

Hospital Markets in Arizona *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 Arizona, average hospital market concentration has changed little since 2000, and the percentage of hospitals owned by a system rose from 71% to 77%. Eight of its 21 transactions were Red Zone mergers.

WHAT THIS ANALYSIS COVERS

This analysis focuses on the state's 78 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 (78)** ● VA / Military ● Psychiatric / Behavioral ● Rehabilitation ● Children's Specialty

Market Concentration

Arizona's hospital market concentration changed little since 2000, with average hospital market HHI falling slightly from 5,543 to 5,527, a decrease of 16 points. Every hospital now has 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 fell slightly from 26 to 24. Over the period, 11 hospitals closed and 23 opened, a net gain of 12 hospitals. Twenty-one transactions reshaped ownership. Eight of those transactions (38%) 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 | 66 hospitals overall

2026 | 78 hospitals overall



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 AZ Hospitals

Hospital Markets in Arizona

October 2026

Key Stats

HOSPITALS ADDED (NET)

+12

11 closed, 23 opened

SYSTEM OWNERSHIP

71% → 77%

47/66 → 60/78 part of system

RED ZONE TRANSACTIONS

8 of 21

38% in Red Zone

AVG HHI CHANGE

-16

5,543 → 5,527

Ownership Shifts

The share of Arizona hospitals owned by a multi-hospital system rose from 71% to 77% between 2000 and 2026, and the number of independent hospitals moved from 19 to 18. The largest operators are Banner Health (18 hospitals) and HonorHealth (9), followed by U.S. Indian Health Service (8).

2000 | 66 hospitals overall

47 in 14 systems 19 independents

71%

29%

2026 | 78 hospitals overall

60 in 9 systems 18 independents

77%

23%

Arizona's Largest Systems

Nine systems own 60 of Arizona's 78 hospitals; Banner Health and HonorHealth lead.

SYSTEM	HOSPITALS IN STATE	AVERAGE MARKET HHI	HOSPITALS WITH CONCENTRATION ABOVE 1,800 HHI
Banner Health	18	3,981	18 of 18
HonorHealth	9	2,649	9 of 9
U.S. Indian Health Service	8	7,822	8 of 8
Tenet Healthcare	8	4,013	8 of 8

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.

Growth Concentrated in Metropolitan Areas

Arizona's hospitals fall into two very different settings. Nearly all of the state's recent growth has come in the Phoenix and Tucson metropolitan areas, where markets have HHIs in the “High” concentration range (between 1,800 and 5,000) and only one is a monopoly. Beyond the metropolitan areas, the rest of Arizona is almost entirely within the “Higher” concentration range (5,000 to less than 10,000) or in monopoly markets, including 23 of the state's 24 monopoly markets.

