

HCA INC/TN  
Form 10-Q  
August 14, 2007

**Table of Contents**

**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, 2007**

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 Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction  
of incorporation or organization)*

**75-2497104**

*(I.R.S. Employer  
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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

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 of the latest practicable date.

<b>Class of Common Stock</b>	<b>Outstanding at July 31, 2007</b>
Voting common stock, \$.01 par value	94,182,800 shares

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**HCA INC.**

**Form 10-Q**  
**June 30, 2007**

	<b>Page of Form 10-Q</b>
<b>Part I. Financial Information</b>	
Item 1. Financial Statements (Unaudited):	
<u>Condensed Consolidated Income Statements for the quarters and six months ended June 30, 2007 and 2006</u>	3
<u>Condensed Consolidated Balance Sheets June 30, 2007 and December 31, 2006</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2007 and 2006</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	39
Item 4. <u>Controls and Procedures</u>	39
<b>Part II. Other Information</b>	39
Item 1. <u>Legal Proceedings</u>	39
Item 1A. <u>Risk Factors</u>	42
Item 6. <u>Exhibits</u>	43
<u>Signatures</u>	44
EX-31.1 SECTION 302 CERTIFICATION OF THE CEO	
EX-31.2 SECTION 302 CERTIFICATION OF THE CFO	
EX-32 SECTION 906 CERTIFICATIONS OF THE CEO & CFO	

Table of Contents

**HCA INC.**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE QUARTERS AND SIX MONTHS ENDED JUNE 30, 2007 AND 2006**  
**Unaudited**  
**(Dollars in millions)**

	Quarter		Six Months	
	2007	2006	2007	2006
Revenues	\$ <b>6,729</b>	\$ 6,360	\$ <b>13,406</b>	\$ 12,775
Salaries and benefits	<b>2,654</b>	2,605	<b>5,301</b>	5,216
Supplies	<b>1,096</b>	1,091	<b>2,199</b>	2,205
Other operating expenses	<b>1,101</b>	983	<b>2,118</b>	2,009
Provision for doubtful accounts	<b>753</b>	677	<b>1,444</b>	1,273
Gains on investments	<b>(7)</b>	(25)	<b>(7)</b>	(100)
Equity in earnings of affiliates	<b>(48)</b>	(47)	<b>(105)</b>	(108)
Depreciation and amortization	<b>361</b>	352	<b>716</b>	697
Interest expense	<b>557</b>	196	<b>1,114</b>	382
Gains on sales of facilities	<b>(11)</b>	(5)	<b>(16)</b>	(5)
Impairment of long-lived assets	<b>24</b>		<b>24</b>	
	<b>6,480</b>	5,827	<b>12,788</b>	11,569
Income before minority interests and income taxes	<b>249</b>	533	<b>618</b>	1,206
Minority interests in earnings of consolidated entities	<b>55</b>	46	<b>116</b>	101
Income before income taxes	<b>194</b>	487	<b>502</b>	1,105
Provision for income taxes	<b>78</b>	192	<b>206</b>	431
Net income	\$ <b>116</b>	\$ 295	\$ <b>296</b>	\$ 674

See accompanying notes.

Table of Contents

**HCA INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**Unaudited**  
(Dollars in millions)

	<b>June 30, 2007</b>	<b>December 31, 2006</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 354	\$ 634
Accounts receivable, less allowance for doubtful accounts of \$3,688 and \$3,428	3,798	3,705
Inventories	689	669
Deferred income taxes	466	476
Other	639	594
	<b>5,946</b>	6,078
Property and equipment, at cost	<b>22,345</b>	21,907
Accumulated depreciation	<b>(10,801)</b>	(10,238)
	<b>11,544</b>	11,669
Investments of insurance subsidiary	<b>1,693</b>	1,886
Investments in and advances to affiliates	<b>672</b>	679
Goodwill	<b>2,631</b>	2,601
Deferred loan costs		