

Hospital Markets in Minnesota *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 Minnesota, the percentage of hospitals owned by a system rose from 50% in 2000 to 71% in 2026.

WHAT THIS ANALYSIS COVERS

This analysis focuses on the state's 127 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 (127)** ● VA / Military ● Psychiatric / Behavioral ● Rehabilitation ● Children's Specialty

Market Concentration

Minnesota's hospital markets have become more concentrated since 2000, with average hospital market HHI rising from 5,320 in 2000 to 5,750 in 2026, an increase of 430 points. Every hospital now operates in a market with 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 from 26 in 2000 to 23 in 2026. Over the period, 10 hospitals closed and 2 opened, leading to a net loss of 8 hospitals. Thirty-six transactions reshaped ownership. Thirteen of those transactions (36%) qualified as “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 | 135 hospitals overall

2026 | 127 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 MN Hospitals

Hospital Markets in Minnesota

October 2026

Key Stats

RED ZONE TRANSACTIONS

13 of **36**

36% in Red Zone

NET HOSPITALS LOST

-8

10 closed, 2 opened

5 LARGEST SYSTEMS

59 of **127**

46% · Sanford + Mayo + Essentia + Allina + Fairview

AVG HHI UP 8%

+430

5,320 → 5,750

Rising System Ownership

The share of Minnesota hospitals owned by a multi-hospital system rose sharply from 50% to 71% between 2000 and 2026, and the number of independent hospitals fell from 68 to 37. The largest systems are Sanford Health (14) and Mayo Clinic (12), followed by Essentia Health (11).

2000 | 135 hospitals overall

67 in 15 systems 68 independents

50%

50%

2026 | 127 hospitals overall

90 in 14 systems 37 independents

71%

29%

Minnesota's Largest Systems

Fourteen systems own 90 of Minnesota's 127 hospitals; Sanford Health and Mayo Clinic lead.

SYSTEM	HOSPITALS IN STATE	AVERAGE MARKET HHI	HOSPITALS WITH CONCENTRATION ABOVE 1,800 HHI
Sanford Health	14	6,457	14 of 14
Mayo Clinic	12	6,409	12 of 12
Essentia Health	11	5,814	11 of 11

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.

Transactions in Rural Areas

Minnesota's transaction activity has been largely driven by two health systems acquiring hospitals in rural areas. Since 2004, Essentia Health has acquired several rural hospitals and now owns 11 hospitals in Minnesota's northern region. CentraCare has similarly acquired rural hospitals since 2012 and now owns nine hospitals in Minnesota. These two systems account for 15 of Minnesota's 36 transactions since 2000.

