

Hospital Markets in Alabama *at a glance*

A snapshot of hospital market structure, concentration, and ownership across the state — and how they've changed since 2000. This analysis reflects data available through May 2026.

In Alabama, average market HHI rose more than 1,000 points since 2000. This was driven by a loss of 18 hospitals on net and 42 transactions, nearly half of which qualified as Red Zone mergers.

WHAT THIS ANALYSIS COVERS

This analysis focuses on the state's 88 general short-term acute care (GSAC) hospitals — the facilities where most privately insured, Medicare, and Medicaid patients receive inpatient care, and where market concentration most directly affects the prices employers and workers pay. Each hospital's market is defined via a 30-minute travel radius around that facility. Within it, we measure concentration using the Herfindahl-Hirschman Index (HHI) — a standard antitrust metric calculated as the sum of the squared market shares of the owners in a market. HHI ranges from 0 (many small hospitals, low concentration) to 10,000 (a monopoly market, which has a single owner). Our hospital-centric HHI is a consistent analytical proxy for market concentration, not a legally defined antitrust market.

● **GSAC Hospitals (88)** ● VA / Military ● Psychiatric / Behavioral ● Rehabilitation ● Children's Specialty

Market Concentration

Alabama's hospital markets have become more concentrated since 2000. Average hospital market HHI rose 20%, from 5,495 to 6,602. In 2000, 11 hospitals operated in “moderately concentrated” markets. By 2026, every hospital had an HHI above 1,800, the threshold the Federal Trade Commission (FTC) and Department of Justice (DOJ) consider “highly concentrated.” The number of monopoly hospitals rose from 21 to 29. Nineteen of the state's 42 transactions, or 45%, were “Red Zone” mergers. A Red Zone merger raises at least one merging hospital's market HHI by over 100 points to above 1,800, which DOJ and FTC guidelines presume is likely to raise prices.

2000 | 105 hospitals overall

2026 | 88 hospitals overall (1 closed in 2026)



CONCENTRATION SCALE (IN HHI)

● **Low** (<1,000 HHI) ● **Moderate** (1,000 to <1,800) ● **High** (1,800 to <5,000) ● **Higher** (5,000 to <10,000) ● **Monopoly** (10,000 HHI)

Explore the data yourself

Our tool has three components. **The Market Explorer** tracks how hospital market concentration has evolved from 2000 to May 2026, drawing on ownership data from the AHA's Annual Survey, validated against state health department filings, SEC disclosures, and public reporting. **The Closures Explorer** tracks hospital closures and openings nationwide, each year since 2000. **The Forecast Lab** uses that same data to model how a proposed merger, closure, or opening would reshape a hospital market as it stood in 2026 — it models the scenarios you specify and does not identify potential mergers.

Note on the data: The tool uses a first-of-its-kind database that we built from scratch. We have done our best to gather and validate the data; however, if you notice an error (e.g., a hospital's name, a merger year) or if you have questions about our methodology, please notify us at HealthCareAffordabilityLab@yale.edu.

Health Care
Affordability Lab
at Yale

Explore Market Concentration at
Markets.HealthCareAffordabilityLab.org



QR code to AL Hospitals

Hospital Markets in Alabama

October 2026

Key Stats

AVG HHI INCREASE

+1,107

5,495 → 6,602

HOSPITALS LOST (NET)

-18

24 closed, 6 opened

RED ZONE TRANSACTIONS

19 of **42**

45% in Red Zone

SYSTEM OWNERSHIP

64% → 61%

67/105 → 54/88 part of system

Rising Concentration

Alabama's hospital markets consolidated through closures and mergers. Meanwhile, the share of hospitals owned by a system dropped slightly, from 64% in 2000 to 61% in 2026, because many of the hospitals that closed were owned by a system. Huntsville Hospital Health System is the state's largest system, owning 11 hospitals.

2000 | 105 hospitals overall

67 in 24 systems 38 independents

64%

36%

2026 | 88 hospitals overall (1 closed in 2026)

54 in 16 systems 34 independents

61%

39%

Alabama's Largest Systems

Sixteen systems own 54 of Alabama's 88 hospitals.

SYSTEM	HOSPITALS IN STATE	AVERAGE MARKET HHI	HOSPITALS WITH CONCENTRATION ABOVE 1,800 HHI
Huntsville Hospital Health System	11	9,503	11 of 11
Ascension Healthcare	8	5,575	8 of 8
Tenet Healthcare	5	5,309	5 of 5

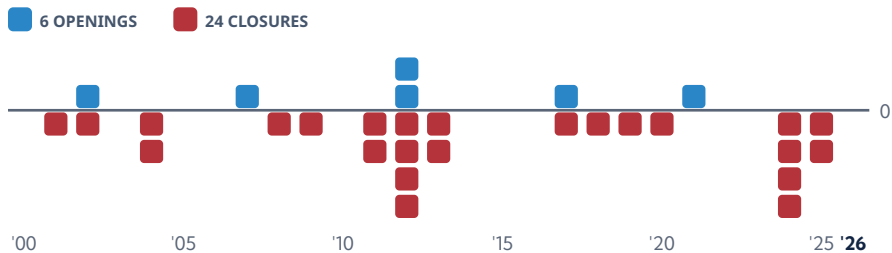
Average market HHI reflects the mean HHI across each system's hospitals within the state. HHI is calculated within a 30-minute travel radius of each facility. National hospital data typically lags by one to two years for new openings and recent ownership changes, so figures for 2024–2026 are preliminary and may not yet reflect all recent activity.

A High Red-Zone Rate

Alabama had one of the most active merger landscapes in the country, with 42 transactions since 2000. Nineteen of them (45%) were Red Zone mergers, as systems acquired hospitals in markets that were already concentrated.

Combined with 24 closures, this led average HHI to rise by more than 1,000 points in Alabama.

Hospitals opened & closed by year



Transactions by year

