How hospital monopolies are driving up the cost of your health care

A federal disclosure rule is offering new insight on the effect of health care mergers on pricing.

August 9, 2026

By Peter Whoriskey | KFF Health News

More than a million times a year, a U.S. surgeon slices open a knee, strips out worn cartilage, caps the leg bones with metal and drops in a plastic spacer to allow the new joint to glide.

But while these knee-replacement procedures have become standard, the prices charged have not.

At Catawba Valley Medical Center in Hickory, North Carolina, for example, the cost of the procedure under a Blue Cross Blue Shield health plan this year was about $16,000, according to data from Serif Health, a San Francisco start-up that collects recently released data from hospitals and insurers. Little more than an hour's drive west, however, at Mission Hospital in Asheville, the cost of the procedure under the same health plan was around $40,000, or more than double, the data showed.

Formed by the merger of the two largest hospitals in the region, Mission has little competition and more power to demand the higher price.

The comparison between these two hospitals illuminates how large hospital systems created by a wave of U.S. mergers in recent decades can dominate the competition and push up health care costs.
While many factors affect the price of a medical procedure, hospitals with few competitors can charge more, health economists say.

The hospital price hikes mean that patients and their insurers must pay more for an episode of health care. But there is an important side effect, too, even for people who don't require medical care. When insurers are faced with higher hospital prices, they pass the costs on and raise the prices they charge for everyone's health insurance.

Using Serif Health's pricing data, it is possible to see how mergers like the one that created Mission Hospital influence costs. For years, it was difficult to determine how much hospital monopolies boosted charges. But since 2021, the Centers for Medicare and Medicaid Services has required hospitals to disclose prices, making it possible to gather comprehensive data such as Serif Health's.

The connection between market power and prices exists across the country. In Melbourne, Florida, Holmes Regional Medical Center is part of a health system, Health First, that dominates surrounding Brevard County. The center has charged Cigna two times what a hospital two hours north did for a knee replacement this year, the Serif Health data shows.

Banner North Colorado Medical Center, which ranks as the leading health care provider in Weld County, Colorado, charged a UnitedHealthcare patient $20,000 more for the surgery in Greeley than a health system an hour's drive south in Denver, according to Serif's figures.

The American Hospital Association, a trade group, has argued that hospital mergers can improve quality and reduce health care costs by creating "a fiscally sustainable environment." A Mission Hospital spokesperson said comparing hospitals' prices was unfair or misleading because their practices and constraints vary so much.

For years, economists suspected that the run of mergers beginning in the late 1990s was a main driver of the rising costs of U.S. health care. From 2002 to 2020 alone, more than 1,000 hospital mergers unfolded in the United States.

But until the recent federal disclosure rule, the effect of health care monopolies on pricing was often overlooked or harder to detect. Hospitals do not advertise their prices, and even when they are revealed on a bill, patients scarcely notice the bottom line because they don't pay most of it — their insurers do.

"What the data shows pretty clearly is that when hospitals have bargaining leverage, they tend to have higher prices," said Zack Cooper, an associate professor of public health and economics at Yale University who has spent more than a decade studying hospital monopolies.

Over the last quarter century, Cooper said, hospital prices have risen faster than those for any other economic sector, and "hospital consolidation is one of the primary drivers."

Federal and state officials have wavered over when to intervene when hospitals are proposing to merge. Last summer, President Donald Trump revoked President Joe Biden's 2021 directive that urged federal agencies to challenge mergers that could harm consumers, reversing course from Biden's more aggressive enforcement of antitrust law. In a March memo, however, Federal Trade Commission Chairman Andrew Ferguson called for a task force on health care mergers that are leading to "higher prices" and "decreased quality" of care.

Several states have sought to curb health care monopolies. In 2023, Minnesota passed a law banning anticompetitive health care mergers and bolstering state oversight. In 2022, California passed a law requiring health care businesses to give the state a 90-day notice of large mergers and created an agency to investigate their effects on competition. And Oregon passed a law in 2021 enabling the state health department to block acquisitions and mergers of hospitals.

Nothing has stopped the overall trend, however, as hospitals seek to grow and gain leverage over insurers and competitors. Last year alone, hospital and health systems announced 46 mergers and acquisitions, according to Kaufman Hall, a health care business consulting firm. Five ranked as "mega-mergers," meaning they were valued at more than $1 billion. One merged 28 hospitals across Connecticut and New York into a powerful interstate health system. Another linked Sanford Health and Marshfield Clinic Health System, a deal that created a 56-hospital system across the Midwest and beyond — including Iowa, Michigan, Minnesota, Wisconsin and Wyoming — with combined revenue of about $10 billion. Other mergers have been proposed in California, Hawaii and Minnesota.

Asheville's dominant hospital

Few places in the United States better exemplify how hospital mergers reshape health care than Asheville. In 1998, the state authorized a deal that joined the city's two acute-care hospitals, St. Joseph's Hospital and Memorial Mission Medical Center, to create Mission Hospital. Ever since, its effects have been studied and its prices fiercely contested.

Marcelle Crago, a nurse and lactation consultant, is one of many patients who have accused Mission Health, which operates Mission Hospital, of gouging consumers. Last year, she tweaked her knee while cross-country skiing.

"My knee went 'pop, pop, pop,'" she recalled. She had torn her meniscus, the rubbery cartilage around the knee that acts as a shock absorber. A doctor advised her to have a portion of it removed.

Two days before the surgery, Mission Health told her the total charge would be over $9,000, according to paperwork on her case filed with the state's Consumer Protection Division.
"I was shocked at the number," she said.

Crago's insurance policy from UnitedHealth Group had a high deductible, so she would have had to pay most of the cost. She decided to postpone the surgery and shop around, eventually arranging to have it done at an outpatient center not affiliated with Mission. There, the bill came to less than a third of the price Mission Health charged, according to paperwork she kept.

"The way Mission Health handled the whole thing felt predatory," Crago recalled, noting that when she balked at the $9,000 figure, the hospital offered a 20 percent discount if she paid up-front.
"It makes you wonder how much they are playing with prices," she said.

In responding to Crago's complaint with the state, an attorney for Mission and HCA Healthcare, which owns the hospital, wrote that hospital charges "represent the cost for supporting the entire episode of care" and must cover the hospital's investments in advanced technology, training, staff and other critical needs.
"Patients are certainly entitled to 'shop around' for surgical procedures," wrote the attorney, Phillip Jackson.

It is not just patients who bear the burden of rising hospital prices.

Over time, anyone who pays for health insurance pays a price for hospital monopolies, as insurers boost premiums as medical costs rise. The full cost for an employer to pay for an average family health insurance plan rose to more than $27,000 in 2025, up from $21,000 just six years ago, according to figures from KFF.
Around Asheville, employers and employees complain that their insurance premiums are higher because Mission's prices are so high.

As the chef and co-founder of Cúrate restaurant in Asheville, a business with about 100 employees, Katie Button provides employee health coverage and believes she has been paying for Mission Hospital's excessive prices, according to a pending class-action lawsuit she filed in 2021 with five residents who say the monopoly has harmed them.

Any insurance plan in Asheville must include Mission Hospital, she said, because it is the only one around. This makes the burden of its prices unavoidable.

"We are where we are because we don't have a choice of hospitals," Button said. "There is no other option."
The steady creep of health care costs is top of mind not just in Asheville but for most U.S. voters, according to an April KFF poll. Nearly two-thirds of U.S. adults were worried about being able to afford health care, the poll found.
Yet while federal law allows regulators to step in and block mergers deemed to create monopolies, the FTC intervened in only about 1 percent of such cases from 2002 to 2020 to stop a hospital merger, according to a Yale University study. The FTC has since announced challenges to five other hospital mergers.

Birth of a monopoly

When Mission Health was formed by a merger in 1998, state officials recognized that Asheville's new dominant hospital system would have the power to raise prices and required Mission to sign an agreement to limit spending and profit margins.

Even with these restrictions, the hospital substantially hiked prices, according to economic research cited by the FTC. But Mission's prices were about to go up even more. In 2015, Mission Health lobbied the state legislature to drop the state restrictions, abandoning the profit limits.

“After 20 years of the hospital behaving itself, the state decided to terminate its oversight,” said Mark Hall, a professor emeritus at Wake Forest University who has written an account of the hospital’s merger history. Then, three years later, HCA, the largest hospital corporation in the country, bought Mission Health. (The Dogwood Health Trust, a nonprofit established as part of HCA’s purchase of Mission Health, helps fund KFF Health News’s coverage.)

“This put a prepackaged monopoly into the hands of the world’s largest for-profit hospital corporation,” Hall said.

Across a range of services, Mission Hospital charges more than other North Carolina hospitals, according to figures from Serif Health.

Consider the prices that Mission negotiated with UnitedHealthcare compared with those the insurer pays at Catawba Valley Medical Center. For a breast biopsy, UnitedHealth pays $7,500 at Mission and $1,700 at Catawba, according to Serif. For a hernia repair, it pays $17,700 at Mission and $9,600 at Catawba. “The prices hospitals charge are one of the leading drivers of rising healthcare costs,” according to a UnitedHealthcare statement sent by spokesperson Cole Manbeck.

Mission spokesperson Katie Czerwinski, in a statement, said that it can be misleading to compare one hospital with another.

Mission Hospital is almost three times as large as Catawba Valley Health and is a Level 1 trauma center serving a different population, Czerwinski said. She also said that pulling individual rates for comparison paints an incomplete picture.

But other figures indicate that prices at Mission Hospital are relatively high even when viewed collectively.
A team at the think tank Rand, led by Christopher Whaley, now a Brown University health economist, uses commercial insurance records to compare average hospital prices across the U.S. relative to those paid by Medicare. According to the Rand figures, Mission Hospital in 2024 charged prices that were 334 percent of prices set by Medicare. Catawba Valley Medical Center charged 237 percent. The state benchmark for prices is 280 percent of Medicare, Rand figures showed.

“The prices we pay for healthcare vary tremendously and are uncorrelated to the value we receive,” according to the Rand website.

For many in Asheville, the primary complaints about Mission Hospital focus on the quality of patient care. This is consistent with academic studies showing that the quality of care declines when hospitals have little competition.

Amid rising complaints about hospital services, North Carolina state Sen. Julie Mayfield (D) helped launch a nonprofit organization two years ago called Reclaim Healthcare WNC to hold Mission “accountable for its harmful practices.”

“Within a year of the HCA sale, I started hearing stories from physicians and other friends about all the terrible things that were happening there,” Mayfield said, most of them caused by severe staff cuts and physicians leaving.

Three times since 2024, state health inspectors working on behalf of CMS have issued “immediate jeopardy” findings to Mission Hospital, indicating problems so severe that they posed an imminent risk of serious injury or death to patients.

In the most recent CMS report, an 88-year-old woman recovering from a fall and hip surgery at Mission Hospital died after going a night without receiving a blood transfusion.

Czerwinski, the Mission Hospital spokesperson, said a proposed plan of correction “allows Mission to address the findings” and “complete a comprehensive review of operations.”

As more hospitals across the United States plan to merge, Mayfield said, the experience in Asheville represents a cautionary tale.

“Unregulated monopolies have never gone well for the public,” she said.