

HCA Holdings, Inc.
Form 10-Q
August 07, 2013
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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, 2013

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 Holdings, 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, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting 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 ☐

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, 2013
447,200,900 shares

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June 30, 2013

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Table of Contents**HCA HOLDINGS, INC.****CONDENSED CONSOLIDATED INCOME STATEMENTS****FOR THE QUARTERS AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012****Unaudited****(Dollars in millions, except per share amounts)**

	Quarter		Six Months	
	2013	2012	2013	2012
Revenues before provision for doubtful accounts	\$ 9,473	\$ 9,153	\$ 18,667	\$ 18,352
Provision for doubtful accounts	1,023	1,041	1,777	1,835
Revenues	8,450	8,112	16,890	16,517
Salaries and benefits	3,848	3,707	7,765	7,443
Supplies	1,470	1,422	2,949	2,841
Other operating expenses	1,507	1,493	3,030	2,986
Electronic health record incentive income	(52)	(70)	(91)	(125)
Equity in earnings of affiliates	(12)	(9)	(20)	(20)
Depreciation and amortization	425	420	849	837
Interest expense	462	448	934	890
Losses (gains) on sales of facilities	(4)	2	12	3
Loss on retirement of debt			17	
	7,644	7,413	15,445	14,855
Income before income taxes	806	699	1,445	1,662
Provision for income taxes	269	214	470	538
Net income	537	485	975	1,124
Net income attributable to noncontrolling interests	114	94	208	193
Net income attributable to HCA Holdings, Inc.	\$ 423	\$ 391	\$ 767	\$ 931
Per share data:				
Basic earnings per share	\$ 0.95	\$ 0.89	\$ 1.72	\$ 2.12
Diluted earnings per share	\$ 0.91	\$ 0.85	\$ 1.66	\$ 2.03
Cash dividends declared per share	\$	\$	\$	\$ 2.00
Shares used in earnings per share calculations (in thousands):				
Basic	446,612	439,473	445,513	438,705
Diluted	463,184	458,621	462,782	458,467

See accompanying notes.

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	Quarter		Six Months	
	2013	2012	2013	2012
Net income	\$ 537	\$ 485	\$ 975	\$ 1,124
Other comprehensive income (loss) before taxes:				
Foreign currency translation		(22)	(60)	7
Unrealized (losses) gains on available-for-sale securities	(9)		(8)	5
Defined benefit plans				
Pension costs included in salaries and benefits	8	7	15	14
	8	7	15	14
Change in fair value of derivative financial instruments	47	(77)	40	(102)
Interest costs included in interest expense	32	31	64	60
	79	(46)	104	(42)
Other comprehensive income (loss) before taxes	78	(61)	51	(16)
Income taxes (benefits) related to other comprehensive income items	29	(23)	20	(7)
Other comprehensive income (loss)	49	(38)	31	(9)
Comprehensive income	586	447	1,006	1,115
Comprehensive income attributable to noncontrolling interests	114	94	208	193
Comprehensive income attributable to HCA Holdings, Inc.	\$ 472	\$ 353	\$ 798	\$ 922

See accompanying notes.

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	June 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 462	\$ 705
Accounts receivable, less allowance for doubtful accounts of \$4,965 and \$4,846	4,915	4,672
Inventories	1,152	1,086
Deferred income taxes	401	385
Other	861	915
	7,791	7,763
Property and equipment, at cost	30,077	29,527
Accumulated depreciation	(16,848)	(16,342)
	13,229	13,185
Investments of insurance subsidiaries	405	515
Investments in and advances to affiliates	120	104
Goodwill and other intangible assets	5,534	5,539
Deferred loan costs	264	290
Other	591	679
	\$ 27,934	\$ 28,075
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current liabilities:		
Accounts payable	\$ 1,657	\$ 1,768
Accrued salaries	1,036	1,120
Other accrued expenses	1,871	1,849