

July 2026

Hospital Operating Cost Report

Focus: State of Michigan



Provided by Michigan Health Purchasers Coalition

mihpc.org

Understanding Hospital Operating Costs and Revenue

Over the past two decades, the cost of hospital services has risen dramatically and now represents one of the largest drivers of healthcare spending. Since 2000, hospital service prices have increased more than 281 percent, far exceeding the growth in overall inflation (92.6 percent) and wage growth (131.1 percent). Hospital prices have also increased faster than many other major household expenses, including college tuition, childcare, food, and housing.

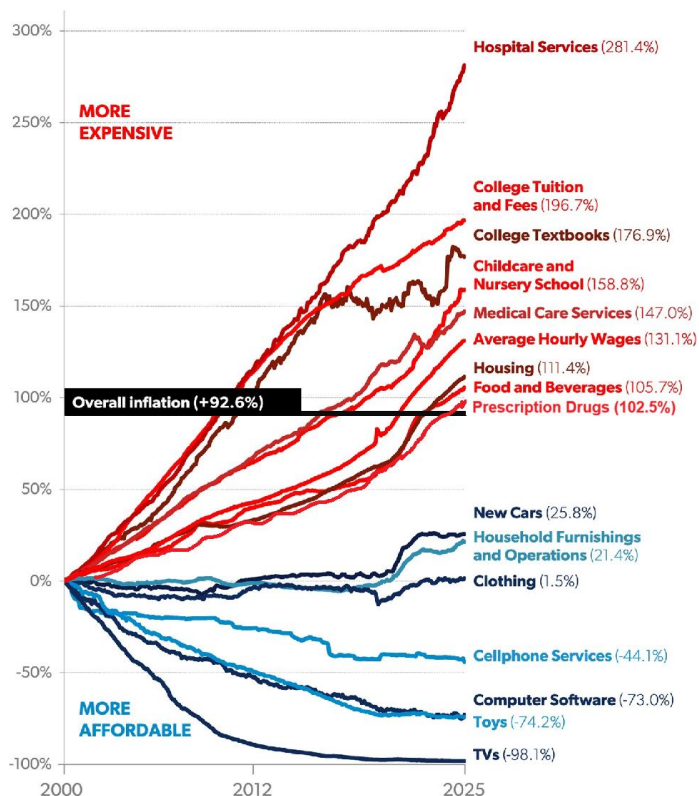
In Michigan, hospital care alone accounts for 47 cents of every dollar spent on commercial health insurance premiums. For employers and workers, this trend has real economic consequences. Rising hospital prices contribute to higher annual premium increases, limit employers' ability to invest in wages and workforce expansion and often lead to greater cost-sharing for employees. As a result, healthcare affordability is no longer just a healthcare issue—it is increasingly a workforce and economic competitiveness issue for Michigan employers and families.

Understanding how hospital costs and revenues compare across facilities is an important step toward improving transparency and identifying opportunities to make healthcare spending more sustainable.

This report uses data from the National Academy for State Health Policy (NASHP) Hospital Cost Tool, which standardizes hospital financial data so facilities can be compared consistently across states and health systems. The two key metrics used in this analysis are operating costs per adjusted discharge and net patient revenue per adjusted discharge.

Price changes (Jan. 2000–Dec. 2025)

Selected US Consumer Goods and Services, and Wages



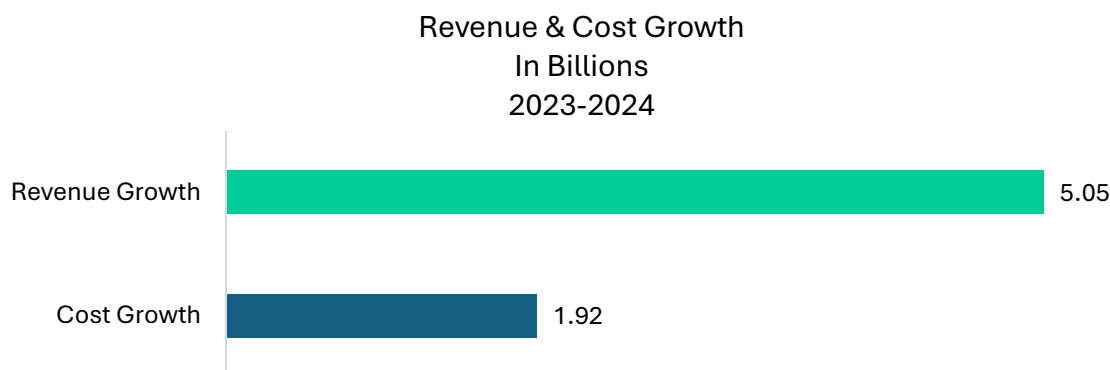
Source: Bureau of Labor Statistics

Mark J. Perry

Understanding Hospital Operating Costs & Revenue

From 2023 to 2024, Michigan hospitals' total operating costs increased by 6 percent, while total net patient revenue grew by 14 percent. This 8% difference between revenue and cost growth drove a sharp improvement in statewide profit margins by strengthening operating leverage. Consistent with this trend, previous MIHPC analysis found that the average operating margin increased from 12 percent in 2023 to 16 percent in 2024 (see report [here](#)).

Michigan hospitals generated approximately \$5.05 billion in additional net patient revenue from 2023 and 2024, compared with an increase of approximately \$1.92 billion in operating costs. Although hospitals experienced higher labor, supply, and other operating costs, these increases were more than offset by substantially greater growth in patient care revenue. As a result, hospitals operating margins were able to reach historically high levels despite continued inflationary pressures.



Operating cost per adjusted discharge measures the average cost a hospital incurs to treat a patient when accounting for both inpatient and outpatient services. Because hospitals increasingly provide care outside of inpatient stays, NASHP adjusts the discharge count to reflect the total volume of services delivered. This adjustment allows hospitals with different service mixes and patient volumes to be compared more accurately. The metric includes expenses such as labor, supplies, equipment, drug costs and administrative costs related to patient care.

Net patient revenue per adjusted discharge represents the average revenue hospitals receive for patient care services after contractual adjustments, discounts, and allowances are applied. It reflects the payments hospitals actually collect from insurers, employers, government programs, and patients for the care provided.

When evaluated together, these two measures provide a useful picture of hospital financial performance, including how costs compare to the revenue hospitals receive for care.

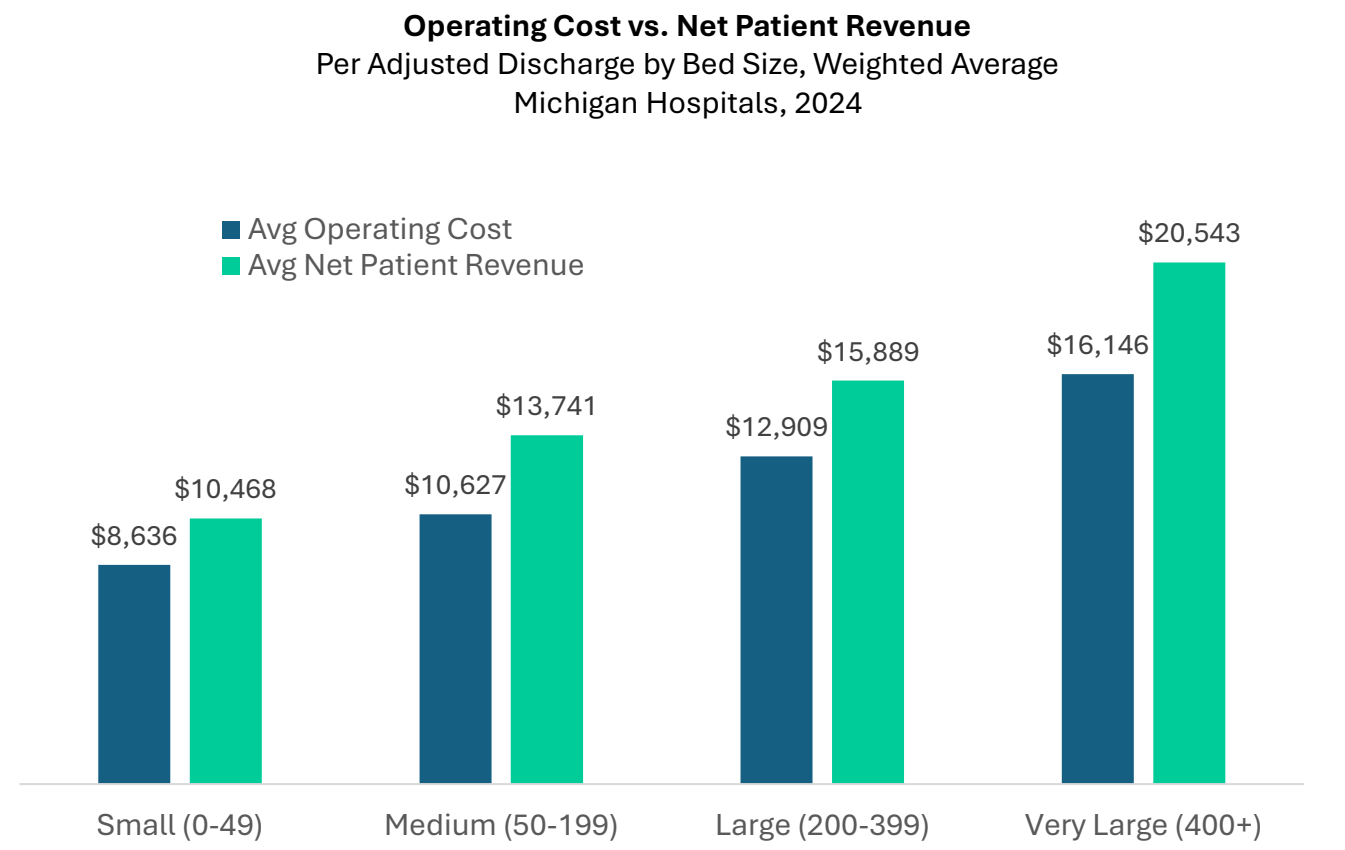
Hospital Cost vs. Patient Revenue by Size

Michigan 2024

Hospital operating costs and revenue levels vary significantly depending on the size of the hospital. In Michigan, both costs and revenue tend to increase as hospital bed size and adjusted patient discharge volume grows.

Among large hospitals (200 to 399 beds), operating cost per adjusted discharge ranged from about \$8,544 to \$17,579. For very large hospitals (400+), operating costs per adjusted discharge ranged from \$8,313 to \$33,200.

While not all large and very large hospitals are considered equal, a common trend in both large and very large hospitals show a systemic shift upward in the cost structure as hospitals scale up. Large hospitals average \$12,909 in operating cost per adjusted discharge and \$15,889 in net patient revenue. Very large hospitals averaged about \$16,146 in operating cost and \$20,543 in revenue.



See Appendix for additional data

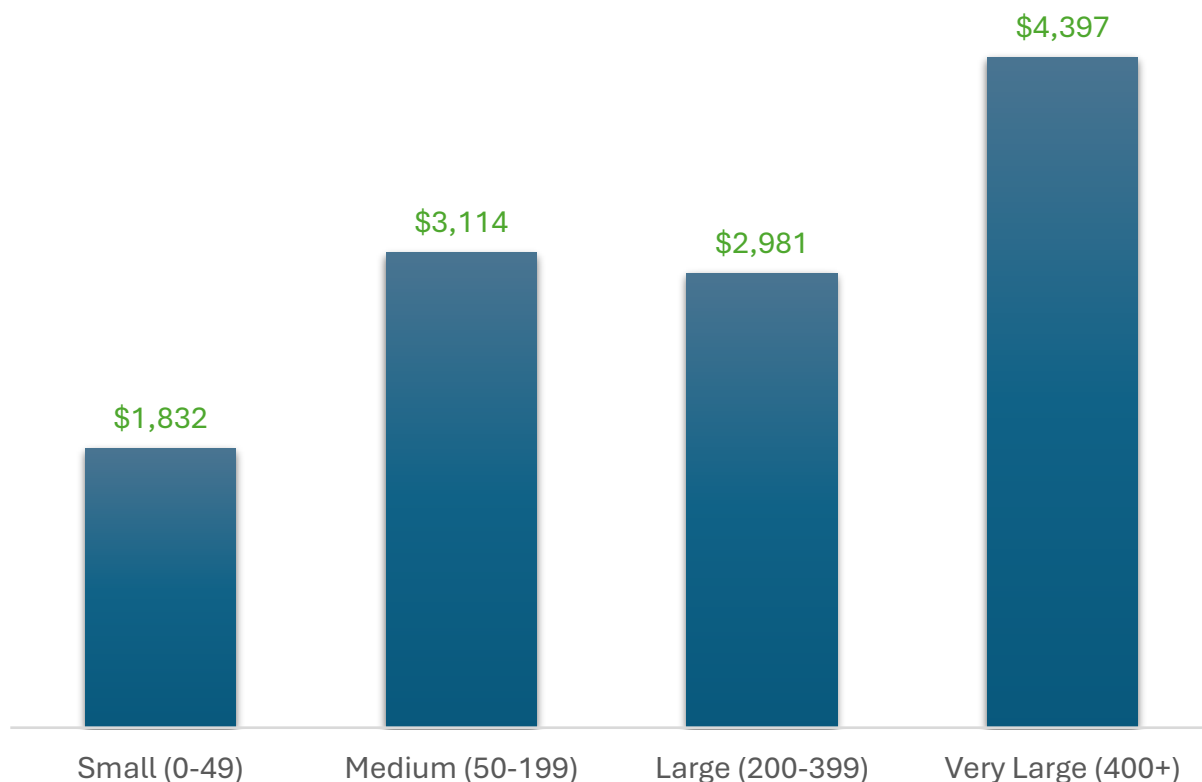
Hospital Cost vs. Patient Revenue by Size

Michigan 2024

When comparing operating costs with net patient revenue, a clear pattern emerges - larger hospitals tend to generate larger revenue margins per patient. Very large hospitals show the widest gap between revenue and operating cost, meaning they both spend more per patient and collect more per patient. On average, the largest hospitals operate at a scale where revenue growth outpaces spending growth, creating larger spreads between revenue and cost than those seen at smaller hospitals.

This pattern suggests that hospital size may provide certain financial advantages, including stronger negotiating leverage with insurers and the ability to spread fixed costs across larger patient volumes.

Net Patient Revenue Minus Operating Cost
Per Adjusted Discharge by Bed Size, Weighted Average
Michigan Hospitals, 2024



See Appendix for additional data

Conclusions

The data reveals a consistent relationship between hospital size and operating cost per adjusted discharge in Michigan. Larger hospitals typically operate more specialized service lines, invest in advanced medical technologies, and treat higher patient volumes. These factors can naturally contribute to higher operating costs.

However, the magnitude of the cost difference indicates that hospital spending growth may not be fully explained by service complexity alone. Larger hospitals face meaningfully higher operating costs per patient than mid-sized hospitals, and very large hospitals carry the highest costs of all. At the same time, those bigger hospitals also generate stronger net patient revenue per patient, leaving them with wider average revenue-to-cost spreads than smaller peers.

At the same time, the long-term trend of hospital prices rising faster than inflation, wages, and other consumer expenses signals a broader affordability challenge within the healthcare system. For employers and healthcare purchasers, these rising costs can translate into higher insurance premiums, increased cost-sharing for employees, reduced resources available for wages and workforce investment.

These findings highlight the importance of greater price transparency, improved oversight of hospital pricing practices, and policy efforts aimed at strengthening healthcare affordability in Michigan.





July 2026

Hospital Operating Cost Report

Focus: State of Michigan

APPENDIX

Provided by Michigan Health Purchasers Coalition

mihpc.org



Michigan Hospitals

Hospital Operating Costs and Net Patient Revenue, 2024 Per Adjusted Discharge, Bed Size 0-49 (Table 1 of 2)

Hospital Name	Adjusted Patient Discharge	Operating Cost per Adjusted Discharge	Net Patient Revenue per Adjusted Discharge
ASCENSION ALLEGAN HOSPITAL	4035	\$7,962.87	\$9,535.85
ASCENSION BORGESS-LEE HOSPITAL	1535	\$11,551.54	\$11,281.41
ASPIRUS IRON RIVER HOSPITAL & CLINIC	3279	\$11,029.70	\$11,232.41
ASPIRUS IRONWOOD HOSPITAL	6988	\$8,327.69	\$10,378.17
ASPIRUS KEWEENAW HOSPITAL	5731	\$9,309.50	\$10,439.42
ASPIRUS ONTONAGON HOSPITAL	573	\$18,072.85	\$13,565.69
BARAGA COUNTY MEMORIAL HOSPITAL	2671	\$10,808.38	\$11,066.27
BELL MEMORIAL HOSPITAL	7265	\$5,110.41	\$8,709.57
BRONSON SOUTH HAVEN HOSPITAL	4883	\$6,769.88	\$8,324.42
COREWELL HEALTH BIG RAPIDS	12084	\$6,197.84	\$8,483.62
COREWELL HEALTH GREENVILLE HOSPITAL	16492	\$7,341.27	\$9,538.86
COREWELL HEALTH LUDINGTON HOSPITAL	11248	\$8,435.77	\$10,481.47
COREWELL HEALTH REED CITY	4488	\$14,250.11	\$20,666.18
COREWELL LAKELAND COMMUNITY HOSP WATERVLIT	2254	\$18,079.74	\$23,933.92
DECKERVILLE COMMUNITY HOSPITAL	855	\$10,845.52	\$10,805.10
DICKINSON COUNTY HEALTHCARE SYSTEM	10898	\$9,668.20	\$12,486.88
EATON RAPIDS MEDICAL CENTER	4116	\$7,667.49	\$9,792.02
FOREST HEALTH MEDICAL CENTER LLC	961	\$36,958.45	\$33,320.88
HARBOR BEACH COMMUNITY HOSPITAL	155	\$109,642.87	\$105,635.12
HEALTHSOURCE SAGINAW INC.	2173	\$22,808.83	\$23,386.84
HELEN NEWBERRY JOY HOSPITAL	1765	\$20,359.58	\$22,230.27
HENRY FORD RIVER DISTRICT HOSPITAL	3264	\$8,057.24	\$5,346.33
HILLS & DALES GENERAL HOSPITAL	7238	\$8,754.44	\$12,363.88
HILLSDALE HOSPITAL	7784	\$9,055.55	\$11,043.69
INSIGHT SURGICAL HOSPITAL	2429	\$14,927.09	\$13,494.18
MACKINAC STRAITS HEALTH SYSTEM INC	2315	\$26,420.61	\$29,628.34
MARLETTE REGIONAL HOSPITAL	2266	\$15,189.26	\$19,150.01
MCKENZIE HEALTH SYSTEM	1349	\$18,320.72	\$22,195.68

Michigan Hospitals

Hospital Operating Costs and Net Patient Revenue, 2024 Per Adjusted Discharge, Bed Size 0-49 (Table 2 of 2)

Hospital Name	Adjusted Patient Discharge	Operating Cost per Adjusted Discharge	Net Patient Revenue per Adjusted Discharge
MCLAREN CARO HOSPITAL	287	\$76,077.27	\$72,253.82
MCLAREN CENTRAL MICHIGAN	12697	\$11,772.82	\$9,462.83
MCLAREN THUMB REGION	3904	\$12,308.81	\$12,508.05
MH-LAKESHORE CAMPUS	6147	\$5,982.69	\$6,261.80
MUNISING MEMORIAL HOSPITAL	660	\$18,713.85	\$18,118.68
MUNSON HEALTHCARE CADILLAC HOSPITAL	13973	\$7,512.63	\$9,417.64
MUNSON HEALTHCARE CHARLEVOIX HOSPITAL	7758	\$7,802.97	\$10,080.58
MUNSON HEALTHCARE GRAYLING HOSPITAL	9052	\$8,861.11	\$10,128.01
MUNSON HEALTHCARE MANISTEE HOSPITAL	6411	\$6,988.86	\$8,617.02
MYMICHIGAN MEDICAL CENTER CLARE	16105	\$5,052.85	\$6,429.41
MYMICHIGAN MEDICAL CENTER GLADWIN	9139	\$4,427.14	\$5,592.76
MYMICHIGAN MEDICAL CENTER SAULT	13789	\$8,145.18	\$8,857.15
MYMICHIGAN MEDICAL CENTER-ALMA	13401	\$8,973.83	\$10,764.96
MYMICHIGAN STANDISH MEDICAL CENTER	2719	\$8,538.81	\$8,567.83
MYMICHIGAN TAWAS HOSPITAL	9823	\$5,121.61	\$5,642.29
OTSEGO MEMORIAL HOSPITAL	10698	\$9,434.40	\$11,415.96
PONTIAC GENERAL HOSPITAL	2498	\$10,250.01	\$15,756.43
PORTAGE HEALTH SYSTEM	6027	\$9,683.49	\$13,812.05
SCHEURER HOSPITAL	2178	\$25,224.17	\$28,224.12
SHERIDAN COMMUNITY HOSPITAL	391	\$40,726.97	
SPARROW IONIA HOSPITAL	7525	\$6,902.81	\$9,484.98
STRAITH HOSPITAL FOR SPECIAL SURGERY	1533	\$8,925.95	\$9,660.20
SURGEONS CHOICE MEDICAL CENTER	3250	\$9,765.00	\$10,409.06
THREE RIVERS HEALTH	7979	\$6,522.42	\$9,035.97
TRINITY HEALTH GRAND HAVEN HOSPITAL	7673	\$5,830.71	\$6,927.09
TRINITY HEALTH LIVINGSTON	23069	\$6,398.59	\$9,234.50
UM HEALTH-SPARROW CARSON	5371	\$7,924.02	\$9,415.41
UM HEALTH-SPARROW CLINTON HOSPITAL	5901	\$7,458.42	\$12,153.40
UM HEALTH-SPARROW EATON	7991	\$6,551.93	\$10,491.18

Michigan Hospitals

Hospital Operating Costs and Net Patient Revenue, 2024 Per Adjusted Discharge, Bed Size 50-199

Hospital Name	Adjusted Patient Discharge	Operating Cost per Adjusted Discharge	Net Patient Revenue per Adjusted Discharge
COREWELL HEALTH ZEELAND	12619	\$5,897.21	\$8,946.39
PROMEDICA HICKMAN HOSPITAL	14583	\$7,646.99	\$10,075.72
INSIGHT HOSPITAL AND MEDICAL CENTER	8170	\$7,872.47	\$33,344.78
OAKLAWN HOSPITAL	14973	\$8,907.45	\$11,594.93
TRINITY CHELSEA HOSPITAL	19791	\$7,426.53	\$9,742.90
MYMICHIGAN MEDICAL CTR WEST BRAN	8855	\$6,635.83	\$7,762.84
MCLAREN LAPEER REGION	10143	\$11,643.21	\$14,473.30
COREWELL HEALTH TAYLOR	18082	\$9,895.59	\$10,624.67
COREWELL HEALTH WAYNE	16902	\$9,945.63	\$11,515.13
TRINITY BRIGHTON	1554	\$9,634.44	\$9,221.45
MCLAREN OAKLAND	16457	\$11,581.29	\$15,892.76
BARBARA ANN KARMANOS CANCER HOSPITAL	12620	\$23,145.89	\$31,418.14
MEMORIAL HEALTHCARE	16984	\$13,220.15	\$19,190.72
MYMICHIGAN MEDICAL CENTER ALPENA	26905	\$7,878.80	\$10,401.05
LAKE HURON MEDICAL CENTER	9604	\$6,526.33	\$7,401.14
GARDEN CITY HOSPITAL OSTEOPATHIC	13795	\$8,744.22	\$11,926.63
BRONSON BATTLE CREEK	24256	\$10,790.66	\$12,115.69
HURON VALLEY-SINAI HOSPITAL	16238	\$9,810.28	\$11,867.98
MONROE REGIONAL HOSPITAL	16988	\$7,554.71	\$10,600.91
MCLAREN PORT HURON	22295	\$9,184.38	\$11,116.57
MCLAREN NORTHERN MICHIGAN	21180	\$11,349.84	\$13,195.31
MARQUETTE GENERAL HOSPITAL	20548	\$12,844.50	\$18,575.70
HENRY FORD PROVIDENCE ROCHESTER	21973	\$11,042.83	\$10,914.81
MYMICHIGAN SAGINAW MEDICAL CENTER	16177	\$14,016.14	\$15,658.89
HOLLAND HOSPITAL	21099	\$11,918.81	\$12,795.46
HENRY FORD WEST BLOOMFIELD HOSPITAL	33422	\$11,129.79	\$15,074.90
MCLAREN GREATER LANSING	32970	\$11,757.08	\$13,923.62
COREWELL HEALTH - TRENTON	20943	\$9,135.78	\$11,873.18
MYMICHIGAN MEDICAL CENTER MIDLAND	33929	\$13,760.74	\$18,749.77

Michigan Hospitals

Hospital Operating Costs and Net Patient Revenue, 2024 Per Adjusted Discharge, Bed Size 200-399

Hospital Name	Adjusted Patient Discharge	Operating Cost per Adjusted Discharge	Net Patient Revenue per Adjusted Discharge
UNIVERSITY OF MICHIGAN –WEST	28608	\$15,111.92	\$19,395.54
COREWELL HEALTH- FARMINGTON HILLS	22767	\$16,669.64	\$21,340.00
DETROIT RECEIVING HOSPITAL	14143	\$17,578.92	\$24,252.58
MCLAREN BAY REGION	21533	\$13,766.38	\$14,109.62
COREWELL HEALTH LAKELAND HOSPITALS	41794	\$9,762.87	
TRINITY HEALTH LIVONIA	34538	\$9,180.04	\$11,872.51
ASCENSION BORGESS HOSPITAL	24875	\$15,465.99	\$14,486.14
SINAI-GRACE HOSPITAL	19636	\$13,799.54	\$17,938.74
COREWELL HEALTH - GROSSE POINTE	31594	\$8,544.01	\$10,442.19
HARPER- HUTZEL HOSPITAL	24604	\$14,393.59	\$18,182.67
TRINITY HEALTH MUSKEGON	44857	\$13,407.66	\$15,256.20
MCLAREN MACOMB	24224	\$13,084.09	\$15,944.77
TRINITY HEALTH GRAND RAPIDS	38530	\$13,747.18	\$17,377.47
HENRY FORD HEALTH WYANDOTTE HOSPITAL	31900	\$10,157.19	\$13,979.34
MCLAREN FLINT	31497	\$13,367.14	\$16,346.55
TRINITY HEALTH OAKLAND	40415	\$10,245.79	\$12,894.59
HENRY FORD GENESYS HOSPITAL	29498	\$12,100.39	\$12,360.06
HENRY FORD HEALTH MACOMB HOSPITAL	37949	\$12,611.81	\$16,394.30
HENRY FORD JACKSON	40502	\$13,922.18	\$19,561.44
HURLEY MEDICAL CENTER	27151	\$14,082.40	\$16,557.56

Michigan Hospitals

Hospital Operating Costs and Net Patient Revenue, 2024 Per Adjusted Discharge. Bed Size 400+

Hospital Name	Adjusted Patient Discharge	Operating Cost per Adjusted Discharge	Net Patient Revenue per Adjusted Discharge
MUNSON MEDICAL CENTER	49484	\$13,960.37	\$16,147.06
BRONSON METHODIST HOSPITAL	71462	\$12,253.20	\$16,967.57
HENRY FORD MACOMB-OAKLAND HOSPITAL	39469	\$10,569.77	\$11,259.68
SPARROW LANSING	57687	\$14,613.70	\$19,817.49
COVENANT MEDICAL CENTER	51864	\$9,750.08	\$14,276.31
TRINITY ANN ARBOR	103219	\$8,396.20	\$10,406.43
COREWELL HEALTH- DEARBORN	50771	\$11,695.08	\$14,698.00
COREWELL HEALTH- TROY	84758	\$8,312.89	\$9,765.84
HENRY FORD ST JOHN HOSPITAL	56935	\$14,616.59	\$17,553.69
HENRY FORD PROVIDENCE HOSPITAL	64304	\$11,807.65	\$13,446.05
HENRY FORD DETROITHOSPITAL	83620	\$25,568.94	\$35,067.63
UNIVERSITY OF MICHIGAN ANN ARBOR	133697	\$33,199.62	\$37,971.65
COREWELL HEALTH WM. BEAUMONT UNIV	99068	\$13,842.60	\$17,254.06
COREWELL HEALTH GRAND RAPIDS HOSPITA	111409	\$18,319.88	\$28,355.78

Sources

National Academy for State Health Policy. (2025). Hospital Cost Tool (Version 5.0). NASHP. <http://tool.nashp.org>.

Perry, M. J. (2025). Chart of the day... or century? American Enterprise Institute. <https://www.aei.org/carpe-diem/chart-of-the-day-or-century-8/>.

Keith, T. (2025). BCBSM's Tricia Keith takes on affordability of health care. Corp! Magazine. <https://www.corpmagazine.com/featured/bcbsms-tricia-keith-takes-on-affordability-of-health-care/>.

Employer Price Transparency Studies, Employer Price Transparency Project (Employers' Forum of Indiana), <https://employerptp.org/studies/>.

About MIHPC

The Michigan Health Purchasers Coalition (MIHPC) is a statewide, nonpartisan 501(c)(4) organization dedicated to improving the affordability, transparency, and accountability of healthcare in Michigan. The coalition's mission is to address the rising cost of employer-sponsored healthcare and to advocate for policies that create a more sustainable healthcare marketplace to ensure that employers can continue providing quality health benefits while protecting Michigan families from excessive healthcare costs.

MIHPC conducts independent research and data analysis to better understand the factors driving healthcare costs across the state. Through original studies, public reports, policy briefs, and educational resources, the coalition examines issues such as hospital pricing, market consolidation, facility fees, drug pricing, and price transparency. These research efforts help employers, policymakers, and the public make informed decisions based on objective data while encouraging meaningful reforms that improve affordability without compromising access to quality care.

By advancing evidence-based policy solutions and increasing public awareness of healthcare pricing practices, MIHPC is working toward a future where high-quality healthcare is both affordable and sustainable for Michigan employers, working families, and communities across the state. Learn more at mihpc.org.



www.mihpc.org