

Hospital Markets in Texas *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 Texas, the percentage of hospitals owned by a system rose from 53% in 2000 to 65% in 2026.

WHAT THIS ANALYSIS COVERS

This analysis focuses on the state's 406 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 (406)** ● VA / Military ● Psychiatric / Behavioral ● Rehabilitation ● Children's Specialty

Market Concentration

Texas's hospital markets have grown more concentrated since 2000, with the average hospital market HHI increasing from 4,446 to 4,764, an increase of 318 points. Most hospitals now have 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 41 to 53. Over the period, 98 hospitals closed and 131 opened, a net gain of 33 hospitals, and 114 transactions changed a hospital's ownership. Thirty-one of those transactions (27%) 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 | 373 hospitals overall

2026 | 406 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 TX Hospitals

Hospital Markets in Texas

October 2026

Key Stats

LARGEST SYSTEM

44 of **406**

11% · HCA Healthcare

HOSPITALS OPENED / CLOSED

+131 / -98

Net gain of 33

RED ZONE TRANSACTIONS

31 of **114**

27% in Red Zone

AVG HHI INCREASE

+318

4,446 → 4,764

Ownership Shifts

The share of Texas hospitals owned by a multi-hospital system rose from 53% to 65% between 2000 and 2026, and the number of independent hospitals decreased from 175 to 143. The largest operators are HCA Healthcare (44 hospitals), Baylor Scott & White Health (23), and CHRISTUS Health (22).

2000 | 373 hospitals overall

■ 198 in 34 systems □ 175 independents

53%

47%

2026 | 406 hospitals overall

■ 263 in 33 systems □ 143 independents

65%

35%

Texas's Largest Systems

Thirty-three systems own 263 of Texas's 406 hospitals.

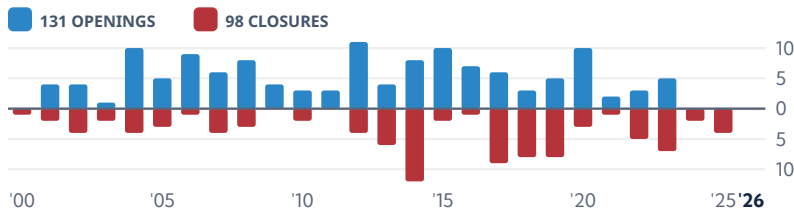
SYSTEM	HOSPITALS IN STATE	AVERAGE MARKET HHI	HOSPITALS WITH CONCENTRATION ABOVE 1,800 HHI
HCA Healthcare	44	3,613	41 of 44
Baylor Scott & White Health	23	3,800	20 of 23
CHRISTUS Health	22	6,223	22 of 22
Texas Health Resources	16	3,608	13 of 16

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.

Turnover and Consolidation

Since 2000, more hospitals have opened than closed in Texas: 131 opened and 98 closed, a net gain of 33. Over the same period, the state recorded 114 transactions, 31 of them Red Zone mergers (27%). The largest increases in market concentration followed CHRISTUS Health's 2003 acquisition of a Triad Hospitals facility, which raised HHI in the Alice market by 4,304 points to a monopoly, and Hendrick Health's 2020 acquisition of two Community Health Systems hospitals, which raised HHI in the Abilene market by 4,272 points.

Hospitals opened & closed by year



Transactions by year

