

Hospital Markets in South Dakota *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 South Dakota, the percentage of hospitals owned by a system rose from 65% in 2000 to 77% in 2026. Four of its nine transactions were Red Zone mergers.

WHAT THIS ANALYSIS COVERS

This analysis focuses on the state's 52 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 (52)** ● VA / Military ● Psychiatric / Behavioral ● Rehabilitation ● Children's Specialty

Market Concentration

South Dakota's hospital markets have become more concentrated since 2000, with average hospital market HHI increasing from 7,943 to 8,740, an increase of 797 points. Every hospital still 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 increased from 26 to 29. Over the period, five hospitals closed and two opened, a net loss of three hospitals. Nine transactions reshaped ownership. Four of those transactions (44%) 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 | 55 hospitals overall



2026 | 52 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 SD Hospitals

Hospital Markets in South Dakota

October 2026

Key Stats

2 LARGEST SYSTEMS

30 of **52**

58% · Avera + Sanford

SYSTEM OWNERSHIP

65% → **77%**

36/55 → 40/52 part of system

RED ZONE TRANSACTIONS

4 of **9**

44% in Red Zone

AVG HHI INCREASE

+797

7,943 → 8,740

Ownership Shifts

The share of South Dakota hospitals owned by a multi-hospital system rose from 65% to 77% between 2000 and 2026, and the number of independent hospitals fell from 19 to 12. The largest operators are Avera Health (19 hospitals) and Sanford Health (11), followed by Monument Health (6).

2000 | 55 hospitals overall

36 in 6 systems 19 independents

65%

35%

2026 | 52 hospitals overall

40 in 4 systems 12 independents

77%

23%

South Dakota's Largest Systems

Four systems own 40 of South Dakota's 52 hospitals; Avera Health and Sanford Health lead.

SYSTEM	HOSPITALS IN STATE	AVERAGE MARKET HHI	HOSPITALS WITH CONCENTRATION ABOVE 1,800 HHI
Avera Health	19	8,307	19 of 19
Sanford Health	11	8,016	11 of 11
Monument Health	6	9,447	6 of 6
U.S. Indian Health Service	4	9,900	4 of 4

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.

More Than Half of Markets Are Monopolies

South Dakota is among the most concentrated states in the nation: 29 of its 52 hospitals now operate in a monopoly market, where one owner controls all hospital care within a 30-minute drive. Most are held by a system — concentrated under Avera and Sanford — while the rest are hospitals in rural areas with no additional hospitals within a 30-minute drive.

Each dot is one of South Dakota's 52 hospitals, placed by its 2026 market HHI

SYSTEM-OWNED

INDEPENDENT

