HCA INC/TN
Form DEF 14C
September 01, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14C INFORMATION
(Rule 14c-101)

Information Statement Pursuant to Section 14(c) of the Securities Exchange Act of 1934 (Amendment No. __)

Check the appropriate box:

o Preliminary Information Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))**

þ Definitive Information Statement

HCA INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

o Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transactions applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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HCA INC.
One Park Plaza
Nashville, Tennessee 37203
RE: Notice of Action by Written Consent of Stockholders in Lieu of an Annual Meeting

Dear Stockholder:

We are notifying our stockholders of record on July 31, 2009 that stockholders representing 97.3% of our outstanding common stock on July 31, 2009 have executed a written consent in lieu of an annual meeting approving the removal and re-election of thirteen directors to serve as members of the Company s Board of Directors, to hold office until their successors are duly elected and qualified or until the earlier of their death, resignation, or removal.

Under the Delaware General Corporation Law, stockholder action may be taken by written consent without a meeting of stockholders. The written consent of the holders of a majority of our outstanding common stock is sufficient under the Delaware General Corporation Law and our articles of incorporation and bylaws to approve the action described above. Accordingly, the action described above will not be submitted to you and our other stockholders for a vote. This letter and the accompanying information statement are intended to notify you of the aforementioned stockholder action in accordance with applicable Securities and Exchange Commission (the SEC) rules as a result of our common stock being registered with the SEC. Pursuant to the applicable SEC rules, this corporate action will be effective 20 calendar days after the date of the initial mailing of the accompanying information statement, or on or about September 21, 2009.

Under Section 228(e) of the Delaware General Corporation Law, where stockholder action is taken without a meeting by less than unanimous written consent, prompt notice of the taking of such corporate action must be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the corporation as provided in subsection (c) of Section 228. This letter is also intended to serve as the notice required by Section 228(e) of the Delaware General Corporation Law.

An information statement containing a detailed description of the matters adopted by written consent in lieu of an annual meeting of stockholders accompanies this notice. You are urged to read the information statement in its entirety for a description of the action taken by the holders of a majority of the voting power of the Company. **HOWEVER, WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.** We are only furnishing you an information statement as a matter of regulatory compliance with the SEC rules. No action is required of you. The Company will mail this information statement to stockholders on or about September 1, 2009.

Our 2008 Annual Report on Form 10-K, as updated by our Current Report on Form 8-K/A, is being mailed to stockholders with this information statement.

References to HCA, the Company, we, us, or our in this notice and information statement refer to HCA Inc. a affiliates unless otherwise indicated by context.

By order of the Board of Directors,

/s/ John M. Franck II

Vice President and Corporate Secretary

Nashville, TN

September 1, 2009

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NOTICE OF INTERNET AVAILABILITY OF INFORMATION STATEMENT MATERIALS

Important Notice Regarding the Availability of Information Statement Materials

Pursuant to new rules promulgated by the SEC, we have elected to provide access to these information statement materials (which includes this information statement and our Annual Report on Form 10-K, as updated by the Company s Current Report on Form 8-K/A) both by sending you this full set of information statement materials and by notifying you of the availability of such materials on the Internet.

This information statement, the Company s Annual Report on Form 10-K and the Company s Current Report on Form 8-K/A are available at: *https://materials.proxyvote.com/404119*.

The proposal acted upon by written consent was for the removal and re-election of thirteen directors to serve as members of the Company s Board of Directors, to hold office until their successors are duly elected and qualified or until the earlier of their death, resignation, or removal.

This corporate action will be effected 20 calendar days after the date of the initial mailing of this information statement, or on or about September 21, 2009. We are not soliciting you for a proxy or for consent authority. We are only furnishing an information statement as a matter of regulatory compliance with the SEC rules.

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HCA INC.
One Park Plaza
Nashville, Tennessee 37203

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY. NO ACTION IS REQUIRED OF YOU.

QUESTIONS AND ANSWERS

Q: Why did I receive the information statement?

A: We sent you the information statement as a matter of regulatory compliance with the SEC rules and Delaware law to inform you of the action taken by the holders of a majority of our outstanding common stock by written consent in lieu of an annual meeting.

Q: Does this mean HCA s stock is publicly traded?

A: No. Due to the number of stockholders HCA currently has, the Company s stock is required to be registered with the SEC and the Company is required to make certain disclosures with the SEC, such as the information statement. However, HCA s stock is not publicly traded.

Q: Who sent me this information statement?

A: The information statement was sent to you and paid for by HCA.

Q: Do I need to return anything?

A: No. The information statement is merely to inform you of the action taken by written consent in lieu of an annual meeting by holders of a majority of the Company s outstanding common stock. No action is required by you.

Q: When was this information statement mailed or made available to stockholders?

A: This information statement was first mailed or made available to stockholders on or about September 1, 2009. Our 2008 Annual Report on Form 10-K, as updated by our Current Report on Form 8-K/A, was mailed or made available with the information statement. The annual report is not part of the information statement materials.

Q: What is an action taken by written consent?

A: Pursuant to Delaware law, any action required to be taken at an annual or special meeting may be taken without a meeting, without prior notice and without a vote, if a consent in writing is signed by the holders of the outstanding stock having more than the minimum number of votes necessary to authorize such action at a meeting at which all shares entitled to vote thereon were present and voted.

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Q: Why was there no annual meeting?

A: Because Delaware law allows action to be taken by written consent in lieu of an annual meeting, and holders of a majority of our outstanding shares of common stock acted by written consent, an annual meeting was not necessary.

Q: What action was taken by written consent in lieu of an annual meeting?

A: The holders of a majority of our outstanding common stock executed a written consent approving the removal and re-election of thirteen directors to serve as members of the Company s Board of Directors, to hold office until their successors are duly elected and qualified or until the earlier of their death, resignation, or removal.

Q: Do I need to vote on these matters?

A: No. Since holders of a majority of our common stock have already executed a written consent in lieu of an annual meeting, your vote is not necessary.

Q: How many votes were required to approve the proposal?

A: The approval and adoption of the action taken by written consent in lieu of an annual meeting requires the consent of the holders of a majority of the shares of our outstanding common stock.

Q: How many shares were voted for the action?

A: The record date for the action taken by written consent is July 31, 2009. We had 94,410,130 outstanding shares of our common stock on the record date. Each share of our common stock is entitled to one vote. The holders of 91,845,692 shares of our common stock, representing 97.3% of our outstanding common stock shares entitled to vote on July 31, 2009 executed a written consent in lieu of an annual meeting. The written consent of the holders of a majority of our outstanding common stock will be sufficient under Delaware General Corporation Law and our articles of incorporation and amended and restated bylaws to approve the action described above.

Q: When will the corporate action be effected?

A: Pursuant to the applicable SEC rules, the earliest date on which this corporate action may be effected is 20 calendar days after the date of the initial mailing of this information statement. Accordingly, we anticipate the action taken by written consent being effective on or about September 21, 2009.

Q: Am I entitled to dissenter s rights?

A: No.

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BACKGROUND

On November 17, 2006, HCA Inc. completed its merger (the Merger) with Hercules Acquisition Corporation, pursuant to which the Company was acquired by Hercules Holding II, LLC (Hercules Holding), a Delaware limited liability company owned by a private investor group comprised of affiliates of Bain Capital Partners (Bain), Kohlberg Kravis Roberts & Co. (KKR), Merrill Lynch Global Private Equity (MLGPE) (each a Sponsor) and of Citigroup Inc. and Bank of America Corporation (the Sponsor Assignees), by affiliates of HCA founder, Dr. Thomas F. Frist Jr., (the Frist Entities, and together with the Sponsors and the Sponsor Assignees, the Investors), and by members of management and certain other investors. The Merger, the financing transactions related to the Merger and other related transactions are collectively referred to in this information statement as the Recapitalization. The Merger was accounted for as a recapitalization in our financial statements, with no adjustments to the historical basis of our assets and liabilities. As a result of the Recapitalization, our outstanding capital stock is owned by the Investors, certain members of management and key employees and certain other investors. On April 29, 2008, we registered our common stock pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended thus subjecting us to the reporting requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended. Our common stock is not traded on a national securities exchange.

ACTION 1 ELECTION OF DIRECTORS

The holders of 91,845,692 shares of our common stock, representing 97.3% of the shares of our common stock entitled to vote on the record date, executed a written consent in lieu of an annual meeting removing the Company s existing directors and re-electing thirteen directors to serve as members of our Board of Directors. That consent and the election of directors will be effective on or about September 21, 2009. The directors will serve until their successors are duly elected and qualified or until the earlier of their death, resignation, or removal. The following is a brief description of the background and business experience of each of the nominee directors to be elected to serve on our Board of Directors, each of whom is currently a member of our Board of Directors:

Name	Age(1)	Director Since	Position(s)
Jack O. Bovender, Jr.	63	1999	Chairman of the Board
Christopher J. Birosak	55	2006	Director
Richard M. Bracken	56	2002	President, Chief Executive Officer and Director
John P. Connaughton	43	2006	Director
James D. Forbes	49	2009	Director
Kenneth W. Freeman	59	2009	Director
Thomas F. Frist III	41	2006	Director
William R. Frist	39	2009	Director
Christopher R. Gordon	36	2006	Director
Michael W. Michelson	58	2006	Director
James C. Momtazee	37	2006	Director
Stephen G. Pagliuca	54	2006	Director
Nathan C. Thorne	55	2006	Director

(1) As of July 31, 2009.

Our Board of Directors consists of thirteen directors, who are each managers of Hercules Holding. The Amended and Restated Limited Liability Company Agreement of Hercules Holding requires that the members of Hercules Holding take all necessary action to ensure that the persons who serve as managers of Hercules Holding also serve on the Board of Directors of HCA. See Certain Relationships and Related Transactions. In addition, Messrs. Bovender s and Bracken s employment agreements provide that they will continue to serve as members of our Board of Directors so long as they remain officers of HCA, with Mr. Bovender to serve as the Chairman through December 15, 2009. Because of these requirements, together with Hercules Holding s ownership of 97.3% of our outstanding common stock, we do not currently have a policy or procedures with respect to stockholder recommendations for nominees to the Board of Directors.

Jack O. Bovender, Jr. has served as our Chairman since January 2002. Mr. Bovender served as Chairman and Chief Executive Officer of the Company from January 2002 to January 2009 and President and Chief Executive Officer of the Company from January 2001 to December 2001. From August 1997 to January 2001, Mr. Bovender served as President and Chief Operating Officer of the Company. From April 1994 to August 1997, he was retired. Prior to his retirement, Mr. Bovender served as Chief Operating Officer of HCA-Hospital Corporation of America from 1992 until 1994. Prior to 1992, Mr. Bovender held several senior level positions with HCA-Hospital Corporation of America.

Christopher J. Birosak is a Managing Director in the Merrill Lynch Global Private Equity Division which he joined in 2004. Prior to joining the Global Private Equity Division, Mr. Birosak worked in various capacities in the Merrill Lynch Leveraged Finance Group with particular emphasis on leveraged buyouts and mergers and acquisitions related financings. Mr. Birosak also serves on the board of directors of the Atrium Companies, Inc. and NPC International. Mr. Birosak joined Merrill Lynch in 1994.

Richard M. Bracken was appointed as our President and Chief Executive Officer of the Company in January 2009 and has served as a Director of the Company since 2002. Mr. Bracken was appointed Chief Operating Officer in July 2001 and served as President and Chief Operating Officer of the Company from January 2002 to January 2009. Mr. Bracken served as President Western Group of the Company from August 1997 until July 2001. From January 1995 to August 1997, Mr. Bracken served as President of the Pacific Division of the Company. Prior to 1995, Mr. Bracken served in various hospital Chief Executive Officer and Administrator positions with HCA-Hospital Corporation of America.

John P. Connaughton has been a Managing Director of Bain Capital Partners, LLC since 1997 and a member of the firm since 1989. Prior to joining Bain Capital, Mr. Connaughton was a consultant at Bain & Company, Inc., where he worked in the health care, consumer products and business services industries. Mr. Connaughton currently serves as a director of Clear Channel Communications, Inc., M/C Communications (PriMed), CRC Health Group, Warner Chilcott, Ltd., Sungard Data Systems, Warner Music Group, AMC Theatres, Quintiles Transnational Corp. and The Boston Celtics.

James D. Forbes has been Head of Bank of America s Global Principal Investments Division since March 2009. From November 2008 to March 2009, Mr. Forbes served as Head of Asia Pacific Corporate and Investment Banking based in Hong Kong. From August 2002 to November 2008, he served as Global Head of Healthcare Investment Banking at Merrill Lynch. Before joining Merrill Lynch in 1995, Mr. Forbes worked at CS First Boston where he was part of Debt Capital Markets.

Kenneth W. Freeman has been a member of the general partner of Kohlberg Kravis Roberts & Co. L.P. since 2007 and joined the firm as Managing Director in May 2005. From May 2004 to December 2004, Mr. Freeman was Chairman of Quest Diagnostics Incorporated, and from January 1996 to May 2004, he served as Chairman and Chief Executive Officer of Quest Diagnostics Incorporated. From May 1995 to December 1996, Mr. Freeman was President and Chief Executive Officer of Corning Clinical Laboratories, the predecessor company to Quest Diagnostics. Prior to that, he served in various general management and financial roles with Corning Incorporated. Mr. Freeman currently serves as a director of Accellent, Inc. and Masonite Corporation.

Thomas F. Frist III is a principal of Frist Capital LLC, a private investment vehicle for Mr. Frist and certain related persons and has held such position since 1998. Mr. Frist is also a general partner at Frisco Partners, another Frist family investment vehicle. Mr. Frist is the brother of William R. Frist, who also serves as a Director of the Company.

William R. Frist is a principal of Frist Capital LLC, a private investment vehicle for Mr. Frist and certain related persons and has held such position since 2003. Mr. Frist is also a general partner at Frisco Partners, another Frist family investment vehicle. Mr. Frist is the brother of Thomas F. Frist, III, who also serves as a Director of the Company.

Christopher R. Gordon is a Managing Director of Bain Capital Partners, LLC and joined the firm in 1997. Prior to joining Bain Capital, Mr. Gordon was a consultant at Bain & Company. Mr. Gordon currently serves as a director of Accellent, Inc. and CRC Health Corporation.

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Michael W. Michelson has been a member of the limited liability company which serves as the general partner of Kohlberg Kravis Roberts & Co. L.P. since 1996. Prior to that, he was a general partner of Kohlberg Kravis Roberts & Co. L.P. Mr. Michelson is also a director of Biomet, Inc. and Jazz Pharmaceuticals, Inc.

James C. Momtazee has been a member of the limited liability company which serves as the general partner of Kohlberg Kravis Roberts & Co. L.P. since 2009. From 1996 to 2009, he was an executive of Kohlberg Kravis Roberts & Co. L.P. From 1994 to 1996, Mr. Momtazee was with Donaldson, Lufkin & Jenrette in its investment banking department. Mr. Momtazee is also a director of Accellent, Inc. and Jazz Pharmaceuticals, Inc.

Stephen G. Pagliuca is a Managing Director of Bain Capital Partners, LLC. Mr. Pagliuca is also a Managing Partner and an Owner of the Boston Celtics Basketball franchise. Mr. Pagliuca joined Bain & Company in 1982 and founded the Information Partners private equity fund for Bain Capital in 1989. He also worked as a senior accountant and international tax specialist for Peat Marwick Mitchell & Company in the Netherlands. Mr. Pagliuca currently serves as a director of Burger King Holdings Inc., Gartner, Inc., Warner Chilcott, Ltd., Quintiles Transnational Corp. and M/C Communications.

Nathan C. Thorne was a Senior Vice President of Merrill Lynch & Co., Inc., a subsidiary of Bank of America Corporation, from February 2006 to July 2009, and President of Merrill Lynch Global Private Equity from 2002 to 2009. Mr. Thorne joined Merrill Lynch in 1984.

EXECUTIVE OFFICERS

As of July 31, 2009, our executive officers (other than Messrs. Bovender and Bracken who are listed above) were as follows:

Name	Age(1)	Position(s)
R. Milton Johnson	52	Executive Vice President and Chief Financial Officer
David G. Anderson	61	Senior Vice President Finance and Treasurer
Victor L. Campbell	62	Senior Vice President
Charles J. Hall	56	President Eastern Group
Samuel N. Hazen	49	President Western Group
A. Bruce Moore, Jr.	49	President Outpatient Services Group
Jonathan B. Perlin, M.D.	48	President Clinical Services Group and Chief Medical Officer
W. Paul Rutledge	54	President Central Group
Joseph N. Steakley	55	Senior Vice President Internal Audit Services
John M. Steele	53	Senior Vice President Human Resources
Donald W. Stinnett	53	Senior Vice President and Controller
Beverly B. Wallace	58	President Shared Services Group
Robert A. Waterman	55	Senior Vice President and General Counsel
Noel Brown Williams	54	Senior Vice President and Chief Information Officer
Alan R. Yuspeh	60	Senior Vice President and Chief Ethics and Compliance Officer

(1) As of July 31, 2009.

R. Milton Johnson has served as Executive Vice President and Chief Financial Officer of the Company since July 2004. Mr. Johnson served as Senior Vice President and Controller of the Company from July 1999 until July 2004. Mr. Johnson served as Vice President and Controller of the Company from November 1998 to July 1999. Prior to that time, Mr. Johnson served as Vice President Tax of the Company from April 1995 to October 1998. Prior to that time, Mr. Johnson served as Director of Tax for Healthtrust from September 1987 to April 1995.

David G. Anderson has served as Senior Vice President Finance and Treasurer of the Company since July 1999. Mr. Anderson served as Vice President Finance of the Company from September 1993 to July 1999 and was elected to the additional position of Treasurer in November 1996. From March 1993 until September 1993, Mr. Anderson served as Vice President Finance and Treasurer of Galen Health Care, Inc. From July 1988 to March 1993, Mr. Anderson served as Vice President Finance and Treasurer of Humana Inc.

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Victor L. Campbell has served as Senior Vice President of the Company since February 1994. Prior to that time, Mr. Campbell served as HCA-Hospital Corporation of America s Vice President for Investor, Corporate and Government Relations. Mr. Campbell joined HCA-Hospital Corporation of America in 1972. Mr. Campbell serves on the Board of the Nashville Health Care Council, as a member of the American Hospital Association s President s Forum, and on the Board and Executive Committee of the Federation of American Hospitals.

Charles J. Hall was appointed President Eastern Group of the Company in October 2006. Prior to that time, Mr. Hall had served as President North Florida Division since April 2003. Mr. Hall had previously served the Company as President of the East Florida Division from January 1999 until April 2003, as a Market President in the East Florida Division from January 1998 until December 1998, as President of the South Florida Division from February 1996 until December 1997, and as President of the Southwest Florida Division from October 1994 until February 1996, and in various other capacities since 1987.

Samuel N. Hazen was appointed President Western Group of the Company in July 2001. Mr. Hazen served as Chief Financial Officer Western Group of the Company from August 1995 to July 2001. Mr. Hazen served as Chief Financial Officer North Texas Division of the Company from February 1994 to July 1995. Prior to that time, Mr. Hazen served in various hospital and regional Chief Financial Officer positions with Humana Inc. and Galen Health Care, Inc.

A. Bruce Moore, Jr. was appointed President Outpatient Services Group in January 2006. Mr. Moore had served as Senior Vice President and as Chief Operating Officer Outpatient Services Group since July 2004 and as Senior Vice President Operations Administration from July 1999 until July 2004. Mr. Moore served as Vice President Operations Administration of the Company from September 1997 to July 1999, as Vice President Benefits from October 1996 to September 1997, and as Vice President Compensation from March 1995 until October 1996.

Dr. Jonathan B. Perlin was appointed President Clinical Services Group and Chief Medical Officer in November 2007. Dr. Perlin had served as Chief Medical Officer and Senior Vice President Quality of the Company from August 2006 to November 2007. Prior to joining the Company, Dr. Perlin served as Under Secretary for Health in the U.S. Department of Veterans Affairs since April 2004. Dr. Perlin joined the Veterans Health Administration in November 1999 where he served in various capacities, including as Deputy Under Secretary for Health from July 2002 to April 2004, and as Chief Quality and Performance Officer from November 1999 to September 2002.

W. Paul Rutledge was appointed as President Central Group in October 2005. Mr. Rutledge had served as President of the MidAmerica Division since January 2001. He served as President of TriStar Health System from June 1996 to January 2001 and served as President of Centennial Medical Center from May 1993 to June 1996. He has served in leadership capacities with HCA for more than 25 years, working with hospitals in the Southeast.

Joseph N. Steakley has served as Senior Vice President Internal Audit Services of the Company since July 1999. Mr. Steakley served as Vice President Internal Audit Services from November 1997 to July 1999. From October 1989 until October 1997, Mr. Steakley was a partner with Ernst & Young LLP. Mr. Steakley is a member of the board of directors of J. Alexander s Corporation, where he serves on the compensation committee and as chairman of the audit committee.

John M. Steele has served as Senior Vice President Human Resources of the Company since November 2003. Mr. Steele served as Vice President Compensation and Recruitment of the Company from November 1997 to October 2003. From March 1995 to November 1997, Mr. Steele served as Assistant Vice President Recruitment.

Donald W. Stinnett was appointed Senior Vice President and Controller in December 2008. Mr. Stinnett served as Chief Financial Officer Eastern Group from October 2005 to December 2008 and Chief Financial Officer of the Far West Division from July 1999 to October 2005. Mr. Stinnett served as Chief Financial Officer and Vice President of Finance of Franciscan Health System of the Ohio Valley from 1995 until 1999, and served in various capacities with Franciscan Health System of Cincinnati and Providence Hospital in Cincinnati prior to that time.

Beverly B. Wallace was appointed President Shared Services Group in March 2006. From January 2003 until March 2006, Ms. Wallace served as President Financial Services Group. Ms. Wallace served as Senior Vice President Revenue Cycle Operations Management of the Company from July 1999 to January 2003. Ms. Wallace served as Vice President Managed Care of the Company from July 1998 to July 1999. From 1997 to 1998, Ms. Wallace served as President Homecare Division of the Company. From 1996 to 1997, Ms. Wallace served as Chief Financial Officer Nashville Division of the Company. From 1994 to 1996, Ms. Wallace served as Chief Financial Officer Mid-America Division of the Company.

Robert A. Waterman has served as Senior Vice President and General Counsel of the Company since November 1997. Mr. Waterman served as a partner in the law firm of Latham & Watkins from September 1993 to October 1997; he was also Chair of the firm s healthcare group during 1997.

Noel Brown Williams has served as Senior Vice President and Chief Information Officer of the Company since October 1997. From October 1996 to September 1997, Ms. Williams served as Chief Information Officer for American Service Group/Prison Health Services, Inc. From September 1995 to September 1996, Ms. Williams worked as an independent consultant. From June 1993 to June 1995, Ms. Williams served as Vice President, Information Services for HCA Information Services. From February 1979 to June 1993, she held various positions with HCA-Hospital Corporation of America Information Services.

Alan R. Yuspeh has served as Senior Vice President and Chief Ethics and Compliance Officer of the Company since May 2007. From October 1997 to May 2007, Mr. Yuspeh served as Senior Vice President Ethics, Compliance and Corporate Responsibility of the Company. From September 1991 until October 1997, Mr. Yuspeh was a partner with the law firm of Howrey & Simon. As a part of his law practice, Mr. Yuspeh served from 1987 to 1997 as Coordinator of the Defense Industry Initiative on Business Ethics and Conduct.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding the beneficial ownership of our common stock as of July 31, 2009 for:

- each person who is known by us to own beneficially more than 5% of the outstanding shares of our common stock;
- each of our directors;
- each of our executive officers named in the Summary Compensation Table; and
- all of our directors and executive officers as a group.

The percentages of shares outstanding provided in the tables are based on 94,410,130 shares of our common stock, par value $0.01 per share, outstanding as of July 31, 2009. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares issuable upon the exercise of options that are exercisable within 60 days of July 31, 2009 are considered outstanding for the purpose of calculating the percentage of outstanding shares of our common stock held by the individual, but not for the purpose of calculating the percentage of outstanding shares held by any other individual. The address of each of our directors and executive officers listed below is c/o HCA Inc., One Park Plaza, Nashville, Tennessee 37203.

Name of Beneficial Owner	Number of Shares	Percent
Hercules Holding II, LLC	91,845,692(1)	97.3%
Christopher J. Birosak	(1)	
Jack O. Bovender, Jr.	588,836(2)	*
Richard M. Bracken	327,516(3)	*
John P. Connaughton	(1)	
James D. Forbes	(1)	
Kenneth W. Freeman	(1)	
Thomas F. Frist III	(1)	
William R. Frist	(1)	

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Name of Beneficial Owner	Number of Shares	Percent
Christopher R. Gordon	(1)	
Samuel N. Hazen	165,593(4)	*
R. Milton Johnson	179,062(5)	*
Michael W. Michelson	(1)	
James C. Momtazee	(1)	
Stephen G. Pagliuca	(1)	
Nathan C. Thorne	(1)	
Beverly B. Wallace	88,778(6)	*
All directors and executive officers as a group (28 persons)	2,212,101(7)	2.3%

* Less than one percent.

(1) Hercules Holding holds 91,845,692 shares, or 97.3%, of our outstanding common stock. Hercules Holding is held by a private investor group, including affiliates of Bain Capital Partners (Bain), Kohlberg Kravis Roberts & Co. L.P. (KKR) and Merrill Lynch Global Private Equity (MLGPE, previously the private equity arm of Merrill Lynch & Co., Inc. which is a wholly-owned subsidiary of Bank of America Corporation), and affiliates of HCA founder Dr. Thomas F. Frist, Jr., including Mr. Thomas F. Frist III and Mr. William R. Frist, who serve as directors. Messrs. Connaughton, Gordon and Pagliuca are affiliated with Bain, whose affiliated funds may be deemed

to have indirect beneficial ownership of 23,373,333 shares, or 24.8%, of our outstanding common stock through their interests in Hercules Holding.

Messrs. Freeman, Michelson and Momtazee are affiliated with KKR, which indirectly holds 23,373,332 shares, or 24.8%, of our outstanding common stock through the interests of certain of its affiliated funds in Hercules Holding.

Messrs. Birosak, Forbes and Thorne are affiliated with Bank of America Corporation, which indirectly holds 23,373,333 shares, or 24.8%, of our outstanding common stock through the interests of certain MLGPE funds in Hercules Holding and 980,393 shares, or 1.0%, of our outstanding common stock through the interests of certain other of Bank of America Corporation s affiliated funds in Hercules Holdings.

Thomas F. Frist, III and William R. Frist may each be deemed to indirectly beneficially hold 17,804,125 shares, or 18.9%, of our outstanding common stock through their interests in Hercules

Holding. Each of such persons, other than Hercules Holdings disclaims membership in any such group and disclaims beneficial ownership of these securities, except to the extent of its pecuniary interest therein. The principal office address of Hercules Holding is c/o HCA Inc., One Park Plaza, Nashville, TN, 37203. The principal office addresses of the Sponsors are c/o Bain Capital Investors, LLC, 111 Huntington Avenue, Boston, MA 02199; c/o Kohlberg Kravis Roberts & Co., 9 West 57th Street, Suite 4200, New York, NY 10019; c/o Bank of America Corporation, 100 North Tryon Street, Charlotte, NC 28255; and c/o Dr. Thomas F. Frist, Jr., 3100 West End Ave., Suite 500, Nashville, TN 37203, respectively.

(2) Includes 467,054 shares issuable upon exercise of options.

(3) Includes 246,033 shares issuable upon exercise of options.

(4) Includes 131,621 shares issuable upon exercise of options.

(5) Includes 136,289 shares issuable upon

exercise of options.

(6) Includes 86,378 shares issuable upon exercise of options.

(7) Includes 1,662,708 shares issuable upon exercise of options.

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CORPORATE GOVERNANCE

Director Independence. Our Board of Directors consists of Jack O. Bovender, Jr., Chairman, Christopher J. Birosak, Richard M. Bracken, John P. Connaughton, James D. Forbes, Kenneth W. Freeman, William R. Frist, Thomas F. Frist III, Christopher R. Gordon, Michael W. Michelson, James C. Momtazee, Stephen G. Pagliuca, and Nathan C. Thorne, who are each managers of Hercules Holding. The Amended and Restated Limited Liability Company Agreement of Hercules Holding requires that the members of Hercules Holding take all necessary action to ensure that the persons who serve as managers of Hercules Holding also serve on the Board of Directors of HCA. See Certain Relationships and Related Transactions. In addition, Messrs. Bovender s and Bracken s employment agreements provide that they will continue to serve as members of our Board of Directors so long as they remain officers of HCA, with Mr. Bovender to serve as the Chairman. Because of these requirements, together with Hercules Holding s ownership of 97.3% of our outstanding common stock, we do not currently have a policy or procedures with respect to stockholder recommendations for nominees to the Board of Directors, nor do we have a nominating/corporate governance committee, or a committee that serves a similar purpose. Our Board of Directors currently has four standing committees: the Audit and Compliance Committee, the Compensation Committee, the Executive Committee and the Patient Safety and Quality of Care Committee. Each of the Investors has the right to have at least one director serve on all standing committees.

Name of Director	**Audit and Compliance**	**Compensation**	**Executive**	**Patient Safety and Quality of Care**
Christopher J. Birosak	**X**			
Jack O. Bovender, Jr.*			**Chair**	
Richard M. Bracken*				
John P. Connaughton		**Chair**		
James D. Forbes		**X**		
Kenneth W. Freeman				**X**
Thomas F. Frist III	**X**		**X**	
William R. Frist				**X**
Christopher R. Gordon	**X**			
Michael W. Michelson		**X**	**X**	
James C. Momtazee	**Chair**			
Stephen G. Pagliuca			**X**	**X**
Nathan C. Thorne			**X**	**Chair**

* Indicates management director.

Though not formally considered by our Board because our common stock is not currently listed or traded on any national securities exchange, based upon the listing standards of the New York Stock Exchange (the NYSE), the national securities exchange upon which our common stock was traded prior to the Merger, we do not believe that any of our directors would be considered independent because of their relationships with certain affiliates of the funds and other entities which hold significant interests in Hercules Holding, which, as of July 31, 2009, owned 97.3% of our outstanding common stock, and other relationships with us. In addition, we do not believe that George A. Bitar, Thomas F. Frist, Jr. or Peter Stavros, who served as directors until April 22, 2009, January 1, 2009 and February 6, 2009, respectively, qualified as independent directors because of their relationships with certain affiliates of the funds and other entities which hold significant interests in Hercules Holding, which, as of July 31, 2009, owned 97.3% of our outstanding common stock, and other relationships with us. See Certain Relationships and Related Transactions.

Accordingly, we do not believe that any of Messrs. Birosak, Frist, Gordon or Momtazee, the members of our Audit and Compliance committee, would meet the independence requirements of Rule 10A-1 of the Exchange Act or the NYSE s audit committee independence requirements, or that Messrs. Connaughton, Forbes or Michelson, the members of our Compensation Committee, would meet the NYSE s independence requirements.

Board Meetings and Committees. During 2008, our Board of Directors held 11 meetings. All directors attended at least 75% of the Board meetings and meetings of the committees of the Board on which the director served.

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Given that we do not presently intend on holding annual stockholder meetings because we are not currently publicly traded, HCA has not adopted a policy regarding director attendance at annual meetings of stockholders. The Company did not have an annual meeting of stockholders in 2008 and our directors were re-elected through stockholder action taken on written consent effective March 26, 2008.

Audit and Compliance Committee. Our Audit and Compliance Committee is composed of James C. Momtazee, Chairman, Christopher J. Birosak, Thomas F. Frist III, and Christopher R. Gordon. In light of our status as a closely held company and the absence of a public trading market for our common stock, our Board has not designated any member of the Audit and Compliance Committee as an audit committee financial expert . None of the members of the Audit and Compliance Committee would meet the independence requirements of Rule 10A-1 of the Exchange Act or the NYSE s audit committee independence requirements. We do not believe Mr. Momtazee would be considered independent because of his relationship with certain affiliates of the funds and other entities which hold significant interests in Hercules Holding, which, as of July 31, 2009, owned 97.3% of our outstanding common stock, and other relationships with us. See Certain Relationships and Related Transactions. This committee reviews the programs of our internal auditors, the results of their audits, and the adequacy of our system of internal controls and accounting practices. This committee also reviews the scope of the annual audit by our independent registered public accounting firm before its commencement, reviews the results of the audit and reviews the types of services for which we retain our independent registered public accounting firm. The Audit and Compliance Committee has adopted a charter which can be obtained on the Corporate Governance page of the Company s website at www.hcahealthcare.com. In 2008, the Audit and Compliance committee met six times.

Compensation Committee. Our Compensation Committee is currently composed of John P. Connaughton, Chairman, James. D. Forbes and Michael W. Michelson. In 2008, the Committee consisted of George A. Bitar, John P. Connaughton, Thomas F. Frist, Jr., M.D. and Michael W. Michelson, and determinations with respect to 2008 compensation were made by such Committee. None of the members of our Compensation Committee would meet the NYSE s independence requirements. The Compensation Committee is generally charged with the oversight of our executive compensation and rewards programs. Responsibilities of the Compensation Committee include the review and approval of the following items:

- Executive compensation strategy and philosophy;
- Compensation arrangements for executive management;
- Design and administration of the annual cash-based Senior Officer Performance Excellence Program;
- Design and administration of our equity incentive plans;
- Executive benefits and perquisites (including the HCA Restoration Plan and the Supplemental Executive Retirement Plan); and
- Any other executive compensation or benefits related items deemed noteworthy by the Compensation Committee.

In addition, the Compensation Committee considers the proper alignment of executive pay policies with Company values and strategy by overseeing employee compensation policies, corporate performance measurement and assessment, and Chief Executive Officer performance assessment. The Compensation Committee may retain the services of independent outside consultants, as it deems appropriate, to assist in the strategic review of programs and arrangements relating to executive compensation and performance. In 2008 the Compensation Committee hired Semler Brossy Consulting Group, LLC to assist in conducting an assessment of competitive executive compensation. The Compensation Committee may consider recommendations from our Chief Executive Officer and compensation consultants, among other factors, in making its compensation determinations. The Compensation Committee has the authority to delegate any of its responsibilities to one or more subcommittees as the committee may deem appropriate. The Compensation Committee has adopted a charter which can be obtained on the Corporate Governance page of

Company s website at www.hcahealthcare.com. In 2008, the Compensation Committee met 10 times.

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Policy Regarding Communications with the Board of Directors. Stockholders, employees and other interested parties may communicate with any of our directors by writing to such director(s) c/o Board of Directors, HCA Inc., P.O. Box 20004, One Park Plaza, Nashville, TN 37203, Attention: Corporate Secretary. All communications from stockholders, employees and other interested parties addressed in that manner will be forwarded to the appropriate director. If the volume of communication becomes such that the Board adopts a process for determining which communications will be relayed to Board members, that process will appear on the Corporate Governance section of our website at www.hcahealthcare.com.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee (the Committee) of the Board of Directors is generally charged with the oversight of our executive compensation and rewards programs. The Committee is currently composed of John P. Connaughton, Michael W. Michelson and James D. Forbes. In 2008, the Committee consisted of George A. Bitar, John P. Connaughton, Michael W. Michelson and Thomas F. Frist, Jr., M.D., and determinations with respect to 2008 compensation were made by such Committee. Responsibilities of the Committee include the review and approval of the following items:

- Executive compensation strategy and philosophy;
- Compensation arrangements for executive management;
- Design and administration of the annual cash-based Senior Officer Performance Excellence Program (PEP);
- Design and administration of our equity incentive plans;
- Executive benefits and perquisites (including the HCA Restoration Plan and the Supplemental Executive Retirement Plan); and
- Any other executive compensation or benefits related items deemed appropriate by the Committee.

In addition, the Committee considers the proper alignment of executive pay policies with Company values and strategy by overseeing employee compensation policies, corporate performance measurement and assessment, and Chief Executive Officer performance assessment. The Committee may retain the services of independent outside consultants, as it deems appropriate, to assist in the strategic review of programs and arrangements relating to executive compensation and performance.

The following executive compensation discussion and analysis describes the principles underlying our executive compensation policies and decisions as well as the material elements of compensation for our named executive officers. Our named executive officers for 2008 were:

- Jack O. Bovender, Jr., Chairman of the Board and Chief Executive Officer;
- Richard M. Bracken, President and Chief Operating Officer;
- R. Milton Johnson, Executive Vice President and Chief Financial Officer;
- Samuel N. Hazen, President Western Group; and
- Beverly B. Wallace, President Shared Services Group.

Effective December 31, 2008, Mr. Bovender retired as Chief Executive Officer but retained the role of Chairman of the Board, and effective January 1, 2009, Mr. Bracken was appointed to serve as Chief Executive Officer and President of the Company.

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As discussed in more detail below, the material elements and structure of the named executive officers compensation program for 2008 was negotiated and determined in connection with the Merger.

Compensation Philosophy and Objectives

The core philosophy of our executive compensation program is to support the Company s primary objective of providing the highest quality health care to our patients while enhancing the long term value of the Company to our shareholders. Specifically, the Committee believes the most effective executive compensation program (for all executives, including named executive officers):

- Reinforces HCA s strategic initiatives;
- Aligns the economic interests of our executives with those of our shareholders; and
- Encourages attraction and long term retention of key contributors.

The Committee is committed to a strong, positive link between our objectives and our compensation and benefits practices.

Our compensation philosophy also allows for flexibility in establishing executive compensation based on an evaluation of information prepared by management or other advisors and other subjective and objective considerations deemed appropriate by the Committee. The Committee will also consider the recommendations of our Chief Executive Officer. This flexibility is important to ensure our compensation programs are competitive and that our compensation decisions appropriately reflect the unique contributions and characteristics of our executives.

Compensation Structure and Benchmarking

Our compensation program is heavily weighted towards performance-based compensation, reflecting our philosophy of increasing the long-term value of the Company and supporting strategic imperatives. Total direct compensation and other benefits consist of the following elements:

Total Direct Compensation	Base Salary
	Annual Cash-Based Incentives (offered through our PEP)
	Long-Term Equity Incentives (in the form of Stock Options)
Other Benefits	Retirement Plans
	Limited Perquisites and Other Personal Benefits
	Severance Benefits

The Committee does not support rigid adherence to benchmarks or compensatory formulas and strives to make compensation decisions which effectively support our compensation objectives and reflect the unique attributes of the Company and each executive. Our general practice, however, with respect to pay positioning, is that executive base salaries and annual incentive (PEP) target values should generally position total annual cash compensation between the median and 75th percentile of similarly-sized general industry companies. We utilize the general industry as our primary source for competitive pay levels because HCA is significantly larger than its industry peers. See the discussion of benchmarking below for further information. The named executive officers pay fell within the range noted above for jobs with equivalent market comparisons.

The cash compensation mix between salary and PEP is currently more weighted towards salary rather than PEP than competitive practice among our general industry peers would suggest. Over time, we intend to continue moving towards a mix of cash compensation that will place a greater emphasis on annual performance-based compensation.

Although we look at competitive long-term equity incentive award values in similarly-sized general industry companies when assessing the competitiveness of our compensation programs, we did not base our 2007 stock option grants on these levels since equity is structured differently in closely held companies than in publicly-traded companies. As is typical in similar situations, the Investors wanted to share a certain percentage of the equity with

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executives shortly after the consummation of the Merger and establish performance objectives and incentives up front in lieu of annual grants to ensure our executives long-term economic interests would be aligned with those of the Investors. This pool of equity was then further allocated based on the executives anticipated impact on, and potential for, driving Company strategy and performance. The resulting total direct pay mix is heavily weighted towards performance-based pay (PEP plus stock options) rather than fixed pay, which the Committee believes reflects the compensation philosophy and objectives discussed above. No additional long term equity incentives were granted to the named executive officers in 2008.

Compensation Process

While our 2008 named executive officer compensation was largely determined at the time of the Merger, the Committee ensures that executives pay levels are generally consistent with the compensation strategy described above, in part, by conducting annual assessments of competitive executive compensation. Management (but no named executive officer), in collaboration with the Committee s independent consultant, Semler Brossy Consulting Group, LLC, collects and presents compensation data from similarly-sized general industry companies, based to the extent possible on comparable position matches and compensation components. The following nationally recognized survey sources were utilized in anticipation of establishing 2008 executive compensation:

Survey	**Revenue Scope (Median Revenue)**	**Number of Companies in Sample**
Towers Perrin Executive Compensation Database	Greater than $20B ($35.0B)	58