

HCA Healthcare, Inc.
Form 10-Q
August 04, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended June 30, 2017

Or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from to

Commission file number 1-11239

HCA Healthcare, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of

27-3865930
(I.R.S. Employer

incorporation or organization)

Identification No.)

One Park Plaza

Nashville, Tennessee
(Address of principal executive offices)

37203
(Zip Code)

(615) 344-9551

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class of Common Stock
Voting common stock, \$.01 par value

Outstanding at July 31, 2017
361,249,700 shares

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HCA HEALTHCARE, INC.

Form 10-Q

June 30, 2017

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	Quarter		Six Months	
	2017	2016	2017	2016
Revenues before provision for doubtful accounts	\$ 11,806	\$ 11,081	\$ 23,189	\$ 22,131
Provision for doubtful accounts	1,073	762	1,833	1,552
Revenues	10,733	10,319	21,356	20,579
Salaries and benefits	4,896	4,691	9,797	9,393
Supplies	1,795	1,718	3,592	3,432
Other operating expenses	1,965	1,868	3,895	3,721
Equity in earnings of affiliates	(13)	(10)	(23)	(22)
Depreciation and amortization	521	489	1,042	968
Interest expense	411	427	830	843
Gains on sales of facilities	(2)	(6)	(3)	(5)
Legal claim costs		10		22
	9,573	9,187	19,130	18,352
Income before income taxes	1,160	1,132	2,226	2,227
Provision for income taxes	365	341	654	625
Net income	795	791	1,572	1,602
Net income attributable to noncontrolling interests	138	133	256	250
Net income attributable to HCA Healthcare, Inc.	\$ 657	\$ 658	\$ 1,316	\$ 1,352
Per share data:				
Basic earnings per share	\$ 1.79	\$ 1.70	\$ 3.58	\$ 3.45
Diluted earnings per share	\$ 1.75	\$ 1.65	\$ 3.48	\$ 3.34
Shares used in earnings per share calculations (in millions):				
Basic	365.847	386.406	368.056	391.401
Diluted	375.338	398.659	377.647	404.617

See accompanying notes.

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HCA HEALTHCARE, INC.
CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE QUARTERS AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

Unaudited

(Dollars in millions)

	Quarter		Six Months	
	2017	2016	2017	2016
Net income	\$ 795	\$ 791	\$ 1,572	\$ 1,602
Other comprehensive income (loss) before taxes:				
Foreign currency translation	45	(86)	55	(129)
Unrealized gains on available-for-sale securities	2	3	5	5
Defined benefit plans				
Pension costs included in salaries and benefits	4	5	9	9
	4	5	9	9
Change in fair value of derivative financial instruments	(11)	(32)	(8)	(70)
Interest costs included in interest expense	6	28	13	56
	(5)	(4)	5	(14)
Other comprehensive income (loss) before taxes	46	(82)	74	(129)
Income taxes (benefits) related to other comprehensive income items	19	(32)	29	(50)
Other comprehensive income (loss)	27	(50)	45	(79)
Comprehensive income	822	741	1,617	1,523
Comprehensive income attributable to noncontrolling interests	138	133	256	250
Comprehensive income attributable to HCA Healthcare, Inc.	\$ 684	\$ 608	\$ 1,361	\$ 1,273

See accompanying notes.

Table of Contents**HCA HEALTHCARE, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****Unaudited****(Dollars in millions)**

	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 705	\$ 646
Accounts receivable, less allowance for doubtful accounts of \$5,050 and \$4,988	5,782	5,826
Inventories	1,544	1,503
Other	1,306	1,111
	9,337	9,086
Property and equipment, at cost	38,306	37,055
Accumulated depreciation	(21,538)	(20,703)
	16,768	16,352
Investments of insurance subsidiaries	352	336
Investments in and advances to affiliates	197	206
Goodwill and other intangible assets	6,771	6,704
Other	1,141	1,074
	\$ 34,566	\$ 33,758
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current liabilities:		
Accounts payable	\$ 2,245	\$ 2,318
Accrued salaries	1,209	1,265
Other accrued expenses	2,104	2,035
Long-term debt due within one year		