



# THE HERTEL REPORT

The Source that Connects the Arizona Healthcare Community

## ARIZONA HOSPITALS & HEALTH SYSTEMS DATA EDITION

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### 2026 MARKET ROUNDUP - ARIZONA HOSPITALS & HEALTH SYSTEMS



**SIZE & SCOPE**  
Arizona's Largest Private Employer  
Headquarters: Phoenix

**EMPLOYEES**  
55,000+

**HOSPITALS**  
33 across 6 states

**ARIZONA HOSPITALS**  
18

#### BANNER HEALTH SERVICE LINES INCLUDE

- Academic Medicine
- Oncology Partnerships
- Employed Physician Groups
- Insurance Operations
- Ambulatory Care
- Urgent Care
- Home Health
- Hospice

#### BANNER ARIZONA HOSPITALS

Baywood Medical Center	Mesa
Behavioral Health Hospital	Scottsdale
Boswell Medical Center	Sun City
Casa Grande Medical Center	Casa Grande
Del E. Webb Medical Center	Sun City West
Desert Medical Center	Mesa
Estrella Medical Center	Phoenix
Gateway Medical Center	Gilbert
Goldfield Medical Center	Apache Junction
Heart Hospital	Mesa
Ironwood Medical Center	San Tan Valley
Ocotillo Medical Center	Chandler
Page Hospital	Page
Payson Medical Center	Payson
Thunderbird Medical Center	Glendale
University Medical Center	Phoenix Tucson
University Medical Center South	Tucson

**Banner Health** remains the largest hospital system and private employer in Arizona. The non-profit operates at a scale that continues to shape how care is delivered across the state.

Headquartered in Phoenix, the nonprofit system employs more than 55,000 people and operates hospitals, physician groups and ambulatory care networks across six Western states.

Banner Health's Arizona footprint includes 18 hospitals, hundreds of clinics and urgent care locations, and a broad mix of specialty programs and academic partnerships, making the health system one of the most influential players in the region's healthcare economy.

**Its insurance division makes the system both a provider and a payer, the Arizona version of Kaiser in California.**

The health system's Arizona reach extends to academic partnerships: Banner Health operates Banner University Medicine, its academic partnership with the University of Arizona, and Banner MD Anderson Cancer Center in collaboration with the nationally recognized oncology program in Houston.

**"We are a \$16 billion health system. Our projections are that we will at least double our size over the next 10 years. Part of that is organic growth, but we're also deeply working on diversifying."**

Amy Perry  
Banner Health President and CEO

According to Perry, the health system's strategy includes geographic expansion and diversification across service lines to create a more balanced revenue stream.

It's a growth strategy already visible across the state. The system is also moving forward with plans for a major medical campus in north Scottsdale that includes a 300-bed hospital, a Health Center Plus facility and a Banner MD Anderson Cancer Center site.

Banner purchased the 48-acre parcel in 2023 and began construction on the first phase of the project in 2025. System officials say the full campus buildout could generate roughly \$750 million in economic activity and create more than 2,000 jobs.

Banner executives say the project reflects both rapid population growth in the region and Arizona's ongoing hospital bed shortage.

*Continued on Page 2*

**Editor's Note:** Data Edition Sourcing: Financial & payer information from state & federal reports, consolidated financial reports & federal tax records, unless noted.

**Banner Health Cont'd From Page 1**

Academic medicine remains one of Banner Health's most important differentiators.

Banner University Medicine operates through a long-term partnership with the University of Arizona and includes academic medical centers in Phoenix and Tucson, along with physician training programs, clinical research initiatives and specialty care programs that draw patients from across the Southwest.

In September 2025, the University of Arizona and Banner Health marked the tenth anniversary of their partnership, highlighting what the organizations say has been a significant economic and healthcare investment across Arizona. In a press release, the partners said the collaboration has generated more than \$60 billion in statewide economic impact.

Since launching the partnership in 2015, the health system and university report investing more than \$2.4 billion in healthcare delivery, medical education and clinical research. Investments include facility upgrades and expansions, new clinical trials, education space improvements and the development of fellowship and residency programs.

**University of Arizona & Banner Health Partnership ROI**

**\$53.7B**

Economic Impact From Ongoing Operations

**\$2B**

Economic Impact From Construction Activity

**35,500**

Healthcare Jobs Created

**12,600**

Temporary Construction Jobs

**\$2.2B**

Tax Revenue: State, County & Municipal

**\$2.8B**

Economic activity: Medical Students Practice in Arizona Post Graduation



**"I'm just a fervent believer that we've got to find a way to migrate, as health systems, toward more of this at-risk, premium-based care."**

Amy Perry  
Banner Health President and CEO

**Banner | Aetna Partnership**

Formed in 2017 as a jointly owned insurance company designed to integrate payer and provider operations, Banner|Aetna now insures about 419,000 commercial members.

While Banner | Aetna did not offer an ACA plan on Arizona's Marketplace for the 2026 coverage year, the company continues to operate in employer sponsored and self-funded segments of the commercial market.

The joint venture was designed to support value-based care arrangements and tighter coordination between insurance coverage and clinical care - it remains an important part of Banner Health's long-term strategy.

Through Banner University Family Care, the plan currently serves 215,376 members in the AHCCCS Complete Care and 6,778 in the Arizona Long Term Care System for elderly and physically disabled beneficiaries.

The ALTCS program became the focus of a prolonged procurement dispute in 2024 and 2025 after several insurers, including Banner, challenged the state's original contract awards.

A Maricopa County Superior Court ruling in June 2025 blocked all new contracts while appeals continued, prompting AHCCCS to extend existing ALTCS agreements through September 2026. Watch for an ALTCS RFP later this year, as a legacy plan, BUFC is expected to bid to preserve its place in ALTCS.

As Banner Health expands its footprint across Arizona and the broader Western region, the system's scale continues to influence the direction of healthcare delivery in the state.

Whether through hospital expansion, academic partnerships, insurance operations, or value-based operations, Banner Health's strategy increasingly reflects the ambitions of a system that sees its future extending well beyond its Arizona roots.

**BANNER MARKET FOOTPRINT**  
Arizona, California, Colorado, Nebraska, Nevada & Wyoming

**BANNER HEALTH NETWORK**

An early adopter of value-based payment arrangements, Banner Health has bet on delivering better care for less to Medicare patients through its accountable care organization (ACO) Banner Health Network (BHN).

The ACO was among the first to participate in federal models like the Pioneer Savings Model and its replacement, the Medicare Shared Savings Program. BHN also competed in the REACH ACO model, which expires at the end of the year. Currently, Banner Health has three ACOs in the MSSP program now covering about 50,400 lives in Arizona. Notable: Only about 25% of BHN's Aspire ACO's 10,500 members reside in Arizona, the remaining live in Nebraska, Nevada and Wyoming.

<b>BHN SHARED SAVINGS</b>	
<b>2020: \$12.8M</b>	<b>2022: \$22.9M</b>
<b>2021: \$25.6M</b>	<b>2023: \$11.1M</b>



**BANNER HEALTH FINANCIAL HIGHLIGHTS**

<b>CATEGORY</b>	<b>2024</b>	<b>2025</b>
Total Revenues	\$15.5B	\$15.9B
Uncompensated Care & Community Benefit	\$993M	\$1B
Operating Margin	2.3%	2.8%
Total Margin	6.6%	8.5%
Total Admissions	271K	277K
Hospital OP Registrations	\$1.8M	\$1.8M
Urgent Care Visits	595k	536K
Clinic Visits	6.8M	7.2M
Employed Provider FTEs	2,900	3,175
Health Plan Members	1M	1.2M

Source: Banner Health Financial Highlights

BANNER HEALTH & SUBSIDIARIES				
Total Patient Service Revenue	2022	2023	2024	2025
	\$8.8B	\$9.6B	\$10.4B	\$11.7B
NET PATIENT REVENUE BY PAYER TYPE				
Commercial and Contracted	\$3.8B	\$4B	\$4.5B	\$5B
Medicare	\$2.9B	\$3.4B	\$3.5B	\$4B
Medicaid	\$1.9B	\$1.2B	\$1.2B	\$1.2B
Self Pay	\$169M	\$98M	\$81M	\$129.6M
NET PATIENT REVENUE BY SEGMENT				
Hospital	\$7B	\$7.8B	\$8.5B	\$9.6B
Physician Services	\$815M	\$857M	\$938M	\$1B
Outreach Lab	\$447M	\$371M	\$388M	\$395M
Ambulatory & Other	\$601M	\$528M	\$644M	\$689M
HEALTH PLAN PREMIUM REVENUE				
Banner Aetna	\$331M	\$616M	\$950M	\$602M
Banner MA plans	\$29M	\$112M	\$215M	\$187M
BUFC	\$1.9BB	\$1.9B	\$2.2B	\$2.2B
COMMUNITY BENEFIT - UNAUDITED				
Charity Care, Unpaid Care, Community Health Services, etc.	\$1.1B	\$1.2B	\$993M	\$1B

## BANNER HEALTH BUSINESS VENTURES

### Sonora Quest Laboratories (SQL)

Banner: 51% controlling interest

Provides a broad range of laboratory services to Arizona physicians, hospitals, and other healthcare providers.

### BHSM Rehabilitation, LLC (BHSM)

Banner: 51% controlling interest

Operates inpatient and outpatient rehabilitation services in Arizona.

### Banner Atlas JV, LLC (Atlas JV)

Banner holds a 75% controlling interest  
Operates ambulatory surgery centers.

### Atlas Healthcare Partners, LLC (Atlas)

Banner: 30% minority ownership  
Atlas manages the ambulatory surgery centers and works with Banner to develop additional ambulatory surgical facilities in Banner's primary markets.

### Banner|Aetna

Banner: 50% controlling interest  
Provides commercial insurance to employers.

### Banner Air

Banner: 51% controlling interest  
Provides emergency air ambulance services in Arizona.

## Arizona Hospitals 2023-2024

Margins, Net Income Margins & Non-Medicaid Uncompensated Care Costs  
Totals Rounded

CATEGORY	2023	2024	YOY CHANGE
Total Uncompensated Care	\$540M	\$639M	\$1M
Average Uncompensated Care Costs	\$5M	\$5.6M	\$1M
Uncompensated Care Costs as % of Total Expenses	2.2%	2.4%	9%
Total Net Operating Margin	\$1.6B	\$2.7B	\$1.1B
Average Operating Margin	\$14M	\$23M	\$9M
Average Operating Margin %	6%	9%	51%
Hospitals with a Positive Net Operating Margin	73%	81.7%	11.9%
Average Total Income Margin	7.8%	10.4%	33.3%
Average Occupancy Rates	64.9%	66.6%	2.6%

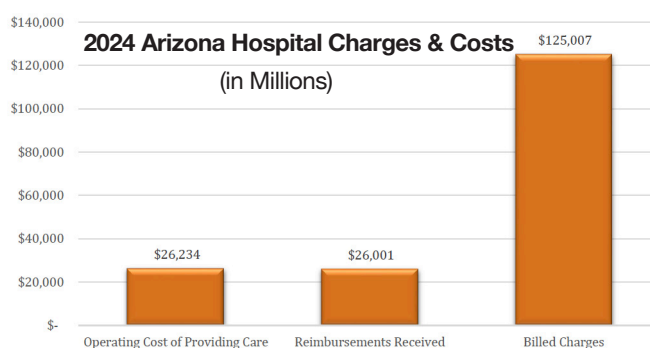
Source: 2026 AHCCCS Report on Operating Margins, Net Income Margins & Non-Medicaid Uncompensated Hospital Costs

## Arizona Hospitals Keeping Up With The Cost of Care

AHCCCS reports billed charges, reimbursements received and operating costs for all Arizona Department of Health Services (ADHS) licensed hospitals.

In the agency's 2026 report, the gap is substantial.

In aggregate, hospitals collected about 20.8% of billed charges in 2024, underscoring the disconnect between listed prices and actual payment. At the same time, reimbursements covered 99.1% of operating costs, indicating most hospitals are breaking even on the cost of care.



The sample of hospitals for this **January 2026 National Hospital Flash Report** from Kaufman Hall is representative of all hospitals in the United States both geographically and by bed size. Hospitals of all types are represented, from large academic to small critical access. Advanced statistical techniques are used to standardize data, identify and handle outliers, and ensure statistical soundness prior to inclusion in the report.

NATIONAL HOSPITAL REPORT Profitability, Revenue, Expense & Volume January 2025 vs January 2026		HOSPITAL BED SIZE					
		0-25	26-99	100-199	200-299	300-499	500+
<b>MARGIN</b>	Operating Margin	-19.0%	-21.2%	-4.4%	-10.3%	-32.3%	-17.2%
	Operating EBIDA Margin	-16.6%	-14.8%	-2.5%	-11.0%	-21.1%	-16.1%
<b>VOLUME</b>	Discharges per Calendar Day	-13.9%	-1.0%	-1.3%	-0.8%	0.9%	-0.8%
	Adjusted Discharges per Calendar Day	-4.6%	1.5%	-0.3%	0.0%	0.7%	-1.2%
	Equivalent Patient Days per Calendar Day	-6.7%	-4.7%	-4.4%	-1.7%	-0.9%	-1.0%
	Observation Patient Days as % of Patient Days	-14.4%	4.9%	-3.8%	2.6%	-2.0%	2.1%
	Adjusted Patient Days per Calendar Day	-0.1%	-3.0%	-1.4%	0.2%	-0.2%	0.6%
	Average Length of Stay	0.4%	-4.9%	-3.3%	-2.9%	-2.2%	-2.3%
	ED Visits per Calendar Day	-4.1%	-4.2%	-7.2%	-6.2%	-2.7%	-1.7%
	Operating Room Minutes per Calendar Day	-13.0%	-7.8%	3.5%	-4.5%	1.6%	-1.0%
<b>REVENUE</b>	Net Operating Revenue per Calendar Day	1.0%	1.1%	3.0%	4.1%	3.5%	3.3%
	Gross Operating Revenue per Calendar Day	2.2%	4.8%	4.5%	5.3%	3.9%	5.3%
	IP Revenue per Calendar Day	-0.1%	2.1%	1.9%	4.0%	4.3%	4.8%
	OP Revenue per Calendar Day	3.1%	5.0%	5.3%	5.3%	4.0%	5.6%
	IP/OP Adjustment Factor	1.9%	1.6%	1.4%	0.9%	0.2%	0.1%
	NPSR per Adjusted Discharge	2.5%	-1.7%	1.2%	3.0%	1.3%	5.0%
	NPSR per Adjusted Patient Day	2.2%	2.6%	7.4%	3.3%	4.6%	4.1%
	Bad Debt and Charity per Calendar Day	11.4%	-0.7%	6.9%	6.2%	24.1%	16.9%
Bad Debt and Charity as a % of Gross	9.9%	-7.0%	3.3%	2.8%	11.7%	8.2%	
<b>EXPENSES</b>	Total Expense per Calendar Day	5.6%	5.4%	4.4%	5.6%	7.5%	5.2%
	Labor Expense per Calendar Day	5.2%	5.1%	4.0%	3.0%	5.1%	6.0%
	Non-Labor Expense per Calendar Day	7.8%	7.0%	6.1%	6.0%	7.6%	4.9%
	Supply Expense per Calendar Day	5.2%	6.8%	0.8%	6.0%	6.0%	8.1%
	Drugs Expense per Calendar Day	9.9%	14.1%	1.9%	3.8%	3.7%	12.8%
	Purchased Service Expense per Calendar Day	3.9%	3.1%	6.3%	4.5%	6.2%	2.5%
	Total Expense per Adjusted Discharge	7.2%	4.7%	4.6%	3.9%	6.0%	4.9%
	Labor Expense per Adjusted Discharge	4.4%	2.2%	4.8%	2.1%	4.6%	4.4%
	FTEs per AOB	0.4%	2.8%	2.0%	1.2%	2.5%	4.2%
	Non-Labor Expense per Adjusted Discharge	10.0%	6.0%	7.1%	3.8%	6.8%	6.7%
	Supply Expense per Adjusted Discharge	8.8%	1.6%	2.0%	3.0%	8.6%	9.3%
	Drugs Expense per Adjusted Discharge	15.8%	11.3%	-2.9%	1.9%	2.7%	16.6%
	Purchased Service Expense per Adjusted Discharge	7.4%	1.2%	5.2%	3.3%	2.1%	3.2%



HonorHealth, the second largest health system in Arizona, enters 2025 following a period of rapid expansion, with new hospitals, clinical partnerships and access points reshaping its footprint across the Phoenix metropolitan area.

At the same time, national recognition in maternity care highlights HonorHealth's continued strength in core service lines.

The system runs two of the only three Arizona hospitals named by U.S. News & World Report as the best for maternity care: HonorHealth Sonoran Crossing Medical Center and HonorHealth Scottsdale Shea Medical Center.

The Scottsdale based nonprofit health system employs nearly 18,000 people across Maricopa and Pinal counties and operates nine hospitals alongside a large outpatient network, serving more than 5 million residents.

That scale reflects a system built over time and now rapidly accelerating to make its mark across Metro Phoenix, including Scottsdale.

HonorHealth's roots date back to 1927, when Desert Mission was established in Sunnyslope to aid tuberculosis patients and underserved populations. Desert Mission later evolved into the John C. Lincoln Health Network. In 1962, City Hospital of Scottsdale opened, later becoming Scottsdale Osborn Medical Center and eventually Scottsdale Healthcare.

The modern system took shape in 2015, when John C. Lincoln Health Network and Scottsdale Healthcare formally merged.

More recently, growth has been driven by acquisition and integration. Heading into 2025, HonorHealth assumed operations and later acquired multiple Arizona facilities from the bankrupt Steward Health Care for-profit health system.



The purchase included Steward hospitals in Mesa, Tempe and Florence, along with outpatient sites. Since the acquisition, HonorHealth has credentialed 260 physicians tied to those assets and integrated the facilities onto its core IT platform.

Expansion continued throughout 2025, both in access and clinical alignment. HonorHealth opened a multispecialty medical campus in Peoria and expanded neonatal services through a partnership with Phoenix Children's, extending subspecialty care to support high acuity maternal and infant care at the following facilities:

### HonorHealth Hospitals

**Scottsdale Shea Medical Center (Level III NICU)**  
**Mountain Vista Medical Center (Level II nursery)**  
**Sonoran Crossing Medical Center (Level II nursery)**

At the same time, payer negotiations underscored mounting financial pressure. In mid 2025, HonorHealth and Blue Cross Blue Shield of Arizona approached a contract termination deadline before reaching a last minute agreement, highlighting the tension around reimbursement and rising operating costs.

Financial performance reflects that dynamic. HonorHealth reported \$4.1 billion in revenue and \$159 million in net income in 2025, compared with \$3.5 billion in revenue and \$179 million in net income in 2024. While revenue increased, net income declined by approximately \$20 million year over year. Even as margins tightened, the system continued to invest heading into 2026.

In January, HonorHealth finalized the acquisition of 11 Evernorth Care Group locations from Cigna, adding roughly 80,000 patients and expanding its primary care footprint across the Valley.

### HONORHEALTH SERVICE LINES INCLUDE

- Hospitals
- Medical Practices
- Freestanding
- Emergency Room
- Urgent Care
- Ambulatory Care Centers
- Employee Health Plan
- ACO
- Specialty Services Foundation

#### Innovation Care Partners ACO

2,400 physicians 230,000 patients across commercial and government programs.

New delivery models are also taking shape at HonorHealth. Last year, a combined emergency and urgent care facility opened in the Northwest Valley in Peoria, designed to streamline patient triage and better align care with acuity, as population growth drives demand for more convenient access points.

HonorHealth's long term strategy includes academic and workforce alignment. The system was selected as the primary clinical affiliate for Arizona State University's new School of Medicine and Advanced Medical Engineering, which is expected to welcome its first class in the fall of 2026, with additional public investment approved in March to support the downtown bioscience campus.

That level of investment has drawn scrutiny from credit markets. In March 2026, Fitch Ratings downgraded HonorHealth's issuer default rating from A+ to A, citing higher than expected strategic spending and weaker operating performance tied to integration of acquired assets.

Leadership continuity remains a defining feature of the organization's strategy. CEO Todd LaPorte, who has led the system since 2017 following nearly two decades in senior financial roles, was named 2026 Executive of the Year by Arizona State University's W. P. Carey School of Business.

**“Todd's leadership reflects a deep commitment to operational excellence, financial stewardship, and community impact. His ability to guide a complex health care system while keeping patients and the broader community at the center of its mission exemplifies the spirit of this award.”**

Ohad Kadan  
 Charles J. Robel Dean and  
 W. P. Carey Distinguished Chair in Business



### HONORHEALTH COMMUNITY SERVICE DESERT MISSION PROGRAMS

HonorHealth’s community footprint extends beyond clinical care through Desert Mission, a longstanding community service initiative rooted in Sunnyslope that provides food access, adult day health services and early childhood education.

Desert Mission’s Adult Day Health program offers a structured, community-based setting for seniors, combining social, cognitive and recreational programming with caregiver support services, including respite care and resource navigation.

Demand for basic needs support continues to rise. In 2025, the Desert Mission Food Bank saw a sharp increase in utilization, serving more than 65,000 households and 137,000 individuals, with total food distribution exceeding 4 million pounds. More than half of households served were first-time visitors, reflecting growing need across the community.

To meet demand, the program expanded operations and infrastructure, including increased food storage capacity, additional distribution sites and broader partnerships with schools, clinics and housing communities. Mobile food access and produce programs have also been introduced to extend reach beyond fixed locations.

Desert Mission’s Lincoln Learning Center complements these efforts, providing accredited early childhood education and wraparound support services for families, with a focus on access for underserved populations.

Volunteer support remains central to the program’s operations. Nearly 200 core volunteers and a surge in community participation in 2025 is helping Desert Mission meet record demand.

### HONORHEALTH VALUE-BASED STRATEGY

Through its clinically integrated network and ACO, Innovation Care Partners (ICP), the system supports more than 2,400 physicians and manages care for more than 230,000 patients across commercial and government programs.

The ACO has participated in Medicare models, including the Medicare Shared Savings Program (MSSP) and ACO REACH. Its REACH ACO included nearly 5,000 members in 2023 before ICP exited the model in December 2025.

ICP’s MSSP Performance has been mixed in recent years, with losses reported in multiple performance periods following earlier gains, reflecting the challenges of managing cost and utilization across a growing network.



#### YOY HONORHEALTH FINANCIALS

Total Net Patient Service Revenue	2022	2023	2024
	\$2.6B	\$2.8B	\$3.2B
NET PATIENT REVENUE BY PAYER			
Commercial & Managed Care	\$1.2B	\$1.2B	\$1.4B
Medicare	\$1.1B	\$1.1B	\$1.3B
Medicaid	\$243M	\$348M	\$400M
Self Pay	\$58M	\$123M	\$153M
NET PATIENT REVENUE BY SERVICE LINE			
Hospital	\$2.3B	\$2.4B	\$2.8B
Physician & Urgent Care Services	\$211M	\$257M	\$319M
Ambulatory Services	\$75M	\$84M	\$89M
Rehabilitation Services	\$27M	\$29M	\$31M

Source: HonorHealth Consolidated Financial Statements, Reports, Supplementary Information & Schedule. 2022 to Dec. 31, 2024

### HONORHEALTH ARIZONA HOSPITALS Name & Location

Deer Valley Medical Center	Phoenix
Florence Medical Center	Florence
John C. Lincoln Medical Center	Phoenix
Four Peaks Medical Center	Mesa
Scottsdale Osborn Medical Center	Scottsdale
Scottsdale Shea Medical Center	Scottsdale
Scottsdale Thompson Peak Medical Center	Scottsdale
Sonoran Crossing Medical Center	Phoenix
Tempe Medical Center	Tempe

### INNOVATION CARE PARTNERS SHARED SAVINGS/LOSSES

PY 2024	PY 2023	PY 2022	PY 2021	PY 2020
-\$3.5M	-\$2.6M	\$422K	-\$1.1M	\$8.5M

### HONORHEALTH BUSINESS VENTURES

#### HonorHealth ASC

Formed to create partnerships with physicians and to expand OP surgical settings outside of the hospital campuses.

#### Global Rehab-Scottsdale

Formed to lease a rehab hospital & provide rehabilitation to patients.

#### FastMed Ambulatory Holdings

Formed to operate Urgent Care Centers

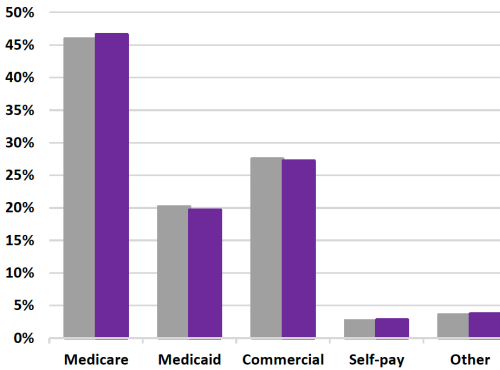
#### Intuitive Health of Maricopa County

Formed to operate freestanding Emergency & Urgent Care Centers.





### GROSS REVENUE PAYER MIX 2024 vs 2025



**2024 Operating Losses**  
**- \$687M**  
 +18% YOY

Net Patient Revenue Payer Mix			
Payer	2023	2024	2025
Government	\$15.8B	\$18.5B	\$18.3B
Contracted	\$12.3B	\$13B	\$13.7B
Self Pay & Other	\$2.3M	\$2.4M	\$2.5M

### Dignity Health Arizona Hospitals

### City

Arizona General Hospital	Laveen
Chandler Regional Medical Center	Chandler
Dignity Health Arizona General Hospital	Mesa
Mercy Gilbert Medical Center	Gilbert
St. Joseph's Hospital and Medical Center	Phoenix
St. Joseph's Westgate Medical Center	Glendale
Yavapai Regional Medical Center	Prescott

### SIZE & SCOPE COMMONSPIRIT HEALTH

Non-Profit (Mostly)

Southwest Division Includes Dignity Health

**138 Hospitals Across 24 States**

**20 Hospitals**

Unconsolidated Joint Ventures

**160,000 Employees**

**25,000 Physicians and APCs**

**10 Arizona Hospitals**

### COMMONSPIRIT AFFILIATED OPERATIONS

- Academic Health Centers
- Teaching Hospitals
- Critical Access Facilities
- Community Health Services
- Nursing Colleges
- Home Health Agencies
- Living Communities
- Medical Groups
- Emergency Departments
- Urgent Care
- Medical Foundation

### COMMONSPIRIT HEALTH DIGNITY HEALTH ARIZONA

#### SIZE & SCOPE

**14,667 Employees**

**7 Hospitals**

- Dignity H Advanced
- Medical Technologies
- Cancer Center
- Norton Thoracic Institute
- Urgent Care Centers
- Women's Health

### DIGNITY HEALTH MEDICAL GROUP

**200 Physicians 30 Practice Sites**

### COMMONSPIRIT HEALTH

**5 for 25**

*Strategic Focus & Priorities*

These focus areas are not just about change; they are about transformation, enhancing quality of care, broadening access to care, financial viability & propelling CommonSpirit's mission & operations.

### Achieve a Unified Ministry

- Culture & Operations
- Aligning Approaches
- Increasing Efficiency
- Leveraging Scale

### QC Payments

- Ensure Proper Payments
- Increase Work with Payers
- Highlight Work with Revenue Cycle

### Diversification

- Non-Acute Verticals
- Strategic Capital Deployment
- Portfolio Adjustments

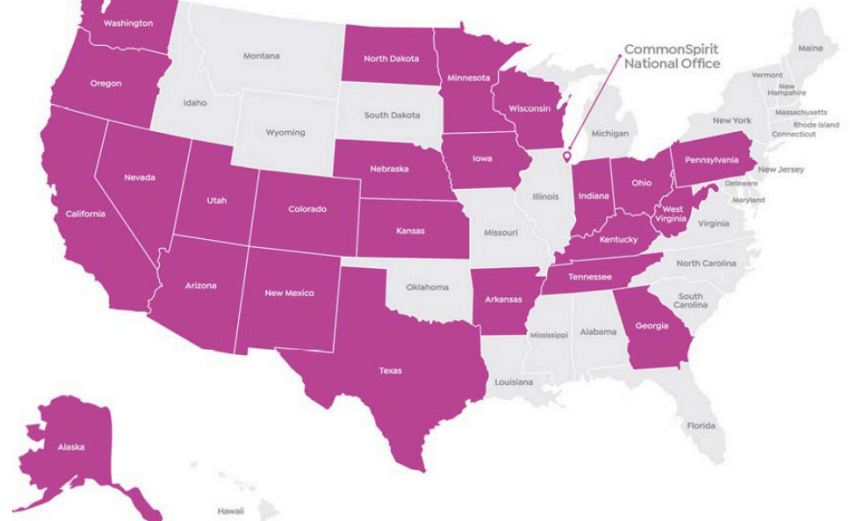
### Organic Growth

- Network Integrity & Access
- Expand Access
- Improved Care Coordination

### Digital Consumer Experience

- Increase Access to Care
- Enhanced Online Scheduling
- Arizona & Nevada

### COMMONSPIRIT HEALTH



## HOSPITAL PRICING

FUNDING PRESSURE + RISING COSTS  
= UNCERTAINTY



**2024 NATIONAL HEALTHCARE SPEND**  
**\$5.3T 18% GDP**  
**HOSPITAL CARE COSTS = 31% of SPEND**  
**\$1.6T**

**2022-2024**  
**National Healthcare Spend Up 15%**  
**Hospital Care Up 20%**

**Despite hospitals facing higher labor and input costs, treating more patients with greater clinical complexity, and maintaining essential, always-on services that communities depend on, they have managed to keep price increases below the increases in their input costs. However, this mismatch between expenses and revenue leaves hospitals increasingly at risk of being able to maintain the full spectrum of services on which communities rely.**

*American Hospital Association  
Cost of Caring 2026 Report*

Hospitals took center stage in Washington in April as lawmakers pressed health system executives over rising prices, consolidation and the 340B Drug Pricing Program, sharpening a debate that is playing out nationally and across Arizona's hospital markets.

During the April 28 House Ways and Means Committee meeting, Chair Jason Smith, R-Mo., opened the Republican critique bluntly.

"Hospitals are charging an insane amount for care," Smith said, arguing that hospital prices have soared over two decades and that consolidation has given large systems more power to raise prices.

Smith also accused health systems of buying physician practices, converting them into hospital outpatient department satellites and charging higher rates for the same services. He criticized the growth of 340B and charged some metropolitan systems of using Medicare rules to claim rural status and secure higher payments.

**"The corporatization of American hospitals means that our local hospitals and physicians have been replaced by mega-corporations that put quarterly earnings over quality care and grow larger simply for the sake of growing larger,"**

*Jason Smith  
District 8 Republican*

**Hospital executives pushed back.**

C-suite leaders representing HCA Healthcare, CommonSpirit Health, New York-Presbyterian and ECU Health told Congressional lawmakers that rising hospital costs reflect an aging and sicker patient population, higher technology costs, workforce spending, rising administrative burdens from insurers and government programs, along with growing delays in Medicare Advantage payments.

Wright Lassiter, president and CEO of CommonSpirit Health, told the committee that labor costs at the Chicago-based nonprofit system have grown more than 20% in five years and now represent the majority of expenses.

Lassiter also joined the chorus of payers complaining about Medicare Advantage (MA) payment delays, contending that CommonSpirit has \$4.3 billion in unpaid MA claims, with nearly \$1 billion more than 150 days past due.

That exchange captured the core tension facing hospitals: because clinicians and facilities are responsible for providing acute care to an aging and sicker patient population and now life-saving care to even more uninsured patients, healthcare spending has risen just as the need for additional safety-net services are required from urban and rural, profit and non-profit hospitals across America.

Hospital spending reflects both price and volume. KFF found hospital prices rose 61% from 2005 to 2024, while inpatient days declined and outpatient visits increased.

A January 2026 Health Affairs analysis similarly found hospital care accounted for 31% of total health spending in 2024, with hospital spending increasing 8.9% following a 10.6% rise in 2023.

In Arizona, the financing picture depends heavily on payer mix. Definitive Healthcare data show private, self-pay and other payers accounted for 69.5% of Arizona hospital payer mix in 2025, compared with 15.5% for Medicaid and 15.1% for Medicare. Medicaid's role is larger when measured by inpatient utilization.

In 2023, Medicaid covered 29% of inpatient days in Arizona hospitals. AHCCCS reported that Page Hospital, Phoenix Children's Hospital and Valleywise Health Medical Center had Medicaid volume above 50% in 2024.

Market concentration adds another layer of complexity to hospital pricing. In 2024, KFF reported that in the Phoenix-Mesa-Chandler hospital market Banner Health leads with a 44% market share with CommonSpirit Health holding 20%. Tucson's market was led by TMC Health at 34% and Banner at 30%.

HonorHealth maintains about 33% inpatient market share in its primary service area of northeast metropolitan Phoenix and Maricopa County. With nine local hospitals the health system has a dominant presence in Scottsdale, competing primarily with Banner Health and CommonSpirit.

### Hospital Pricing Cont'd From Page 8

Hospitals say the pricing debate often misses the cost side of the ledger. The American Hospital Association's March 2026 Costs of Caring report found hospital expenses grew 7.5% in 2025, more than twice the rate of hospital price growth. Workforce costs remain the largest driver, accounting for about 60% of hospital spending. AHA also pointed to rising supply and drug costs, higher patient acuity and growing administrative costs tied to insurer payment processes.

According to AHA, hospitals spent about \$43 billion in 2025 trying to collect payments from insurers for care already delivered, driven by prior authorization, claim denials and repeated documentation requests. The association also reported that about 56% of hospital costs are tied to service lines where reimbursement falls short of the cost of care, including behavioral health, obstetrics, infectious disease and burn treatment.

Arizona's statewide hospital financials improved in 2024, but the gains were uneven.

**AHCCCS reported that Arizona hospitals' combined net operating margin increased 66% to \$2.6 billion in hospital fiscal year 2024. Average net operating margin rose from 6.1% in 2023 to 9.2% in 2024, and the share of hospitals with a positive net operating margin increased from 73% to 81.7%.**

But statewide improvement masks wide variation. Banner Health reported \$1.3 billion in net operating profit, while Valleywise Health Medical Center reported an \$84 million loss. Other hospitals reporting losses included Dignity Health Arizona General Hospital, Mountain Vista Medical Center and Tucson Medical Center Rincon.

Uncompensated care remains one of the clearest local pressure points. Arizona hospitals reported \$638.5 million in uncompensated care costs in 2024. The largest uncompensated care totals were reported by St. Joseph's Hospital and Medical Center, Valleywise Health Medical Center, Banner Desert Medical Center, Phoenix Children's Hospital and Banner University Medical Center Phoenix.

Federal Medicare payment policy is moving incrementally. MedPAC has said Medicare hospital payments are broadly adequate and should rise under the statutory formula, while also urging Congress to better target safety-net support.

MedPAC reported that all-payer operating margins improved nationally from 5.2% in 2023 to 6.5% in 2024. At the same time, Medicare margins remained negative, at negative 12.1% in 2024, reflecting continued concern among hospitals that Medicare payments do not fully cover costs, said the commission that advises Congress.

For Arizona hospitals, however, the larger policy risk may sit in Medicaid financing. The One Big Beautiful Bill Act places new constraints on provider taxes and state-directed payments, two tools Arizona and other managed Medicaid states use to support hospital reimbursement to better cover the true cost of care.

Arizona's hospital assessment has been a major financing lever. In 2020, Arizona lawmakers enacted a hospital assessment that increased hospital payments by more than \$1 billion annually at no direct cost to the state, according to the Government Accountability Office (GAO).

The GAO found Arizona used \$437 million in provider taxes to generate \$1.4 billion in state-directed payments, producing a net benefit of more than \$900 million for providers in 2020.

Arizona uses hospital assessment revenue to support Medicaid coverage for roughly 500,000 adults under Proposition 204 and the ACA expansion. About \$680 million supports coverage, while \$740 million funds supplemental payments to hospitals, physicians and dentists, generating roughly \$2.3 billion in federal matching funds.

Nationally, about 40% of state-directed payments in 2022 were financed through provider taxes, local government funds, and federal dollars without state general fund contribution.

That structure is now under pressure. OBBA reduces the maximum allowable provider tax rate from 6% to 3.5% of net patient revenue, phased down beginning in fiscal 2028 and reaching 3.5% by fiscal 2032. Arizona's provider tax rate currently stands at 5.99%, according to HMA. KFF estimates broad provider tax restrictions could place \$83.7 billion in annual federal Medicaid matching funds at risk nationwide. Under that scenario, Arizona could face potential losses of about \$1.42 billion, or roughly 26% of its federal Medicaid funding.

RAND's March 2026 analysis also suggests Arizona could see some of the largest Medicaid fiscal and enrollment shifts among expansion states. The report estimated losses to Arizona's state Medicaid fund of about \$4.5 billion in 2028, growing to \$13.8 billion by 2030, as OBBA provisions phase in.

The implications are not theoretical. An April 2026 Public Citizen report identified eight Arizona hospitals at heightened risk of closing, reducing services or laying off workers based on sustained losses and reliance on Medicaid, CHIP and low-income government payer revenue. The Arizona hospitals listed:

Exceptional Community Hospital Bullhead City	Banner Goldfield Medical Center Apache Junction
Carondelet St. Mary's Hospital Tucson	Tempe St. Luke's Hospital Tempe
Arizona General Hospital Mesa	Valleywise Health Medical Center Phoenix
Mountain Vista Medical Center Mesa	Abrazo Central Campus Phoenix

For Arizona, the question is not whether hospitals are paid too much or too little, but whether the state's hospital financing structure can withstand simultaneous pressure from rising costs, federal scrutiny of prices, modest Medicare payment updates and Medicaid financing changes that could hit safety-net and rural providers the hardest.

### National Healthcare Spending Growth 2022-2024

Category	2022 Spending	2024 Spending	Growth	Share
Hospital Care	\$1.4B	\$1.6B	20%	40%
Physician & Clinical	\$957B	\$1.1B	16%	22%
Retail Rx	\$391B	\$467B	20%	11%
Non-Medical Insurance Costs	\$294B	\$306B	4%	2%
Other Pro Services	\$174B	\$185B	25%	5%



#### Tenet Healthcare Net Income

2023	2024	2025
\$1.3B	\$4B	\$2.4B

CHARITY CARE  
**\$439M**

#### PAYER MIX

MEDICARE	MEDICAID	MANAGED CARE
18.5%	3.7%	69.6%

### TENET HEALTHCARE ARIZONA HOSPITALS

#### Abrazo Arizona Hospitals

Abrazo Arizona Hospitals	City
Abrazo Arizona Heart Hospital	Phoenix
Abrazo Arrowhead Hospital	Glendale
Abrazo Central Campus	Phoenix
Abrazo Scottsdale Campus	Phoenix
Abrazo West Campus	Goodyear

#### Carondelet Arizona Hospitals

Holy Cross Hospital	Nogales
St. Joseph's Hospital	Tucson
St. Mary's Hospital	Tucson

### ABRAZO HEALTH

Subsidiaries of Tenet Healthcare

#### TENET HEALTHCARE

**50 Acute Care Hospitals**

Arizona, California, Florida, Massachusetts, Michigan, South Carolina, Tennessee & Texas

**173 Outpatient Facilities**

**74%** of OP in Arizona & Texas

### ABRAZO HEALTH

NET INCOME  
**\$208M**

CHARITY CARE  
**\$9M**

#### TENET ARIZONA OPERATIONS

**55% NextCare Arizona**

56 Urgent Care Centers & Telehealth

**76.2% Conifer**

Provides Revenue Cycle Services  
*CommonSpirit Health Holds a 23.8% Position*

**17 Arizona** Critical Access Hospitals (CAHs) provide critical healthcare services to rural communities across the state.

CAH Qualifications  
25 Beds or Less

At Least 35 Miles From Another Hospital  
ER 7/365

Average Length of Stay Less Than 96 Hours

### 2024 Arizona CAH Net Operating Margin

**10.4%**

Up 100% YOY

### Total Income Margin

**12.6%**

Up 66% YOY

CAHs receive cost-based reimbursement from Medicare typically 101% for facility services & 115% of MPFS for OP Pro & 100% for IP Pro.

Arizona CAH	Net Operating Margin	Total Income Margin
Page Hospital (Banner)	\$1.25M	4.8%
Banner Payson Medical Center	\$7.2M	19.8%
Benson Hospital	\$3.4M	19.8%
Carondelet Holy Cross Hospital	\$11.3M	22.6%
Cobre Valley Regional Medical Center	\$10.8M	13.9%
Copper Queen Community Hospital	\$10.5M	17.6%
La Paz Regional Hospital	\$760K	3.5%
Mt. Graham Regional Medical Center	\$15.8M	17.8%
Northern Cochise Community Hospital	\$4.4M	18.1%
White Mountain Regional Medical Center	\$2.8M	10.2%
Wickenburg Community Hospital	\$1.2M	2.3%

No Data Available For the Following Arizona CAHs: Hopi Health Care Center, Hu Hu Kam Memorial Hospital, Little Colorado Medical Center, Parker Indian Health Center, Sage Memorial Hospital & San Carlos Apache Healthcare

**Phoenix Children's** entered 2025 at a milestone moment when longtime President and CEO Robert L. Meyer announced plans to retire after more than two decades leading the organization. The transition marked the end of a period of sustained growth that transformed the system from a hospital into a multi-site pediatric health system with a growing regional footprint.

That growth took a visible step forward with the opening of Phoenix Children's Hospital – Arrowhead Campus in Glendale, expanding the system into the West Valley and establishing Phoenix Children's as a two-hospital pediatric system. The addition extended inpatient, emergency and surgical services closer to a rapidly growing population base and reinforced the organization's shift from a single flagship campus to a broader geographic model.

At the same time, the system moved to align its physician enterprise to support that scale. In early 2026, Phoenix Children's Pediatrics joined Phoenix Children's Medical Group, bringing primary care and specialty services under a more integrated structure. The move is designed to strengthen care coordination and continuity across the organization's network, linking front-door access points with its specialty and hospital-based services.

Phoenix Children's also expanded its clinical reach through partnerships. In June 2025, the system extended its neonatal physician services to three HonorHealth hospitals, including a Level III neonatal intensive care unit at HonorHealth Scottsdale Shea Medical Center and Level II nurseries at HonorHealth Mountain Vista Medical Center and HonorHealth Sonoran Crossing Medical Center. The arrangement increased the number of locations staffed by Phoenix Children's neonatologists to seven across the Valley, allowing the system to deliver specialized care in community settings while maintaining connections to its tertiary and quaternary services.

These operational and clinical changes are supported by continued recognition of the system's specialty depth. In October 2025, Phoenix Children's was named a Best Children's Hospital by U.S. News & World Report for the 15th consecutive year, ranking No. 1 in Arizona and No. 4 in the Southwest, with national recognition across several of the hospital's pediatric specialties.

Phoenix Children's Research Institute researchers in collaboration with the University of Arizona College of Medicine – Phoenix, are also putting the pediatric health system on the map by advancing translational research across several key areas of pediatric medicine. Early 2025 work includes studies focused on pediatric brain tumors, neurodevelopmental disorders, cardiology, lung disease and infectious diseases, supporting a range of emerging clinical applications.

**We have made a concerted effort to change the culture of research at Phoenix Children's, and we put a great emphasis on research, grant funding, clinical trials and more to impact the lives of the families we're honored to serve.**

Steward Goldman, MD  
SVP of Research  
Phoenix Children's

Taken together, the developments point to a system entering its next phase with a broader physical footprint, integrated physician structure and an expanding network of clinical partnerships, as leadership transitions also signal an opportunity build on an established brand with fresh direction.



**OWNERSHIP:**  
Children's Healthcare of Arizona 80%  
Dignity Community Care 20%

**PHOENIX CHILDREN'S**  
**EMPLOYEES**  
8,000+  
**MEDICAL STAFF**  
1,400+

2024	
NET PROFIT	NET INCOME MARGIN
\$84M	12.3%

- SERVICE LINES**
- Hospitals
  - Surgical Services
  - Freestanding Pediatric ER
  - Outpatient Surgery Centers
  - Pharmacy
  - Medical Group
  - ACO - Arizona Care Network a Partnership with Abrazo, Dignity Health & Phoenix Children's
  - Mobile Health

Phoenix Children's Arizona Hospitals	City
Phoenix Children's Hospital - Thomas Campus	Phoenix
Phoenix Children's Hospital - East Valley	Gilbert
Phoenix Children's Hospital - Arrowhead	Glendale
Phoenix Children's - Avondale Campus	Avondale

YOY Phoenix Children's Net Patient Revenue Payer Mix			
Payer	2022	2023	2024
Contracted	\$514M	\$593M	\$625M
AHCCCS	\$629M	\$657M	\$751M
Self-pay & Other	\$91M	\$101M	\$92M

**2024 CHARITY CARE**  
**\$189M**

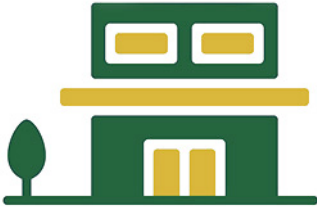
**MEDICAID VOLUME**  
**>50%**

**PHOENIX CHILDREN'S**  
Non-Profit (Mostly)  
**2 Arizona Hospitals**

**Phoenix Children's 2024 Net Operating Profit**  
**\$229M**

**PHOENIX CHILDREN'S INCLUDES**  
**Phoenix Children's Medical Group**  
**12 Locations**  
900 Clinicians  
75 Specialties

**Phoenix Children's Hospital Foundation**  
**Risk Solutions Care Network**  
**Cardiology Diagnostics**  
**Property Development**



**Arizona's**  
only public teaching hospital.  
Formerly known as the  
**Maricopa**  
Integrated Health System.

**VALLEYWISE HEALTH**

Non-Profit

**1 Arizona Hospital**

**2024**  
**VALLEYWISE HEALTH**  
**Net Operating Loss**

**\$-84M**

**2025**  
**CHARITY**  
**CARE**  
**\$467M**  
**+10% YOY**

**MEDICAID**  
**VOLUME**  
**>50%**

**2025**  
**Gross Patient Revenue**  
**\$3.1B**  
**+12% YOY**

YOY VALLEYWISE FINANCIALS			
	2023	2024	2025
<b>Total Net Patient Service Revenue</b>	\$509M	\$502M	\$55M

Valleywise Health Payer Mix				
Payer	2022	2023	2024	2025
Commercial & Managed Care	13%	12%	14.3%	17.9%
Medicare	18.4%	17.6%	16.8%	16.5%
AHCCCS	42.2%	44.4%	39.4%	36.5%
Self-pay	14.5%	15.2%	17.8%	18.4%

MARGINS & UNCOMPENSATED CARE		
	2023	2024
<b>Total Income Margin</b>	-7%	-6%
<b>Uncompensated Care %</b>	8.4%	4.8%

**SERVICE LINES INCLUDE**

- Hospital
- Arizona Burn Center
- Comprehensive Health Center
- Community Health Center
- Dental
- Eye Clinic
- Mercy Care Services
- Behavioral Health Center
- Pharmacy
- Women's Health Clinic

**Valleywise Health**, Maricopa County's public safety-net and teaching hospital system, entered 2025 with a dual mandate: expand access to care for a growing and increasingly complex patient population while navigating financial and policy pressures tied to its reliance on public funding.

The system, which traces its roots back nearly 150 years, plays a central role in Arizona's healthcare infrastructure, providing care regardless of ability to pay and serving as a cornerstone for physician training. That role has expanded in recent years under President and CEO Steve Purves, who announced plans to retire after more than a decade leading the organization. Purves will remain in the role through October 2026 as the system begins a leadership transition focused on maintaining stability and continuing its trajectory.

**"It has been the honor of my career to serve Valleywise Health and the people of Maricopa County. Together we strengthened our essential public health system, transformed aging facilities and expanded access to care for those who need it most."**

Steve Purves  
Outgoing President & CEO  
Valleywise Health

During his tenure, Valleywise undertook a significant modernization effort, including the opening of a new 10-story medical center, expansion of behavioral health services across the valley and investment in a network of community health centers designed to bring care closer to patients. The system also deepened its commitment to medical education through its partnership with the Creighton University – Arizona Health Education Alliance, reinforcing its role in training the state's physician workforce.

That strategy received a major boost in November 2025, when Maricopa County voters narrowly approved Proposition 409, authorizing up to \$898 million in general obligation bonds to expand Valleywise's capacity.

The funding is expected to support expanded primary and pediatric care, a new 200-bed behavioral health hospital, additional outpatient specialty services and increased emergency department capacity. The measure also includes investment in residency programs, further aligning capital expansion with workforce development.

Beyond its main campus, Valleywise continues to build out its community-based care model. The system marked five years of service at its Peoria location, reflecting a broader effort to extend primary and specialty services into suburban areas where population growth is accelerating and access gaps persist.

At the same time, the system is investing in new training pathways. In 2025, Valleywise launched its first independently accredited dental residency program, which expanded in 2026 with additional residents. The program trains dentists to deliver comprehensive, community-focused care, with rotations across FQHCs and Valleywise Health Medical Center, reflecting a broader emphasis on integrated, team-based care.

Despite these investments, Valleywise remains highly exposed to changes in public funding. A recent report identified the system's flagship hospital as at elevated risk of financial strain due to sustained operating losses and heavy reliance on Medicaid and other government payers.

The same report pointed to potential reductions in federal Medicaid funding under proposed policy changes, including provisions in the One Big Beautiful Bill Act, as a contributing factor. Valleywise said it is monitoring potential impacts and planning accordingly, though specific mitigation strategies have not been disclosed.

With voter-backed capital in place and a leadership transition underway, Valleywise is expanding access and capacity while remaining closely tied to the stability of public funding that underpins its mission.



**2025  
MAYO CLINIC AZ  
Patient Service Revenue**  
Revenue up 12% YOY  
**\$3.3B**

**MAYO CLINIC AZ**  
Non-Profit  
**1 Arizona Hospital**

**LOCATIONS**  
Arizona, Florida,  
Iowa, Minnesota &  
Wisconsin

**MAYO CLINIC AZ**  
**2024 Net Profit**  
**\$310M**

MAYO ARIZONA MARGINS & UNCOMPENSATED CARE		
	2023	2024
Total Income Margin	9.8%	10.6%
Uncompensated Care %	0.7%	1%

**11,300 EMPLOYEES**

MAYO CLINIC PAYER MIX		
All Locations	2024	2025
Commercial & Managed Care	\$9.7B	\$10.6B
Medicare	\$4.4B	\$4.9B
Medicaid	\$607M	\$650M
Self Pay	\$1.8B	\$1.9B

**2025  
CHARITY CARE**  
**\$13.2M**

**UNCOMPENSATED  
CARE**  
**\$23.1M**

**SERVICE LINES INCLUDE:**

- Hospital
- Clinics
- College of Medicine
- Care Network
- Global Business Solutions

**Mayo Clinic in Arizona** is expanding its presence as one of the nation’s leading non-profit academic medical centers, pairing large-scale investment in clinical capacity with a broader push into research and innovation.

Part of the nonprofit Mayo Clinic system headquartered in Rochester, Minnesota, the Arizona operation serves as one of three primary destinations sought after by consumers in need of complex cancer and transplant care.

Mayo’s footprint in the state includes a rapidly growing Phoenix campus and a Scottsdale location that supports outpatient services, research and laboratory operations.

Demand for that care remains strong. The Phoenix campus alone handles roughly 750,000 patient visits annually, with a focus on serious and complex conditions that draw patients from across the region and beyond. That positioning has translated into sustained national recognition.

Mayo Clinic in Arizona was again ranked the No. 1 hospital in the state and among the top hospitals in the nation in U.S. News & World Report’s 2025 to 2026 rankings, marking the 13th consecutive year it has held the top spot in Arizona.

The system’s growth strategy is most visible in north Phoenix, where Mayo is undertaking a nearly \$1.9 billion expansion of its primary campus.

**“It’s going to be our largest investment ever here in Arizona.”**

Richard Gray, MD  
Chief Executive Officer  
Mayo Clinic Arizona

The project, approved by Mayo’s board of trustees and expected to be completed by 2031, will add about 1.2 million square feet of space and increase clinical capacity across key service lines: a 31% increase in operating rooms, a 44% increase in CT scanners and a 62% increase in MRI scanners, expanding overall clinical space by nearly 60%.

The investment follows a prior \$748 million expansion that doubled the size of the campus and added about 2,000 jobs, with the current phase expected to create another 3,500 positions. Alongside clinical expansion, Mayo is advancing a longer-term strategy to integrate care delivery with research and commercialization.

Development is underway on Discovery Oasis, a 120-acre biotechnology hub adjacent to the Phoenix campus designed to bring together clinicians, researchers and industry partners. Gray explained:

**“Having this more innovative and larger footprint and larger impact on our Phoenix campus will only serve to encourage those collaborations and encourage others to join us in this transformation of health care we have underway.”**

The project is intended to support a collaborative environment focused on advancing new therapies, with infrastructure for biomanufacturing, digital health and artificial intelligence-based solutions.

**Mayo Clinic in Arizona centers on high-acuity specialty care with the Phoenix campus performing 68% of the state’s organ transplants and the first successful heart-liver-kidney triple transplant in the state’s history.**

Last summer, Mayo launched a new lung transplant program aimed at patients with advanced pulmonary disease. The Phoenix campus also operates a proton beam therapy program, providing targeted radiation treatment designed to minimize damage to surrounding tissue.

The system’s role in pediatric care is more limited and largely collaborative. Mayo partners with Phoenix Children’s Hospital to provide pediatric specialty services.

Mayo Clinic accepts original Medicare but does not participate in Medicare Advantage plans and does not routinely accept Medicaid. Exceptions are made for highly specialized services such as organ transplants, proton therapy and treatment of rare conditions.

Education remains a core component of the Arizona operation. The Mayo Clinic Alix School of Medicine maintains a campus in Phoenix, graduating about 50 physicians each year.

With continued investment in facilities, research and specialty programs, Mayo Clinic Arizona is deepening its role as a destination for high-acuity care, while maintaining a selective access model that distinguishes it in national rankings and other hospital systems in the state.

**“This recognition is a testament to the dedication, expertise, and compassion of all our staff. It is through their daily pursuit of excellence that we are able to deliver the highest level of serious and complex care.**

Richard Gray, MD  
Chief Executive Officer  
Mayo Clinic Arizona

Taken together, Mayo Clinic’s activity in the state reflects a system expanding its capacity for complex care while building an innovation ecosystem around its clinical base.



**NORTHERN ARIZONA HEALTHCARE**

Non-Profit

**2 Arizona Hospitals**

**NAH HOSPITALS**

**25% - 50% Medicaid**

Flagstaff Medical Center  
Verde Valley Medical Center

**Verde Valley Medical Center**

**2024**

**Net Operating Profit**

**\$14M**

**NAH LOSSES**

**2023**

**-\$75.5M**

**2024**

**-\$85.7M**

**Employees**

**4,500**

**Sedona ED**

Now William & Deborah  
Johnson ED

**NAH ALSO INCLUDES**

- NAH Medical Group
- NAH Village of Oak Creek
- Northern Arizona Homecare & Hospice
- Orthopedic & Spine Institute
- Pathfinder Health ACO
- The Peaks (JV)
- EntireCare Rehab & Sports Medicine
- Guardian Air
- Cancer Centers of NAH

**2024 CHARITY CARE**

**\$11.7M**

**Flagstaff Medical Center**

**2024**

**Net Operating Profit**

**\$44.3M**

**NAH Arizona Hospitals**

**City**

Flagstaff Medical Center

Flagstaff

Verde Valley Medical Center

Cottonwood

**Northern Arizona Healthcare** is confronting a familiar but increasingly urgent challenge for regional hospital systems: demand is rising, capacity is constrained and the path to long-term expansion remains uncertain.

Based in Flagstaff, the nonprofit system serves as a critical provider for northern Arizona, operating Flagstaff Medical Center (FMC) and Verde Valley Medical Center (VVMC) in Cottonwood. The health system's role as a regional referral hub has expanded as surrounding rural communities rely on Flagstaff for higher-acuity care and its Tribal neighbors increasingly accessing its services.

**The biggest one is the challenge of our just immense geography. It's gosh, 50,000 square miles, I believe, and there's about 700,000 people in our service area and just getting access to healthcare to all the people that live literally hundreds of miles from providers to me. We truly have something unique here.**

Dave Cheney  
Chief Executive Officer  
Northern Arizona Healthcare

The health system argues that FMC is at capacity daily for adult inpatients, creating delays as patients wait in the emergency department for beds and limiting access across the region. System leaders point to population growth, post-COVID increases in chronic illness and persistent behavioral health gaps as key drivers of demand. The result is a facility that is increasingly strained and, in some cases, unable to accommodate new technology or expanded services.

To address those pressures, Northern Arizona Healthcare (NAH) has spent several years pursuing plans for a new hospital in the Flagstaff area.

NAH leadership contends the system needs additional inpatient beds, expanded emergency capacity and modernized infrastructure to meet demand over the coming decades.

Even so, the health systems' efforts to advance a new campus has faced significant hurdles. A 2023 proposal tied to a broader "medical village" near Fort Tuthill was rejected following community opposition, forcing the system to reset its approach. Despite continued planning, NAH has not yet identified a site or timeline for new hospital construction.

In early 2026, the system's board said it would not move forward with selecting a site, citing mounting financial pressure and uncertainty around future funding. Leaders pointed in particular to projected Medicaid reductions of about \$50 million annually beginning in 2027, alongside broader reimbursement challenges and rising costs for labor, supplies and pharmaceuticals.

AHCCCS patients account for a significant share of the NAH payer mix; an estimated 25% to 50% of patients across its hospitals. At the same time, uncompensated care accounts for roughly 5% of expenses at both FMC and VVMC, leaving the system particularly sensitive to reimbursement changes as federal policy shifts take hold.

Although NAH reported 2023 and 2024 operating losses at the enterprise level, its core hospital operations remain strong. Flagstaff Medical Center reported \$44.3 million in net operating income in 2024, with a net operating margin of about 15%, while VVMC reported \$14 million and a 17% net operating margin.

Those margins compare favorably to national performance; in 2024 U.S. hospitals median operating margin for was about 3.6% according to 2026 CMS Medicare cost report data. In 2024, NAH hospitals produced a \$42.3 million YOY gain, driven by FMC (\$39.2 million).

In the absence of a near-term hospital project, NAH is moving forward with more targeted investments to improving access across its geographical service area in Northern Arizona that spans Coconino and Yavapai counties. Cheney explains,

**This service area up here is incredibly broad, and there's a big need for healthcare, especially in our tribal areas, and we need to do a better job of making sure that everybody in Northern Arizona has the best access to care.**

A recent grant received by NAH now supports care coordination for Native American patients receiving cancer treatment, many of whom travel long distances for daily therapy, with a focus on transportation, lodging and continuity of care. Last month, NAH also broke ground on a new 30,000-square-foot cancer center at VVMC in Cottonwood, neighboring Yavapa-Apache nation land. In Flagstaff, a phased ED renovation will also relieve pressure, adding more treatment space, as an additional mobile MRI unit boosts the hospital's imaging capacity. Finally, NAH's Summit Center expansion is set to expand the system's surgical capacity, as well as clinic and rehab services by 2028.

While the need for a new hospital seems clear, the path to construction is not. NAH's strategy reflects a system now focused on balancing immediate access and aging facilities in spite of mounting community and fiscal pressure.



## COMMUNITY HEALTH SYSTEMS

For Profit

36 Markets 14 States

69 Hospitals

5 ARIZONA

2025 NET INCOME  
**\$509M**

NET PROFIT or LOSS	2022	2023	2024
	-\$230M	-\$133M	-\$516M

**ARIZONA**  
Hospitals Under 25% AHCCCS Volume

Sites of Care  
**1,000**  
Docs & Clinicians  
**3,100**

2025 CHS NET OPERATING REVENUE  
**\$12.5B**

### CHS ARIZONA SUBSIDIARIES



- Arizona ASC Management
- Arizona Medco
- Samaritan Surgicenters
- Bullhead City Clinic
- Bullhead City Imaging
- Healthwest Holdings
- HTI Tucson Rehabilitation
- Pacific Group ASC Division
- Payson Healthcare Management
- Payson Hospital Corporation
- Silver Creek MRI
- Southern Arizona Urgent Care
- Surgicenters of America
- Triad of Arizona

### ACUTE HOSPITAL NATIONAL CAPACITY 2019-2024

Short-Term Acute Hospitals Paid Under Medicare's:

Inpatient Prospective Payment System (IPPS)

Medicare Outpatient Prospective Payment System (OPPS)

BEDS	
2019	675
2020	674
2021	677
2022	675
2023	671
2024	674

OCCUPANCY	
2019	67%
2020	64%
2021	69%
2022	70%
2023	70%
2024	71%

ED to DISCHARGE Minutes	
2019	135
2020	137
2021	147
2022	153
2023	152
2024	150

EMPLOYMENT	
2019	4.5M
2020	4.5M
2021	4.5M
2022	4.6M
2023	4.6M

Source: MedPAC

### CHS ARIZONA HOSPITALS 2025 FINANCIALS

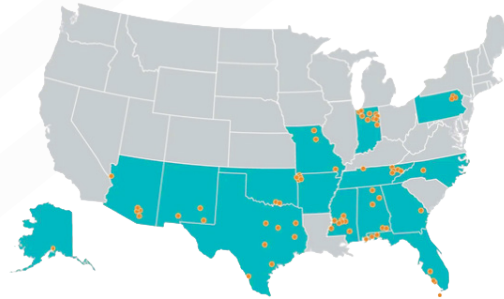
Net Operating Profits <b>\$62M</b>	Total Income Margin <b>12.2%</b>	Uncompensated Care Costs <b>\$1M</b>
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### Medical Service Revenue by Payer

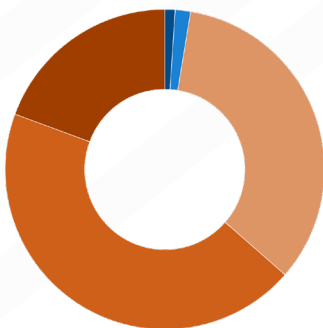
Payer	2022	2023	2024	2025
Medicare	21%	20%	18%	17%
MA	16%	17%	18%	18%
Medicaid	15%	14%	15%	16%
Managed Care	48%	48%	48%	48%
Self Pay	0.7%	1%	1%	1%

CHW Arizona Hospitals	City
Northwest Medical Center	Tucson
Northwest Medical Center Sahuarita	Sahuarita
Northwest Medical Center Houghton	Tucson
Oro Valley Hospital	Oro Valley
Western Arizona Regional Medical Center	Bullhead City

### COMMUNITY HEALTH SYSTEMS



### AMERICA'S 2024 INPATIENT HOSPITAL CARE MARKET IS HIGHLY CONCENTRATED - EVERYWHERE



2024  
97% U.S. Metro Areas Highly Concentrated

Not Concentrated	1%
Moderately Concentrated	2%
Highly Concentrated	34%
Highly Concentrated	44%
Monopoly	19%

The Share of Hospitals Affiliated With Health Systems Increased From 56% in 2010 to 69% in 2024 in Both Rural and Urban Areas.

In 2024, system affiliation remained more common among urban hospitals, where 80% belonged to a health system in 2024, compared with 53% of rural hospitals. More than half of system-affiliated hospitals were part of systems operating at least 15 hospitals, while nearly one in five belonged to systems with 50 or more hospitals.

Source: KFF

# ARIZONA HOSPITAL FAQs

## 2024 Acute Hospitals MEDICARE FFS REVENUE \$185B IPPS & OPPS

	IPPS	OPPS
<b>NUMBER OF HOSPITALS</b>	<b>3,095</b>	<b>3,060</b>
<b>USERS</b>	<b>4.2M</b>	<b>15.8M</b>
<b>SERVICE VOLUME</b>	<b>6.5M</b>	<b>70.8M</b>
<b>MEDICARE PAYMENTS</b>	<b>\$110.5B</b>	<b>\$74B</b>
<b>COST SHARING</b>	<b>7%</b>	<b>17%</b>

Source MedPAC

	Inpatient Stays	Outpatient Encounters
<b>2019</b>	<b>9.2M</b>	<b>93.7M</b>
<b>2020</b>	<b>7.9M</b>	<b>75.7M</b>
<b>2021</b>	<b>7.4M</b>	<b>91.5M</b>
<b>2023</b>	<b>7M</b>	<b>75.7M</b>
<b>2024</b>	<b>6.9M</b>	<b>82.2M</b>

Arizona will need more than 14,000 Nurses & 3,600 Physicians by 2030 to meet demand.



## U.S. HOSPITALS 2025 vs 2026

PROFITS
Operating Margin
<b>-24%</b>
Operating EBITDA Margin
<b>-26%</b>
REVENUE
Daily Net Operating Revenue
<b>+3%</b>
Daily Bad Debt Charity Care
<b>+12%</b>

EXPENSE
Daily Labor
<b>+5%</b>
Daily Supplies
<b>+3%</b>
Daily Rx
<b>+7%</b>
VOLUME
Avg Length of Stay
<b>-3%</b>

KFF January 2026 Flash Report



ARIZONA Hospital Employees 121K



Source: KFF Hospital Employees at Risk 2021

## 2024

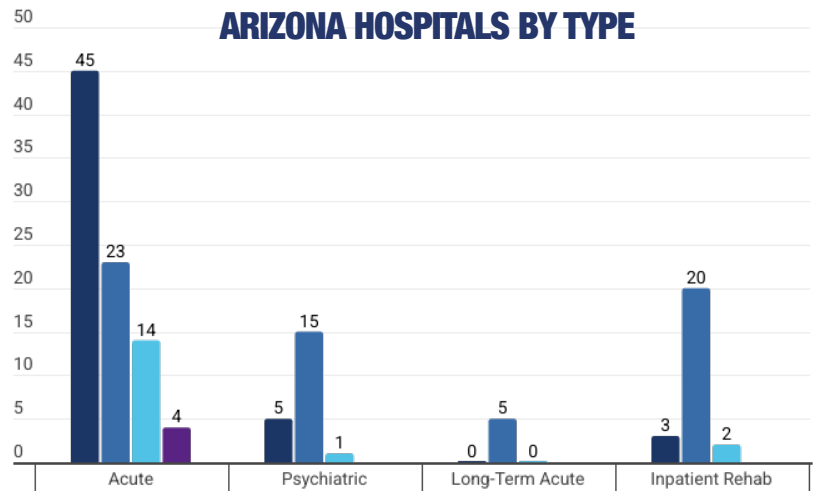
121 Hospitals  
756K Admissions  
4M Patient Days

## ARIZONA HOSPITAL STAFFING FTE BY YEAR

STAFF	2022	2023	2024
NURSING STAFF	23,386	27,377	28,312
LPN	380	424	409
CNA	3,561	4,215	4,355
RN	19,345	22,737	24,549
OTHER STAFF	5,275	7,385	5,720
OT	361	459	457
Pharmacist	843	973	1,006
Physical Therapist	618	2,880	843
Radiology Tech	1,506	1,467	1,707
Respiratory Therapist	1,406	1,402	1,480
Speech Therapist	141	202	217

● Non Profit ● For Profit ● Govt ● Tribal

## ARIZONA HOSPITALS BY TYPE



March 2026 CMS Provider Data



**TMC Health**  
Non Profit  
**4 Hospitals**

TMC Arizona Hospitals	City
Tucson Medical Center	Tucson
TMC Rincon Hospital	Tucson
Benson Hospital	Benson
Northern Cochise Community Hospital	Willcox

**TMC Health** includes TMCOne, its primary and specialty provider network with 25 clinics throughout Tucson.

Southern Arizona Medical Services  
TMCOne  
Saguaro Specialty Physicians  
TMC Health Cancer Center  
TMC Pediatric Emergency Department  
TMC Pharmacy  
TMC for Seniors  
Mobile MRI  
Hospice  
Tucson Medical Imaging

**TMC ALSO INCLUDES**

TMC Holdings  
TMC Foundation  
TMC Health Medical Education Program  
TMC Medical Network

**TMC HOSPITALS NET OPERATING PROFIT**  
**\$4.5M**

**TMC HEALTH REVENUE**  
**\$22.1M**

**TMC HEALTH NET INCOME**  
**\$-16M**

**TMC HOSPITALS 2025 CHARITY CARE**  
**\$4.7M**

**UNCOMPENSATED CARE**  
**\$26.7M**

**MEDICAID VOLUME 25-50%**  
**TMC & TMC RINCON**



**NEW LIFE FOR OLD TUCSON HOSPITAL**

As Tucson’s major health systems continue expanding outpatient and community-based care, one of the city’s most recognizable former hospital properties has found new life as a large community health center focused on primary care access.

The former Tucson Heart Hospital, later operated as the Carondelet Heart & Vascular Institute, has been redeveloped into El Rio Health’s newest and largest health center after sitting vacant for roughly 14 years. The specialty hospital originally opened in 1997 before cardiovascular services were consolidated at St. Mary’s Hospital in 2012.

Now transformed into a 95,000-square-foot outpatient campus on Stone Avenue and River Road, the facility is expected to serve up to 22,000 patients and reflects the growing emphasis health-care providers are placing on outpatient services, behavioral health and primary care access.

The new center will transition more than 18,000 patients from El Rio’s Northwest Health Center while expanding capacity for additional patients and providers in the coming year. Services will include primary care, dental care, behavioral health, psychiatry training, mammography, laboratory and imaging services, physical therapy and same-day care. The campus will also include El Rio’s first drive-through pharmacy.

El Rio Health serves more than 130,000 patients annually and has grown into one of the nation’s largest community health center organizations, providing care for insured and uninsured patients across Southern Arizona.

The redevelopment was completed through a partnership involving El Rio Health, Meridian, Tenet Healthcare, BWS Architects and Barker Contracting.



**PRIVATE EQUITY ARIZONA ACUTE HOSPITALS**

**LIFEPOINT**  
For Profit  
**3 Hospitals**

**NATIONAL 33 States 60 Hospitals**  
**PATIENT VISITS 11M**

**LIFEPOINT ARIZONA HOSPITALS**  
**Operating Profit**  
**\$89M**

**UNCOMPENSATED CARE**  
**\$6.6M**

Lifepoint Arizona Hospitals	City
Canyon Vista Medical Center	Sierra Vista
Havasu Regional Medical Center	Havasu
Valley View Medical Center	Fort Mohave

**LIFEPOINT ALSO INCLUDES**  
El Dorado Springs  
Kindred Healthcare

**OWNED BY BAIN CAPITAL**

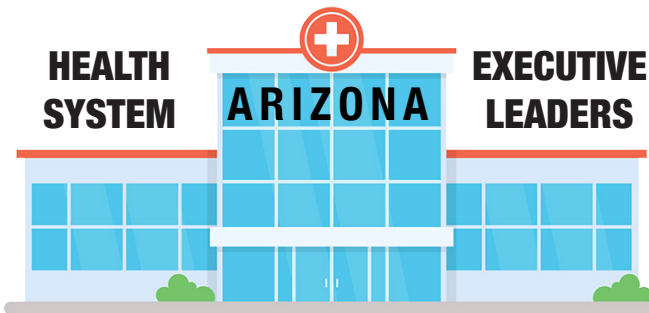
Arizona Spine & Joint Hospital	Mesa
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**Net Operating Profit AZ SPINE & JOINT**  
**\$12.2M**

**OWNED BY AUDAX & LINDEN CAPITAL**

The Core institute	Phoenix
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**CORE INSTITUTE**  
**\$14M**



## ABRAZO HEALTH

Title	Name
Chief Executive Officer	Brian Elisco
Chief Financial Officer	Keslie Blackwell
Chief Operating Officer	Rona Curphy
Chief Nursing Officer	Todd Haner
Chief Human Resources Officer	Erin Gonzalez
Chief Strategy Officer	Lawrence D'Amico
Compliance and Privacy Officer	Bryce Bisanz

## BANNER HEALTH

Title	Name
President & CEO	Amy Perry
Chief Clinical Officer	Marjorie Bessell, MD
EVP, Chief Financial Officer	Staci Dickerson
EVP, Chief Administrative and People Officer	Julie Ann Alvarado-Dubek
EVP, Chief Legal Officer and General Counsel	Jean Fitterer Lance
President, Banner Health Plans & Networks	Chuck Lehn
EVP Chief Technology Officer	Michael Reagin
President of Academic Delivery	Benjamin Schwartz, MD
President of Care Delivery	Todd S. Werner

## COMMUNITY HEALTH SYSTEMS

Title	Name
Chief Executive Officer	Kevin J Hammons
EVP & Chief Financial Officer	Jason K. Johnson
EVP, Operations & Development	Kevin Stockton
EVP, Financial Operations	Justin D. Pitt
EVP & Chief HR Officer	James (Matt) Hayes

## 2026 Arizona CMS Hospital Star Ratings

HOSPITAL	CITY	STARS
Banner Goldfield Medical Center	Apache Junction	<b>5</b> STARS
Dignity Health Arizona General Hospital	Mesa	
Mayo Clinic Hospital	Phoenix	
Mercy Gilbert Medical Center	Gilbert	
All Arizona VA Medical Centers	Phoenix Prescott Tucson	
Banner Payson Medical Center	Payson	<b>4</b> STARS
Banner Thunderbird Medical Center	Glendale	
Banner-University Medical Center/South	Tucson	
Chandler Regional Medical Center	Chandler	
City of Hope Cancer Center	Phoenix	
Flagstaff Medical Center	Flagstaff	
HonorHealth Sonoran Crossing Medical Center	Phoenix	
St. Joseph's Hospital & Medical Center	Phoenix	
Summit Healthcare Regional Medical Center	Show Low	
Verde Valley Medical Center	Cottonwood	
Abrazo Scottsdale Campus	Phoenix	<b>3</b> STARS
Banner-University Medical Center	Phoenix	
Banner University Medical Center	Tucson	
Banner Boswell Medical Center	Sun City	
Banner Del Webb Medical Center	Sun City W	
Banner Estrella Medical Center	Phoenix	
Banner Gateway Medical Center	Gilbert	
Banner Ironwood Medical Center	Queen Crk	
Banner Ocotillo Medical Center	Chandler	
Havasu Regional Medical Center	Lake Havasu	
HonorHealth John C. Lincoln Medical Center	Phoenix	
HonorHealth Deer Valley Medical Center	Phoenix	
HonorHealth Scottsdale Osborn Medical Center	Scottsdale	
HonorHealth Scottsdale Shea Medical Center	Scottsdale	
Kingman Regional Medical Center	Kingman	
Northwest Medical Center	Kingman	
Oro Valley Hospital	Oro Valley	
St. Joseph's Hospital	Tucson	

## COMMONSPIRIT HEALTH

Title	Name
President and CEO CommonSpirit Health Central Region	Tim Bricker, MHSA
Chief Medical Officer CommonSpirit Health Central Region	Brian Tiffany, MD, PHD
Chief Strategy Officer CommonSpirit Health Central Region	Kathleen Rondeau
Chief Information Officer CommonSpirit Health Central Region	Bradley Pristelski
VP of External Affairs, CommonSpirit Health Central Region	Shirley Gunther

## HONORHEALTH

Title	Name
Chief Executive Officer	Todd LaPorte
EVP, Chief Physician Executive and Network Strategy Officer	John Neil, MD
EVP, Chief Operations Officer	Kim Post
EVP, Chief Financial Officer	Lisa M. Montman
SVP, Enterprise Chief Nurse Executive	Teresa Connolly
SVP, Chief Human Resources Officer	Wayne Frangesch
SVP, General Counsel	Shannon Fox Fraser
SVP, Chief Medical Officer	Nina Shah
President and CEO, HonorHealth Foundation	Jared A. Langkilde
SVP, Strategic Partnerships & Transformation Officer	Jim Whitfill, MD
SVP, Ambulatory Services & Business Development	David Price

## MAYO CLINIC

Title	Name
Chair and Board of Trustees	Richard K. Davis
President and CEO	Gianrico Farrugia, MD
Chief Administrative Officer	Christina K. Zorn
CEO & President Mayo Clinic Arizona	Richard J. Gray MD
Chief Financial Officer	Dennis E. Dahlen

## NORTHERN ARIZONA HEALTHCARE

Title	Name
President and Chief Executive Officer	David R. Cheney
Chief Executive Officer	Robert (Bo) Cofield
President of Northern Arizona Healthcare Medical Group	Pasquale Bernardi, MD
Chief Compliance and Information Security Officer	Sara Coverstone
Chief Financial Officer	Brian Craft
Chief Information Officer	Heather Gleason
Vice President	Rick Gray
Chief Legal Counsel	Kyle Lathrop

## PHOENIX CHILDREN'S

Title	Name
President & CEO	John R Nickens, IV
EVP & Chief Operating Officer	Justin Bradshaw, FACHE
EVP & Chief Financial Officer	Michelle Bruhn
EVP & Chief Development Officer, Foundation	Steve Schnall
SVP & Chief of Staff	Carol Klimas
SVP, PCCN & PCMG Operations	Chad Johnson
SVP & Chief Information Officer	Brian Meyer
Chief Medical Officer	Blake Bulloch
Interim Surgeon in Chief	Jason Fraser
SVP of Research and Chair of the Department of Child Health	Stewart Goldman, MD
Physician in Chief	Ashish Patel



## TMC HEALTHCARE

Title	Name
President and CEO, TMC Health	Jennifer K. Mendrzycki
CEO, Tucson Medical Center	Mimi Cooler
VP & CFO, Tucson Medical Center	Bradley Hipp
CFO, TMC Health	Steve Reichling
VP Patient Services/CNO	Sherry Sands
VP Medical Affairs	Dr. Jack McLendon
Executive Director, Human Resources	Colandra Nelson
Executive Director, Operations	Keri Moody
VP & Chief Development Officer, TMC Health Foundation	Deborah Dale

## VALLEYWISE

Title	Name
President and Chief Executive Officer	Steve Purves
Chief Clinical Officer	Dr. Michael White
Chief Financial Director	Claire Agnew
Chief Compliance Officer	Christine (Tina) Babenko
Chief Nursing Officer	Beth Beckman
Chief Legal Officer	Ijana Harris
Senior Vice President and Chief Information Officer	Stephanie Hines
Chief Human Resources Officer	Deb Sunman
Chief Administrative Officer	Warren Whitney



## ARIZONA HOSPITAL & HEALTH SYSTEMS 2025 & 2026 LEADERSHIP COMINGS & GOINGS

**Banner Health** promoted **Todd Werner** to president of care delivery in January 2025 after serving as SVP of acute care. **Dr. Benjamin Schwartz** joined Banner as president of academic delivery in March 2025, overseeing the system's academic medical centers and University of Arizona partnership. **Richard Orlandi** was promoted to CEO of Banner – University Medical Group following the retirement of **Dr. Venkata Evani**. **Dr. Corey Casper** was named chief research officer in February 2025 after serving as a physician-scientist and research executive in Seattle. **Ryan Koos** joined Banner as SVP and chief supply chain officer in June 2025 after serving in leadership roles at Sharp HealthCare and Memorial Sloan Kettering Cancer Center. **Dr. Nicholas Theodore** was named chair of neurosurgery for the University of Arizona College of Medicine – Phoenix and physician executive for Banner neurosciences in October 2025 after serving as director of the Johns Hopkins Neurosurgical Spine Center. **Adrienne Moore** was named SVP of strategy and growth in February 2026 after previously serving as SVP of finance. **Shelby Arveson** joined Banner as SVP of finance in January 2026 after serving as CFO for Providence's South Division in California. **Dignity Health of Arizona** appointed **Mario Garner** as president of Dignity Health East Valley in October 2025, overseeing Chandler Regional Medical Center, Mercy Gilbert Medical Center and Arizona General Hospital – Mesa. Garner previously served as president of St. Luke's Health – The Vintage Hospital in Houston, an affiliate of CommonSpirit Health. **Phoenix Children's** appointed **John R. Nickens IV** president and CEO in July 2025 following the retirement announcement of longtime President and CEO **Robert L. Meyer**. Nickens previously served as corporate president of hospitals and CEO of University Medical Center for LCMC Health in Louisiana. **Mike Meekins** was promoted to SVP of operations in March 2026 after previously serving as chief pharmacy officer. **Catherine Codispoti** joined Phoenix Children's as EVP and CAO in July 2026 after serving as EVP and chief people officer for Mercy. **Stephanie Kearney** joined Phoenix Children's as SVP and chief strategy officer in April 2026 after serving as chief ambulatory officer for Cody Regional Health in Wyoming. **Valleywise Health** promoted **Warren Whitney** as its CAO in January 2026 as President and CEO. **Steve Purves** announced plans to retire in October following 12 years leading the system. CFO **Claire Agnew** retired May 1, **Mathew Meier**, VP of finance is now acting CFO of Valleywise; a search for an interim CFO is now underway.



### The Hertel Report

29455 N. Cave Creek Road  
Suite 118 Box 453  
Cave Creek, AZ 85331  
602-679-4322

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