



A Siemens Healthineers Company

# Earnings Call Summary

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Hospital Edition: Q1 2026

May 29, 2026

# About the Earnings Call Summary

ECG has reviewed and summarized publicly traded hospital operators' earnings reports and call transcripts to highlight key industry trends and quarterly performance metrics.



**Ardent Health Partners (ARDT)** owns and operates a network of hospitals and clinics in the US.



**Community Health Systems (CYH)** owns, leases, and operates general acute care hospitals and more than 1,000 other sites of care in the US.



**HCA Healthcare** owns and operates hospitals and related healthcare entities in the US. It operates general and acute care hospitals and outpatient healthcare facilities that offer medical and surgical services.



**Tenet Healthcare Corporation (THC)** operates as a diversified healthcare services company in the US. The company primarily serves two segments: (1) hospital operations and services and (2) ambulatory care. It operates hospitals, ambulatory surgery centers (ASCs), imaging centers, and surgical hospitals.



**Universal Health Services (UHS)** owns and operates inpatient acute care hospitals, inpatient behavioral health facilities, and a broad network of outpatient care facilities in 39 US states.

# Notable Trends: Q1 2026

**Q1 2026 was marked by a milder respiratory season as well as winter storm disruptions as companies navigated ACA exchange enrollment uncertainty, adopted artificial intelligence (AI) capabilities, and reaffirmed full-year guidance.**

## Current and Future Financial Performance

All five companies reported revenue growth in Q1 2026, ranging from 4.3% to 9.6%, with ARDT, HCA, THC, and UHS also reporting EBITDA growth driven by disciplined expense management, supplemental Medicaid benefits, and increased pricing.

All five companies reaffirmed their full-year 2026 guidance following Q1, with none making upward or downward revisions to headline targets despite a dynamic operating environment.

## ACA Exchange and Payer Headwinds

ACA premium tax credit expiration drove exchange enrollment declines across all five companies, with exchange equivalent admissions falling 5.0%–15.0%+ YoY in Q1.

Uninsured volumes rose at HCA (approximately 16%), THC, and other systems as former exchange members lapsed coverage or declined Medicaid applications.

HCA estimated a \$150 million EBITDA impact from ACA exchanges in Q1 and maintained its \$600 million–\$900 million full-year range. UHS estimated \$15 million in Q1 and reiterated its \$75 million full-year pretax impact. THC expects a \$250 million full-year impact.

## AI and Technology Development

### AI

All five companies are actively deploying AI across revenue cycle, clinical operations, and workforce management, with governance frameworks to prioritize scalable use cases.

### Examples

- ARDT launched an AI virtual care platform across 2,000+ rooms; UHS deployed eight AI use cases in its revenue cycle; THC doubled analytics team productivity via back-office automation.
- HCA advanced AI across physician productivity, nurse handoff, and case management in support of its \$400 million resiliency program.

# Q1 2026 Healthcare Mergers and Acquisitions (M&A) Activity



Completed divestitures of hospitals in Tennessee, Pennsylvania, and Alabama, generating over \$1.1 billion in proceeds and announced an agreement to divest four Arkansas hospitals for \$112 million

Purchased a majority interest in the Surgical Institute of Alabama and made additional ASC investments in Alabama and Alaska totaling approximately \$85 million.



HCA made several acquisitions in urgent care, ambulatory surgery, and freestanding emergency rooms.

The company also highlighted an approved pipeline of \$5.5 billion–\$6.0 billion in capital projects over the next 24–30 months.



USPI invested \$125 million to acquire seven ASCs and commenced patient care at three de novo centers.

THC continued to emphasize its \$250 million annual USPI M&A target for the full year.



ARDT had a quiet quarter in terms of M&A activity.

Management noted the company continues to evaluate joint ventures and outright acquisition opportunities.



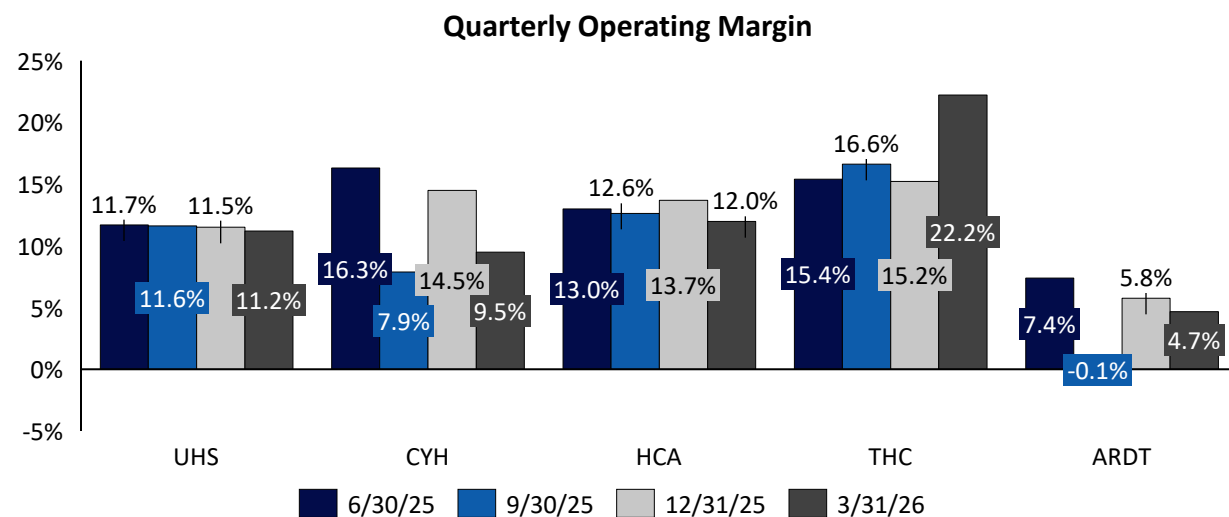
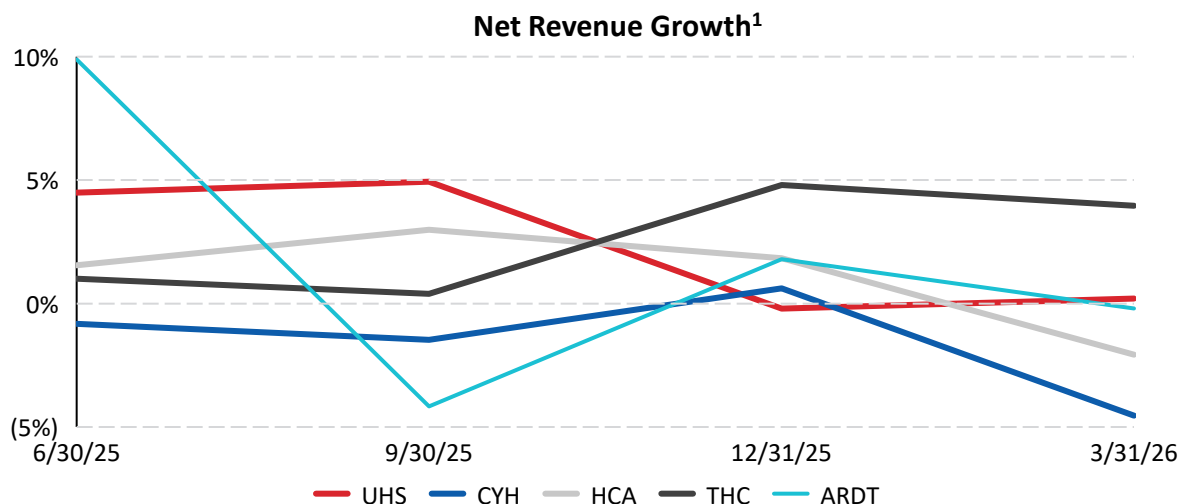
Announced the acquisition of Talkspace, a virtual behavioral health platform with 6,000 licensed clinicians serving all 50 states.

UHS also opened a 144-bed de novo behavioral health hospital in Pennsylvania and plans to open a 120-bed de novo hospital in Missouri later in 2026.

## Key Takeaway

**THC and UHS were the most acquisitive in Q1, with THC aggressively expanding its USPI ambulatory platform and UHS making a strategic push into virtual behavioral health via Talkspace. CYH continued divesting its hospitals, while ARDT remained relatively quiet with regard to M&A, focusing instead on organic growth and capital investment within existing markets.**

# Financial Performance: Select Metrics

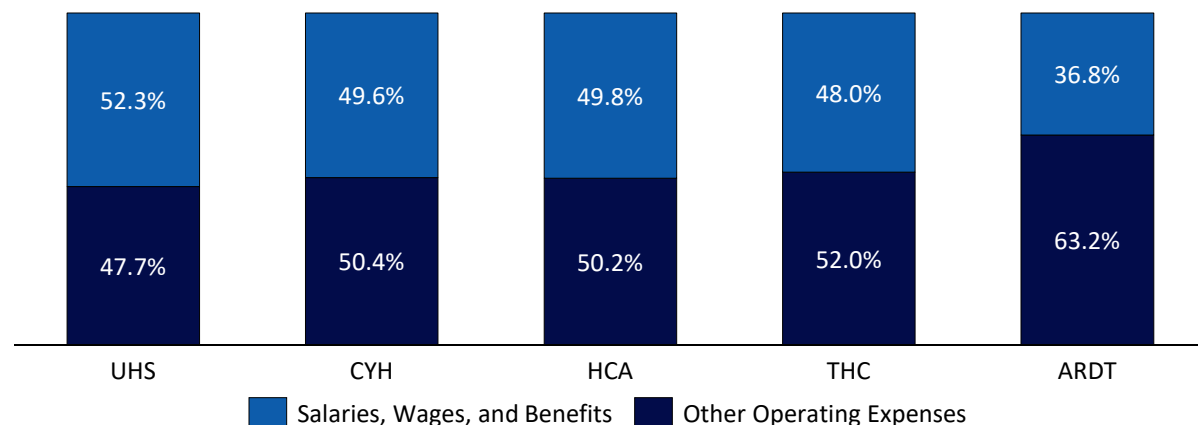


## Key Takeaways

Three of the five companies had double-digit operating margin performance in Q1 2026.

Revenue trends diverged among the five companies on a quarter-over-quarter basis: UHS and THC reported positive revenue growth, while the remaining three companies experienced revenue declines.

**TTM March 31, 2026, Salaries and Benefits as a Percentage of Total Operating Expenses**

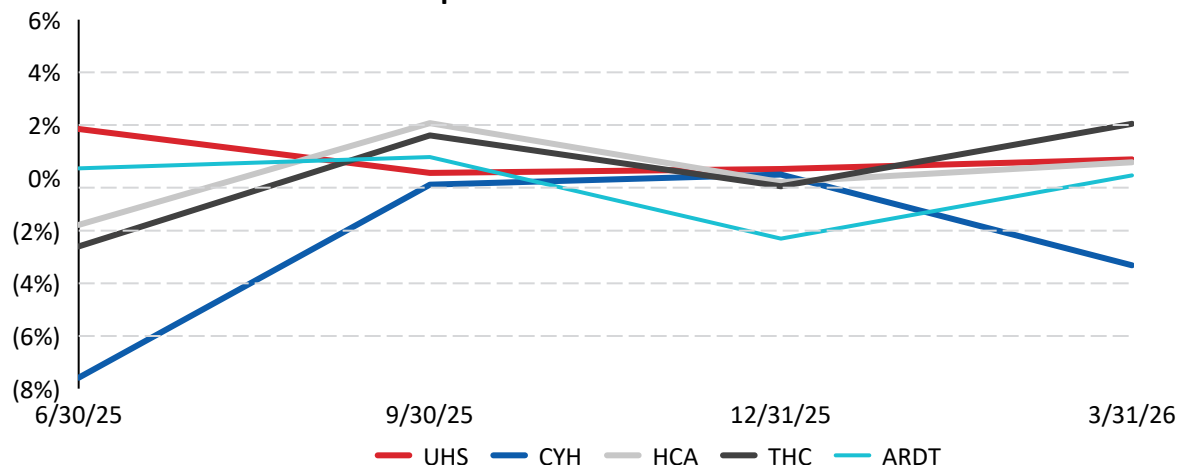


Source: S&P Capital IQ.

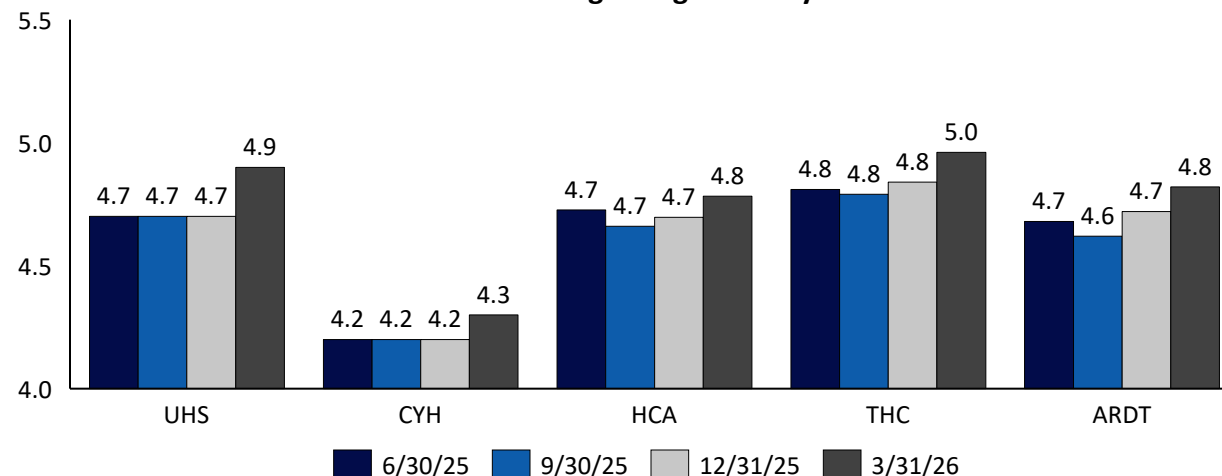
<sup>1</sup> Information reported on a quarter-over-quarter basis.

# Operating Performance: Select Metrics

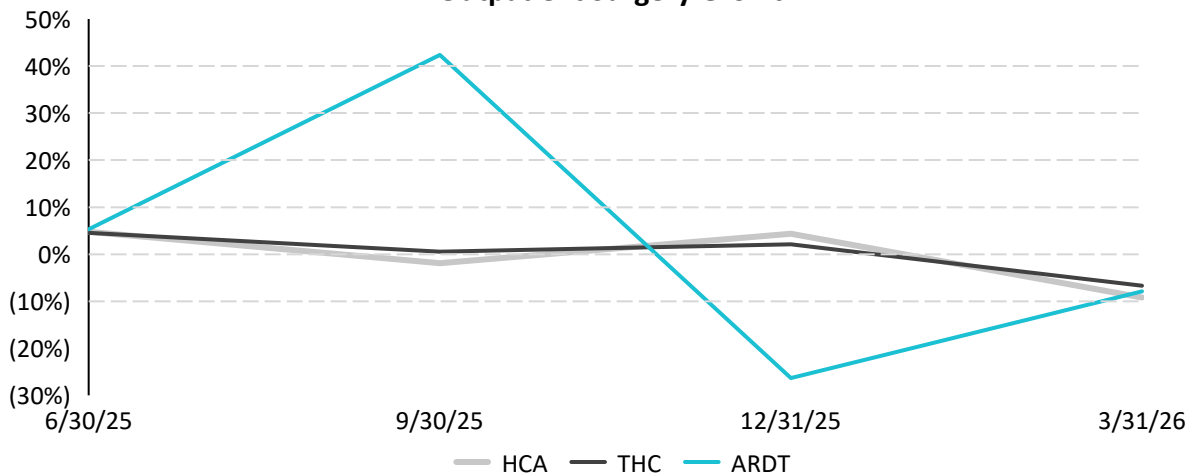
### Inpatient Admissions Growth<sup>1</sup>



### Average Length of Stay



### Outpatient Surgery Growth<sup>1</sup>



Hospital Operator	Licensed Beds: 12/31/25	Licensed Beds: 3/31/26	Percentage Change
UHS	31,601	31,735	0.42%
CYH	10,458	9,530	(8.87%)
HCA	50,436	50,459	0.05%
THC	12,492	12,499	0.06%
ARDT	<u>4,281</u>	<u>4,281</u>	<u>0.00%</u>
<b>Total</b>	<b>109,268</b>	<b>108,504</b>	<b>(0.70%)</b>

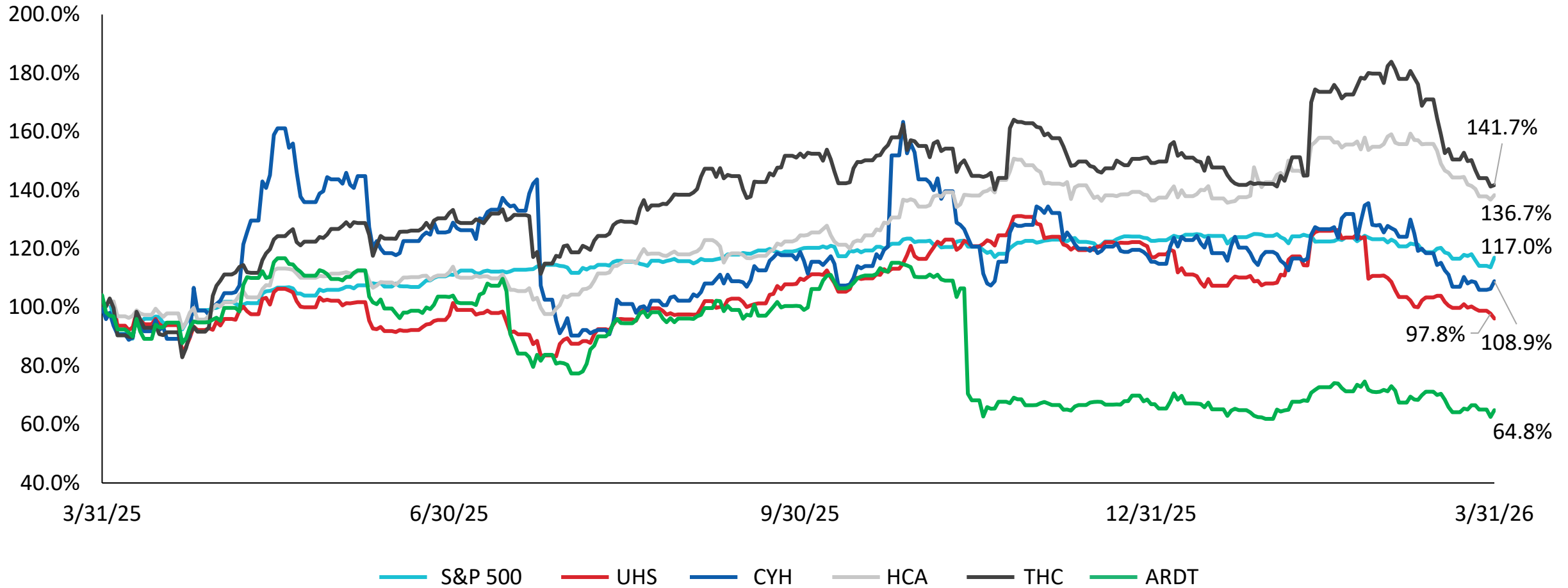
Sources: S&P Capital IQ and investor relations reports.

Note: Figures may not be exact due to rounding.

<sup>1</sup> Information reported on a quarter-over-quarter basis.

# Market Performance

## Indexed Market Performance: Public Hospitals Versus S&P 500




Source: S&P Capital IQ.

# ECG Mergers, Acquisitions, and Partnerships Team Leadership

From our more than five decades of collective experience, we have learned that successful problem-solving requires deep industry knowledge and expertise, rigorous data and analytics, strategic foresight, political and organizational savvy, and most importantly, practical solutions that get implemented.




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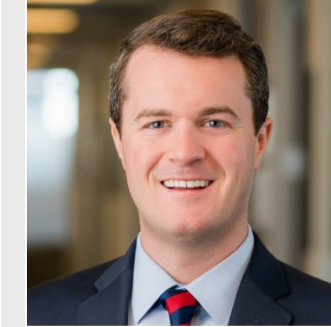
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