points since the last quarter. Compared with the same period one year ago, the Index has increased over 600 points and compared with the benchmark period of the fourth quarter of 2010, it is up over 1,156 points. This is the highest the Health Care Index has registered since the Indices started tracking the data 13 years ago, beating the previous highs from each of the last six quarters.

The Polsinelli-TrBK Distress Indices are research indices based on Chapter 11 bankruptcy filing data. The Chapter 11 Distress Research Index serves as the primary index and is based on filings by entities with assets scheduled at greater than \$1 million dollars as represented on initial Chapter 11 petitions.

About Polsinelli

Polsinelli is an Am Law 100 firm with more than 1,000 attorneys in over 20 offices nationwide. Recognized as one of the top firms for excellent client service and client relationships, Polsinelli is committed to meeting our clients' expectations of what a law firm should be. Our attorneys provide value through practical legal counsel infused with business insight, offering comprehensive corporate, transactional, litigation and regulatory services with a focus on health care, real estate, finance, technology, private equity and life sciences. Polsinelli PC, Polsinelli LLP in California, Polsinelli PC (Inc) in Florida.

<<Reference Number>>

99665047.4