

Chapter 11, Health Care and Real Estate Distress Levels Slightly Dip in Q2 but Remain Elevated

(Aug. 13, 2025) The latest [Polsinelli-TrBK Distress Indices Report](#) shows a slight decline in distress levels across multiple sectors. The Health Care Services Distress Research Index experienced a sharp drop in Q2 by more than 775 points but remains at a significant distress level comparable to 2022-2023. Despite this quarter's dip, health care continues to show significant distress that is five times higher than the 2010 benchmark. General Chapter 11 and real estate distress levels are consistent with the last several quarters, showing distress at the highest point since the global pandemic, but below the 2010 benchmarks.

Jeremy R. Johnson, a restructuring attorney at Polsinelli and co-author of the report, said: "We are seeing a dip across the board in the second quarter, but we are starting to see an acceleration in bankruptcy filings in Q3 and, for the first time, seeing companies attributing distress to tariffs or the 'economic environment.' It will be interesting to see how this turbulence will impact bankruptcy filings in the future."

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

The Chapter 11 Distress Research Index was 73.71 for the second quarter of 2025. The Chapter 11 Index decreased over 8 points since the last quarter. Compared with the same period one year ago, the Index has decreased over 18 points and compared with the benchmark period of the first quarter of 2010, it is down over 26 points.

The Real Estate Distress Research Index was 48.63 for the second quarter of 2025. The Real Estate Index decreased over 3 points since the last quarter. Compared with the same period one year ago, the Index is over 5 points higher and compared with the benchmark period of the first quarter of 2010, it is down over 51 points.

The Health Care Services Distress Research Index was 496.67 for the second quarter of 2025. The Health Care Index decreased over 775 points since the last quarter. Compared with the same period one year ago, the Index has increased over 745 points and compared with the benchmark period of the first quarter of 2010, it is up by over 396 points.

On a trailing four-quarter average, the percentage of real estate filings among all index Chapter 11 filings increased from 12.74% to 13.18% this quarter. The percentage of health care filings has decreased from 17.51 to 7.61%.

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.

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