

HCA

OUR HISTORY

In the 1960s, Dr. Thomas Frist, Sr. led an effort by a group of physicians to build Park View Hospital in Nashville, Tenn. By the mid-1960s, Dr. Frist and other Park View physicians were seeking a group to manage the hospital and provide capital to expand and to maintain the latest medical technology. In 1968, Dr. Frist, Jack C. Massey and Dr. Thomas Frist, Jr. formed their own hospital management company — Hospital Corporation of America, today known simply as HCA.

Soon HCA decided to expand the scope of its venture by assembling a group of hospitals, in order to create economies of scale and enhance the quality of care in communities across the country. One of the nation's first hospital companies, HCA worked closely with local physicians and used innovative business practices and private capital to improve quality and reduce costs.

The company grew rapidly, building new hospitals in under-served communities, acquiring facilities and contracting to manage hospitals for other owners. Using its financial resources, management expertise and medical background, HCA focused on a core group of market-leading hospitals, an operating strategy it employs today.

With 11 hospitals, HCA filed its initial public offering in 1969. By the end of the year, HCA had 26 hospitals and 3,000 beds. The company invested capital to ensure that hospitals met the needs of their local communities. And while HCA provided support and resources to its facilities, hospital management decisions were made locally.

The 1970s were characterized by rapid growth in the industry and also for HCA. In the early 1980s, the focus shifted to consolidation with HCA acquiring General Care Corporation, General Health Services, Hospital Affiliates International and Health Care Corporation. By the end of 1981, the company operated 349 hospitals with more than 49,000 beds. Operating revenues had grown to \$2.4 billion.

In 1987, HCA, which had grown to operate 463 hospitals (255 owned and 208 managed), spun off HealthTrust, a privately owned, 104-hospital company. Believing its stock was undervalued, the company completed a \$5.1 billion leveraged buyout in 1988. HCA re-emerged as a public company in 1992.

In February 1994, HCA merged with Columbia, which had acquired Galen Health Care (formerly Humana) in September 1993. The new company then acquired Medical Care America and several other healthcare businesses, quickly building a comprehensive healthcare network. At its peak, the \$20 billion company had approximately 285,000 employees, more than 350 hospitals, 145 outpatient surgery centers, 550 home care agencies and several other ancillary businesses.

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In 1997, Dr. Frist, Jr. returned as Chairman and CEO and immediately announced plans to restructure the company and focus on providing high quality healthcare through a core group of market leading hospitals. HCA sold its non-hospital businesses as well as several facilities that did not fit the company's strategy.

Jack O. Bovender, Jr. was appointed President and Chief Executive Officer in August 2001, and in January 2002 assumed leadership of the company as Chairman and Chief Executive Officer. Richard M. Bracken was promoted to become President and Chief Executive Officer in January 2002.

Based in Nashville, Tenn., today HCA remains the nation's leading provider of healthcare services. HCA is composed of locally managed facilities that include 169 hospitals and 115 outpatient centers in 20 states and England.