FORM 10-K

HCA INC/TN - HCA

Filed: March 27, 2007 (period: December 31, 2006)

Annual report which provides a comprehensive overview of the company for the past year

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2006

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)

Registrant's telephone number, Including Area Code: **(615) 344-9551**

Securities Registered Pursuant to Section 12(b) of the Act: None

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☑ No ☐

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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 ☑

As of February 28, 2007, there were approximately 93,004,000 shares of Registrant's common stock outstanding. As of June 30, 2006, which was prior to Registrant's recapitalization, the aggregate market value of the common stock held by non-affiliates was approximately $16.1 billion. For purposes of the foregoing calculation only, Registrant's directors, executive officers and the HCA 401(k) Plan have been deemed to be affiliates.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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PART I

Item 1. *Business*

General

HCA Inc. is one of the leading health care services companies in the United States. At December 31, 2006, we operated 173 hospitals, comprised of 166 general, acute care hospitals; six psychiatric hospitals; and one rehabilitation hospital. The 173 hospital total includes seven hospitals (six general, acute care hospitals and one rehabilitation hospital) owned by joint ventures in which an affiliate of HCA is a partner, and these joint ventures are accounted for using the equity method. In addition, we operated 107 freestanding surgery centers, nine of which are owned by joint ventures in which an affiliate of HCA is a partner, and these joint ventures are accounted for using the equity method. Our facilities are located in 20 states, England and Switzerland. The terms "Company," "HCA," "we," "our" or "us," as used herein, refer to HCA Inc. and its affiliates unless otherwise stated or indicated by context. The term "affiliates" means direct and indirect subsidiaries of HCA Inc. and partnerships and joint ventures in which such subsidiaries are partners. The terms "facilities" or "hospitals" refer to entities owned and operated by affiliates of HCA and the term "employees" refers to employees of affiliates of HCA.

Our primary objective is to provide the communities we serve a comprehensive array of quality health care services in the most cost-effective manner possible. Our general, acute care hospitals typically provide a full range of services to accommodate such medical specialties as internal medicine, general surgery, cardiology, oncology, neurosurgery, orthopedics and obstetrics, as well as diagnostic and emergency services. Outpatient and ancillary health care services are provided by our general, acute care hospitals, freestanding surgery centers, diagnostic centers and rehabilitation facilities. Our psychiatric hospitals provide a full range of mental health care services through inpatient, partial hospitalization and outpatient settings.

The Company was incorporated in Nevada in January 1990 and reincorporated in Delaware in September 1993. Our principal executive offices are located at One Park Plaza, Nashville, Tennessee 37203, and our telephone number is (615) 344-9551.

On July 24, 2006, our Board of Directors approved and we entered into a Merger Agreement (the "Merger Agreement" and the transactions contemplated thereby the "Merger") with Hercules Acquisition Corporation ("Merger Sub"), a Delaware corporation and a wholly owned subsidiary of Hercules Holding II, LLC ("Hercules Holding"), a Delaware limited liability company owned by a private investor group including affiliates of Bain Capital, Kohlberg Kravis Roberts & Co., Merrill Lynch Global Private Equity (each a "Sponsor" and together, the "Sponsors"), and affiliates of HCA founder Dr. Thomas F. Frist, Jr., (the "Frist Entities", and together with the Sponsors, the "Investors"), pursuant to which Hercules Holding would acquire all of our outstanding shares of common stock for $51.00 per share in cash. The Merger Agreement was approved by our shareholders on November 16, 2006. The Merger, the financing transactions related to the Merger and other related transactions were consummated on November 17, 2006, had a transaction value of approximately $33.0 billion and are collectively referred to in this annual report as the "Recapitalization." As a result of the Recapitalization, our outstanding common stock is owned by Hercules Holding, certain members of management and other key employees. Our common stock is no longer registered with the Securities and Exchange Commission (the "SEC") and is no longer traded on a national securities exchange.

Available Information

We currently voluntarily file certain reports with the SEC, including annual reports on Form 10-K and quarterly reports on Form 10-Q. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We are an electronic filer and the SEC maintains an Internet site at http://www.sec.gov that contains the reports and other information we file electronically. Our website address is www.hcahealthcare.com. Please note that our website address is provided as an inactive textual reference only. We make available free of charge through our website our annual report on Form 10-K and quarterly reports on Form 10-Q, and all amendments to those

reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. The information provided on our website is not part of this report, and is therefore not incorporated by reference unless such information is specifically referenced elsewhere in this report.

Our Code of Conduct is available free of charge upon request to our Corporate Secretary, HCA Inc., One Park Plaza, Nashville, Tennessee 37203.

Business Strategy

We are committed to providing the communities we serve high quality, cost-effective health care while complying fully with our ethics policy, governmental regulations and guidelines and industry standards. As a part of this strategy, management focuses on the following principal elements:

- maintain our dedication to the care and improvement of human life;
- maintain our commitment to ethics and compliance;
- leverage our leading local market positions;
- expand our presence in key markets;
- continue to leverage our scale;
- continue to develop enduring physician relationships; and
- become the health care employer of choice.

Health Care Facilities

We currently own, manage or operate hospitals; freestanding surgery centers; diagnostic and imaging centers; radiation and oncology therapy centers; comprehensive rehabilitation and physical therapy centers; and various other facilities.

At December 31, 2006, we owned and operated 160 general, acute care hospitals with 38,754 licensed beds, and an additional six general, acute care hospitals with 2,127 licensed beds are operated through joint ventures, which are accounted for using the equity method. Most of our general, acute care hospitals provide medical and surgical services, including inpatient care, intensive care, cardiac care, diagnostic services and emergency services. The general, acute care hospitals also provide outpatient services such as outpatient surgery, laboratory, radiology, respiratory therapy, cardiology and physical therapy. Each hospital has an organized medical staff and a local board of trustees or governing board, made up of members of the local community.

Our hospitals do not typically engage in extensive medical research and education programs. However, some of our hospitals are affiliated with medical schools and may participate in the clinical rotation of medical interns and residents and other education programs.

At December 31, 2006, we operated six psychiatric hospitals with 600 licensed beds. Our psychiatric hospitals provide therapeutic programs including child, adolescent and adult psychiatric care, adult and adolescent alcohol and drug abuse treatment and counseling.

Outpatient health care facilities operated by us include freestanding surgery centers, diagnostic and imaging centers, comprehensive outpatient rehabilitation and physical therapy centers, outpatient radiation and oncology therapy centers and various other facilities. These outpatient services are an integral component of our strategy to develop comprehensive health care networks in select communities.

In addition to providing capital resources, our affiliates provide a variety of management services to our health care facilities, including patient safety programs; ethics and compliance programs; national supply contracts; equipment purchasing and leasing contracts; accounting, financial and clinical systems; governmental reimbursement assistance; construction planning and coordination; information technology systems and solutions; legal counsel; human resources services; and internal audit services.

Sources of Revenue

Hospital revenues depend upon inpatient occupancy levels, the medical and ancillary services ordered by physicians and provided to patients, the volume of outpatient procedures and the charges or payment rates for such services. Charges and reimbursement rates for inpatient services vary significantly depending on the type of service (e.g., medical/surgical, intensive care or psychiatric) and the geographic location of the hospital. Inpatient occupancy levels fluctuate for various reasons, many of which are beyond our control.

We receive payment for patient services from the federal government under the Medicare program, state governments under their respective Medicaid or similar programs, managed care plans, private insurers and directly from patients. The approximate percentages of our patient revenues from such sources were as follows:

	Year Ended December 31,		
	2006	2005	2004
Medicare	26%	27%	28%
Managed Medicare	5	(a)	(a)
Medicaid	5	5	5
Managed Medicaid	3	3	3
Managed care and other insurers(a)	53	57	54
Uninsured(b)	8	8	10
Total	100%	100%	100%

(a) Prior to 2006, managed Medicare revenues were classified as managed care.

(b) Uninsured revenues for the years ended December 31, 2006 and 2005 were reduced by $1.095 billion and $769 million, respectively, of discounts to the uninsured, related to the uninsured discount program implemented January 1, 2005.

Medicare is a federal program that provides certain hospital and medical insurance benefits to persons age 65 and over, some disabled persons and persons with end-stage renal disease. Medicaid is a federal-state program, administered by the states, which provides hospital and medical benefits to qualifying individuals who are unable to afford health care. All of our general, acute care hospitals located in the United States are certified as health care services providers for persons covered under Medicare and Medicaid programs. Amounts received under Medicare and Medicaid programs are generally significantly less than established hospital gross charges for the services provided.

Our hospitals generally offer discounts from established charges to certain group purchasers of health care services, including private insurance companies, employers, HMOs, PPOs and other managed care plans. These discount programs generally limit our ability to increase revenues in response to increasing costs. See Item 1, “Business — Competition.” Patients are generally not responsible for the total difference between established hospital gross charges and amounts reimbursed for such services under Medicare, Medicaid, HMOs or PPOs and other managed care plans, but are responsible to the extent of any exclusions, deductibles or coinsurance features of their coverage. The amount of such exclusions, deductibles and coinsurance has been increasing each year. Collection of amounts due from individuals is typically more difficult than from governmental or third-party payers. On January 1, 2005, we modified our policies to provide a discount to uninsured patients who do not qualify for Medicaid or charity care. These discounts are similar to those provided to many local managed care plans. In implementing the discount policy, we attempt to qualify uninsured patients for Medicaid, other federal or state assistance or charity care. If an uninsured patient does not qualify for these programs, the uninsured discount is applied. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Revenue/ Volume Trends.”

Medicare

Inpatient Acute Care

Under the Medicare program, we receive reimbursement under a prospective payment system ("PPS") for general, acute care hospital inpatient services. Under hospital inpatient PPS, fixed payment amounts per inpatient discharge are established based on the patient's assigned diagnosis related group ("DRG"). DRGs classify treatments for illnesses according to the estimated intensity of hospital resources necessary to furnish care for each principal diagnosis. DRG weights represent the average resources for a given DRG relative to the average resources for all DRGs. When the cost to treat certain patients falls well outside the normal distribution, providers typically receive additional "outlier" payments. DRG payments do not consider a specific hospital's cost, but are adjusted for area wage differentials. Hospitals, other than those defined as "new," receive PPS reimbursement for inpatient capital costs based on DRG weights multiplied by a geographically adjusted federal rate.

DRG rates are updated and DRG weights are recalibrated each federal fiscal year (which begins October 1). The index used to update the DRG rates (the "market basket") gives consideration to the inflation experienced by hospitals and entities outside the health care industry in purchasing goods and services. However, for several years the percentage increases to the DRG rates have been lower than the percentage increases in the costs of goods and services purchased by hospitals. In federal fiscal year 2006, the DRG rate increase was market basket of 3.7%. For federal fiscal year 2007, the Centers for Medicare and Medicaid Services ("CMS") set the DRG rate increase at full market basket of 3.4%. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 ("MMA") provided for DRG rate increases for certain federal fiscal years at full market basket, if data for ten patient care quality indicators were submitted to the Secretary of the Department of Health and Human Services ("HHS"). On February 8, 2006, the Deficit Reduction Act of 2005 ("DRA 2005") was enacted by Congress and expanded the number of quality measures that must be reported to receive a full market basket update to 21, beginning with discharges occurring in the third quarter of 2006. On November 24, 2006, CMS issued a final rule that expands to 26 the number of quality measures that must be reported, beginning in the first quarter of calendar year 2007, and requires, beginning in the third quarter of calendar year 2007, that hospitals report the results of a 27-question patient perspective survey. Failure to submit the required quality indicators will result in a two percentage point reduction to the market basket update. All of our hospitals paid under Medicare inpatient DRG PPS are participating in the quality initiative by the Secretary of HHS by submitting the quality data requested. While we will endeavor to comply with all data submission requirements as additional requirements continue to be added, our submissions may not be deemed timely or sufficient to entitle us to the full market basket adjustment for all of our hospitals.

In the Federal Register dated August 18, 2006, CMS changed the methodology used to recalibrate the DRG weights from charge based weights to cost relative weights under a 3-year transition period beginning in federal fiscal year 2007. The adoption of the cost relative weights is not anticipated to have a material financial impact to us. CMS is currently studying alternative DRG systems that would recognize severity of illness. It is anticipated that CMS will propose revisions to the DRG system to better recognize severity of illness for federal fiscal year 2008. It is uncertain as to what those revisions might be and what the financial impact could be to us.

Future realignments in the DRG system could also reduce the margins we receive for certain specialties, including cardiology and orthopedics. The greater proliferation of specialty hospitals in recent years has caused CMS to focus on payment levels for such specialties. Changes in the payments received for specialty services could have an adverse effect on our revenues.

Historically, the Medicare program has set aside 5.1% of Medicare inpatient payments to pay for outlier cases. CMS estimates that outlier payments were 3.52% and 3.96% of total operating DRG payments for federal fiscal years 2004 and 2005, respectively. For federal fiscal year 2006, CMS has established an outlier threshold of $23,600, which resulted in outlier payments of 4.62% as estimated by CMS. For federal fiscal year 2007, CMS has established an outlier threshold of $24,485. We do not anticipate that the change to the outlier threshold for federal fiscal year 2007 will have a material impact on our revenues.

Outpatient

CMS reimburses hospital outpatient services (and certain Medicare Part B services furnished to hospital inpatients who have no Part A coverage) on a PPS basis. CMS has continued to use existing fee schedules to pay for physical, occupational and speech therapies, durable medical equipment, clinical diagnostic laboratory services and nonimplantable orthotics and prosthetics. Freestanding surgery centers and independent diagnostic testing facilities are reimbursed on a fee schedule.

Hospital outpatient services paid under PPS are classified into groups called ambulatory payment classifications ("APCs"). Services for each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC. Depending on the services provided, a hospital may be paid for more than one APC for a patient visit. The APC payment rates were updated for calendar years 2005 and 2006 by market basket of 3.3% and 3.7%, respectively. However, as a result of the expiration of additional payments for drugs that were being paid in calendar year 2005, for calendar year 2006 there was an effective 2.25% reduction to the market basket of 3.7%, resulting in a net market basket of 1.45%. For calendar year 2007, MMA provides for a full market basket update, and on November 24, 2006 CMS published a final rule that updated payment rates for calendar year 2007 by the full market basket of 3.4%. In this final rule, CMS announced that it will require hospitals to submit quality data relating to outpatient care in order to receive the full market basket increase under the outpatient PPS beginning in calendar year 2009. CMS did not indicate what data must be submitted or other details of the program. Hospitals that fail to submit such data will receive the market basket update minus two percentage points for the outpatient PPS.

Rehabilitation

CMS reimburses inpatient rehabilitation facilities ("IRFs") on a PPS basis. Under IRF PPS, patients are classified into case mix groups based upon impairment, age, comorbidities (additional diseases or disorders from which the patient suffers) and functional capability. IRFs are paid a predetermined amount per discharge that reflects the patient's case mix group and is adjusted for area wage levels, low-income patients, rural areas and high-cost outliers. For federal fiscal years 2005 and 2006, CMS updated the PPS rate for rehabilitation hospitals and units by market basket of 3.1% and 3.6%, respectively. For federal fiscal year 2007, CMS has updated the PPS rate for IRFs by market basket of 3.3%. However, CMS also applied reductions to the standard payment amount of 1.9% and 2.6% for federal fiscal years 2006 and 2007, respectively, to account for coding changes that do not reflect real changes in case mix. As of December 31, 2006, we had one rehabilitation hospital, which is operated through a joint venture, and 49 hospital rehabilitation units.

On May 7, 2004, CMS published a final rule to change the criteria for being classified as an IRF, commonly known as the "75 percent rule." CMS revised the medical conditions for patients served by rehabilitation facilities from ten medical conditions to 13 conditions. Pursuant to this final rule, a specified percentage of a facility's inpatients over a given year must be treated for one of these conditions. The final rule provides for a transition period during which the percentage threshold would increase. For cost reporting periods that began on or after July 1, 2004 and before July 1, 2005, the compliance threshold was set at 50% of the IRF's total patient population. For cost reporting periods beginning on or after July 1, 2005 and before July 1, 2006, the compliance threshold was set at 60% of the IRF's total patient population. For cost reporting periods beginning on or after July 1, 2006 and before July 1, 2007, the compliance threshold is set at 65% of the IRF's total patient population. The compliance threshold will be set at 75% for cost reporting periods beginning on or after July 1, 2007. Implementation of the "75 percent rule" has started to reduce our IRF admissions and can be expected to continue to significantly restrict the treatment of patients whose medical conditions do not meet any of the 13 approved conditions.

Medicare fiscal intermediaries have been given the authority to develop and implement Local Coverage Determinations ("LCD") to determine the medical necessity of care rendered to Medicare patients where there is no national coverage determination. Some intermediaries have finalized their LCDs for rehabilitation services. A restrictive rehabilitation LCD has the potential to significantly impact Medicare rehabilitation payments. Some fiscal intermediaries have implemented LCDs that are more stringent than the 75 percent

rule or have retroactively denied coverage based on new LCDs. The financial impact to us of the implementation of final rehabilitation LCDs throughout our markets is uncertain.

Psychiatric

Payments to PPS-exempt psychiatric hospitals and units are based upon reasonable cost, subject to a cost-per-discharge target (the TEFRA limits) which are updated annually by a market basket index. The target amount for federal fiscal year 2006 was subject to a market basket update of 3.8% for psychiatric hospitals and units that are being paid under the three-year transition to the inpatient psychiatric PPS.

On November 15, 2004, CMS published a final regulation to implement a PPS for inpatient hospital services furnished in psychiatric hospitals and psychiatric units of general, acute care hospitals and critical access hospitals ("IPF PPS"). The new prospective payment system replaces the cost-based system for reporting periods beginning on or after January 1, 2005. IPF PPS is a per diem prospective payment system, with adjustments to account for certain patient and facility characteristics. IPF PPS contains an "outlier" policy for extraordinarily costly cases and an adjustment to a facility's base payment if it maintains a full-service emergency department. IPF PPS is being implemented over a three-year transition period with full payment under IPF PPS to begin in the fourth year. Also, CMS has included a stop-loss provision to ensure that hospitals avoid significant losses during the transition. CMS has established the IPF PPS payment rate in a manner intended to be budget neutral and has adopted a July 1 update cycle. Thus, the initial IPF PPS per diem payment rate was effective for the 18-month period January 1, 2005 through June 30, 2006. CMS updated payments under the IPF PPS for rate year 2007 (July 1, 2006 to June 30, 2007) by 4.5% (reflecting the blend of the 4.6% update for IPF TEFRA and the 4.3% update for IPF PPS payments). The market basket update accounts for moving from a calendar year to a rate year (the annual market basket is estimated to be 3.4%). As of December 31, 2006, we had six psychiatric hospitals and 36 hospital psychiatric units.

Other

Under PPS, the payment rates are adjusted for the area differences in wage levels by a factor ("wage index") reflecting the relative wage level in the geographic area compared to the national average wage level. For federal fiscal year 2006, CMS applied an occupational mix adjustment factor to the wage index amounts for the first time, but limited the adjustment to 10% of the wage index. CMS increased the occupational mix adjustment to 100% for inpatient PPS effective for federal fiscal year 2007 in the final rule published on October 11, 2006.

MMA lowered the labor share for inpatient PPS payments for hospitals with wage indices less than or equal to 1.0 from 71.1% to 62.0%, effective October 1, 2004, unless the lower percentage would result in lower payments to the hospital. This change, in effect, increases payments for all hospitals whose wage index is less than or equal to 1.0. For all other hospitals, CMS lowered the 71.1% labor share to 69.7%, effective October 1, 2005. Also, effective October 1, 2005, IRF PPS adopted the Core-Based Statistical Area ("CBSA") definition of labor market geographic areas but have not adopted an occupational mix adjustment. For federal fiscal year 2006, IRFs received a blended (50/50) wage index based on the old and new wage geographic definitions.

The occupational mix adjustment has not been applied to IPF PPS at this time. However, in the final rule published on May 9, 2006, CMS adopted the CBSA definition of labor market geographic areas for IPF PPS effective July 1, 2006.

The adoption of the wage indices based upon the new wage definitions and the adoption of the occupational mix adjustment for inpatient PPS, while slightly negative in the aggregate, are not anticipated to have a material financial impact for 2007.

CMS has a significant initiative underway that could affect the administration of the Medicare program and impact how hospitals bill and receive payment for covered Medicare services. In accordance with MMA, CMS has initiated the implementation of contractor reform whereby CMS will competitively bid the Medicare fiscal intermediary and Medicare carrier functions to Medicare Administrative Contractors

("MACs"). Hospital companies will have the option to work with the selected MAC in the jurisdiction where a given hospital is located or to use the MAC in the jurisdiction where the hospital company's home office is located. We have requested that CMS enable us to use more than one MAC but less than the 12 MACs where our hospitals are located. CMS awarded the first of the MAC contracts on July 31, 2006. Jurisdiction 3, which includes the states of Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming, was awarded to Noridian Administrative Services. HCA operates six hospitals in Jurisdiction 3 and Mutual of Omaha continues to serve as their fiscal intermediary. An additional seven jurisdictions are expected to be awarded in July and September of 2007, and the remaining seven jurisdictions are expected to be awarded in September 2008. All of these changes could impact claims processing functions and the resulting cash flow. We cannot predict the impact that these changes could have on our cash flow.

Effective January 1, 2007, as a result of DRA 2005, reimbursements for ASC overhead costs are limited to no more than the overhead costs paid to hospital outpatient departments under the Medicare hospital outpatient prospective payment system for the same procedure. In the Federal Register dated August 23, 2006, CMS announced proposed regulations that, if adopted, would change payment for procedures performed in an ambulatory surgery center ("ASC"), effective January 1, 2008. Under this proposal, ASC payment groups would increase from the current nine clinically disparate payment groups to the 221 APCs used under the outpatient prospective payment system for these surgical services. CMS estimates that the rates for procedures performed in an ASC setting would equal 62% of the corresponding rates paid for the same procedures performed in an outpatient hospital setting. Moreover, under the proposed regulations, if CMS determines that a procedure is commonly performed in a physician's office, the ASC reimbursement for that procedure would be limited to the reimbursement allowable under the Medicare Part B Physician Fee Schedule. Under this proposal, all surgical procedures, other than those that pose a significant safety risk or generally require an overnight stay, which would be listed by CMS, would be payable as ASC procedures. This will expand the number of procedures that Medicare will pay for if performed in an ASC. CMS indicates in its discussion of the proposed regulations that it believes that the volumes and service mix of procedures provided in ASCs would change significantly in 2008 under the revised payment system, but that CMS is not able to accurately project those changes. If the proposal is adopted, more Medicare procedures that are now performed in hospitals may be moved to ASCs, reducing surgical volume in our hospitals. Also, more Medicare procedures that are now performed in ASCs may be moved to physicians' offices. Commercial third-party payers may adopt similar policies. CMS has announced that the final rule to implement a revised ASC payment system will be published in a separate rule in 2007.

Hospital operating margins have been, and may continue to be, under significant pressure because of deterioration in pricing flexibility and payer mix, and growth in operating expenses in excess of the increase in PPS payments under the Medicare program.

Managed Medicare

Managed Medicare plans relate to situations where a private company contracts with CMS to provide members with Medicare Part A, Part B and Part D benefits. Managed Medicare plans can be structured as HMOs, PPOs, or private fee-for-service plans.

Medicaid

Medicaid programs are funded jointly by the federal government and the states and are administered by states under approved plans. Most state Medicaid program payments are made under a PPS or are based on negotiated payment levels with individual hospitals. Medicaid reimbursement is often less than a hospital's cost of services. The federal government and many states are currently considering altering the level of Medicaid funding (including upper payment limits) or program eligibility that could adversely affect future levels of Medicaid reimbursement received by our hospitals. As permitted by law, certain states in which we operate have adopted broad-based provider taxes to fund their Medicaid programs.

Since states must operate with balanced budgets and since the Medicaid program is often the state's largest program, states can be expected to adopt or consider adopting legislation designed to reduce their

Medicaid expenditures. DRA 2005, signed into law on February 8, 2006, includes Medicaid cuts of approximately $4.8 billion over five years. In addition, proposed regulatory changes, if implemented, would reduce federal Medicaid funding by an additional $12.2 billion over five years. On January 18, 2007, CMS published a proposed rule entitled "Medicaid Program; Cost Limits for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership". The proposed rule, if finalized, could significantly impact state Medicaid programs. It is uncertain if such rule will be finalized. States have also adopted, or are considering, legislation designed to reduce coverage and program eligibility, enroll Medicaid recipients in managed care programs and/or impose additional taxes on hospitals to help finance or expand the states' Medicaid systems. Future legislation or other changes in the administration or interpretation of government health programs could have a material adverse effect on our financial position and results of operations.

Managed Medicaid

Managed Medicaid programs relate to situations where states contract with one or more entities for patient enrollment, care management and claims adjudication. The states usually do not abdicate program responsibilities for financing, eligibility criteria and core benefit plan design. We generally contract directly with one of the designated entities, usually a managed care organization. The provisions of these programs are state-specific.

Annual Cost Reports

All hospitals participating in the Medicare, Medicaid and TRICARE programs, whether paid on a reasonable cost basis or under a PPS, are required to meet certain financial reporting requirements. Federal and, where applicable, state regulations require the submission of annual cost reports covering the revenue, costs and expenses associated with the services provided by each hospital to Medicare beneficiaries and Medicaid recipients.

Annual cost reports required under the Medicare and Medicaid programs are subject to routine audits, which may result in adjustments to the amounts ultimately determined to be due to us under these reimbursement programs. These audits often require several years to reach the final determination of amounts due to or from us under these programs. Providers also have rights of appeal, and it is common to contest issues raised in audits of prior years' reports.

Managed Care and Other Discounted Plans

Most of our hospitals offer discounts from established charges to certain large group purchasers of health care services, including managed care plans and private insurance companies. Admissions reimbursed by managed care and other insurers were 36%, 42% and 42% of our total admissions for the years ended December 31, 2006, 2005 and 2004, respectively (prior to 2006, managed Medicare admissions, 6% of 2006 admissions, were classified as managed care). Managed care contracts are typically negotiated for one-year or two-year terms. While we generally received annual average yield increases of six to seven percent from managed care payers during 2006, there can be no assurance that we will continue to receive increases in the future.

Hospital Utilization

We believe that the most important factors relating to the overall utilization of a hospital are the quality and market position of the hospital and the number and quality of physicians and other health care professionals providing patient care within the facility. Generally, we believe the ability of a hospital to be a market leader is determined by its breadth of services, level of technology, emphasis on quality of care and convenience for patients and physicians. Other factors that impact utilization include the growth in local population, local economic conditions and market penetration of managed care programs.

The following table sets forth certain operating statistics for our hospitals. Hospital operations are subject to certain seasonal fluctuations, including decreases in patient utilization during holiday periods and increases in the cold weather months.

	Years Ended December 31,				
	2006	2005	2004	2003	2002
Number of hospitals at end of period(a)	166	175	182	184	173
Number of freestanding outpatient surgery centers at end of period(b)	98	87	84	79	74
Number of licensed beds at end of period(c)	39,354	41,265	41,852	42,108	39,932
Weighted average licensed beds(d)	40,653	41,902	41,997	41,568	39,985
Admissions(e)	1,610,100	1,647,800	1,659,200	1,635,200	1,582,800
Equivalent admissions(f)	2,416,700	2,476,600	2,454,000	2,405,400	2,339,400
Average length of stay (days)(g)	4.9	4.9	5.0	5.0	5.0
Average daily census(h)	21,688	22,225	22,493	22,234	21,509
Occupancy rate(i)	53%	53%	54%	54%	54%
Emergency room visits(j)	5,213,500	5,415,200	5,219,500	5,160,200	4,802,800
Outpatient surgeries(k)	820,900	836,600	834,800	814,300	809,900
Inpatient surgeries(l)	533,100	541,400	541,000	528,600	518,100

(a) Excludes seven facilities in 2006, 2005, 2004 and 2003, and six facilities in 2002 that are not consolidated (accounted for using the equity method) for financial reporting purposes.

(b) Excludes nine facilities in 2006, seven facilities in 2005, eight facilities in 2004 and four facilities in 2003 and 2002 that are not consolidated (accounted for using the equity method) for financial reporting purposes.

(c) Licensed beds are those beds for which a facility has been granted approval to operate from the applicable state licensing agency.

(d) Weighted average licensed beds represents the average number of licensed beds, weighted based on periods owned.

(e) Represents the total number of patients admitted to our hospitals and is used by management and certain investors as a general measure of inpatient volume.

(f) Equivalent admissions are used by management and certain investors as a general measure of combined inpatient and outpatient volume. Equivalent admissions are computed by multiplying admissions (inpatient volume) by the sum of gross inpatient revenue and gross outpatient revenue and then dividing the resulting amount by gross inpatient revenue. The equivalent admissions computation “equates” outpatient revenue to the volume measure (admissions) used to measure inpatient volume, resulting in a general measure of combined inpatient and outpatient volume.

(g) Represents the average number of days admitted patients stay in our hospitals.

(h) Represents the average number of patients in our hospital beds each day.

(i) Represents the percentage of hospital licensed beds occupied by patients. Both average daily census and occupancy rate provide measures of the utilization of inpatient rooms.

(j) Represents the number of patients treated in our emergency rooms.

(k) Represents the number of surgeries performed on patients who were not admitted to our hospitals. Pain management and endoscopy procedures are not included in outpatient surgeries.

(l) Represents the number of surgeries performed on patients who have been admitted to our hospitals. Pain management and endoscopy procedures are not included in inpatient surgeries.

Competition

Generally, other hospitals in the local communities served by most of our hospitals provide services similar to those offered by our hospitals. Additionally, in the past several years the number of freestanding surgery centers and diagnostic centers (including facilities owned by physicians) in the geographic areas in which we operate has increased significantly. As a result, most of our hospitals operate in a highly competitive environment. The rates charged by our hospitals are intended to be competitive with those charged by other local hospitals for similar services. In some cases, competing hospitals are more established than our hospitals. Some competing hospitals are owned by tax-supported government agencies and many others are owned by not-for-profit entities that may be supported by endowments, charitable contributions and tax revenues, and are exempt from sales, property and income taxes. Such exemptions and support are not available to our hospitals. In certain localities there are large teaching hospitals that provide highly specialized facilities, equipment and services which may not be available at most of our hospitals. We are facing increasing competition from physician-owned specialty hospitals and freestanding surgery centers for market share in high margin services.

Psychiatric hospitals frequently attract patients from areas outside their immediate locale and, therefore, our psychiatric hospitals compete with both local and regional hospitals, including the psychiatric units of general, acute care hospitals.

Our strategies are designed to ensure our hospitals are competitive. We believe our hospitals compete within local communities on the basis of many factors, including the quality of care; ability to attract and retain quality physicians, skilled clinical personnel and other health care professionals; location; breadth of services; technology offered and prices charged. We have increased our focus on operating outpatient services with improved accessibility and more convenient service for patients, and increased predictability and efficiency for physicians.

Two of the most significant factors to the competitive position of a hospital are the number and quality of physicians affiliated with the hospital. Although physicians may at any time terminate their affiliation with a hospital operated by us, our hospitals seek to retain physicians with varied specialties on the hospitals' medical staffs and to attract other qualified physicians. We believe that physicians refer patients to a hospital on the basis of the quality and scope of services it renders to patients and physicians, the quality of physicians on the medical staff, the location of the hospital and the quality of the hospital's facilities, equipment and employees. Accordingly, we strive to maintain and provide quality facilities, equipment, employees and services for physicians and patients.

Another major factor in the competitive position of a hospital is management's ability to negotiate service contracts with purchasers of group health care services. Managed care plans attempt to direct and control the use of hospital services and obtain discounts from hospitals' established gross charges. In addition, employers and traditional health insurers are increasingly interested in containing costs through negotiations with hospitals for managed care programs and discounts from established gross charges. Generally, hospitals compete for service contracts with group health care services purchasers on the basis of price, market reputation, geographic location, quality and range of services, quality of the medical staff and convenience. The importance of obtaining contracts with managed care organizations varies from community to community, depending on the market strength of such organizations.

State certificate of need ("CON") laws, which place limitations on a hospital's ability to expand hospital services and facilities, make capital expenditures and otherwise make changes in operations, may also have the effect of restricting competition. In those states which have no CON laws or which set relatively high levels of expenditures before they become reviewable by state authorities, competition in the form of new services, facilities and capital spending is more prevalent. See Item 1, "Business — Regulation and Other Factors."

We, and the health care industry as a whole, face the challenge of continuing to provide quality patient care while dealing with rising costs and strong competition for patients. Changes in medical technology, existing and future legislation, regulations and interpretations and managed care contracting for provider services by private and government payers remain ongoing challenges.

Admissions and average lengths of stay continue to be negatively affected by payer-required preadmission authorization, utilization review and payer pressure to maximize outpatient and alternative health care delivery services for less acutely ill patients. Increased competition, admission constraints and payer pressures are expected to continue. To meet these challenges, we intend to expand many of our facilities or acquire or construct new facilities to better enable the provision of a comprehensive array of outpatient services, offer discounts to private payer groups, upgrade facilities and equipment, and offer new or expanded programs and services.

Regulation and Other Factors

Licensure, Certification and Accreditation

Health care facility construction and operation are subject to numerous federal, state and local regulations relating to the adequacy of medical care, equipment, personnel, operating policies and procedures, maintenance of adequate records, fire prevention, rate-setting and compliance with building codes and environmental protection laws. Facilities are subject to periodic inspection by governmental and other authorities to assure continued compliance with the various standards necessary for licensing and accreditation. We believe that our health care facilities are properly licensed under applicable state laws. All of our general, acute care hospitals are certified for participation in the Medicare and Medicaid programs and are accredited by the Joint Commission on Accreditation of Healthcare Organizations ("Joint Commission"). If any facility were to lose its Joint Commission accreditation or otherwise lose its certification under the Medicare and Medicaid programs, the facility would be unable to receive reimbursement from the Medicare and Medicaid programs. Management believes our facilities are in substantial compliance with current applicable federal, state, local and independent review body regulations and standards. The requirements for licensure, certification and accreditation are subject to change and, in order to remain qualified, it may become necessary for us to make changes in our facilities, equipment, personnel and services. The requirements for licensure also may include notification or approval in the event of the transfer or change of ownership. Failure to obtain the necessary state approval in these circumstances can result in the inability to complete an acquisition or change of ownership.

Certificates of Need

In some states where we operate hospitals, the construction or expansion of health care facilities, the acquisition of existing facilities, the transfer or change of ownership and the addition of new beds or services may be subject to review by and prior approval of state regulatory agencies under a CON program. Such laws generally require the reviewing state agency to determine the public need for additional or expanded health care facilities and services. Failure to obtain necessary state approval can result in the inability to expand facilities, complete an acquisition or change ownership.

State Rate Review

Some states have adopted legislation mandating rate or budget review for hospitals or have adopted taxes on hospital revenues, assessments or licensure fees to fund indigent health care within the state. In the aggregate, indigent tax provisions have not materially, adversely affected our results of operations. Although we do not currently operate facilities in states that mandate rate or budget reviews, we cannot predict whether we will operate in such states in the future, or whether the states in which we currently operate may adopt legislation mandating such reviews.

Utilization Review

Federal law contains numerous provisions designed to ensure that services rendered by hospitals to Medicare and Medicaid patients meet professionally recognized standards, are medically necessary and that claims for reimbursement are properly filed. These provisions include a requirement that a sampling of admissions of Medicare and Medicaid patients must be reviewed by quality improvement organizations to assess the appropriateness of Medicare and Medicaid patient admissions and discharges, the quality of care

provided, the validity of DRG classifications and the appropriateness of cases of extraordinary length of stay or cost. Quality improvement organizations may deny payment for services provided, may assess fines and also have the authority to recommend to HHS that a provider, which is in substantial noncompliance with the appropriate standards, be excluded from participating in the Medicare program. Most nongovernmental managed care organizations also require utilization review.

Federal Health Care Program Regulations

Participation in any federal health care program, including the Medicare and Medicaid programs, is heavily regulated by statute and regulation. If a hospital fails to substantially comply with the numerous conditions of participation in the Medicare and Medicaid programs or performs certain prohibited acts, the hospital's participation in the federal health care programs may be terminated, or civil or criminal penalties may be imposed under certain provisions of the Social Security Act, or both.

Anti-kickback Statute

A section of the Social Security Act known as the "Anti-kickback Statute" prohibits providers and others from directly or indirectly soliciting, receiving, offering or paying any remuneration with the intent of generating referrals or orders for services or items covered by a federal health care program. Courts have interpreted this statute broadly. Violations of the Anti-kickback Statute may be punished by a criminal fine of up to $25,000 for each violation or imprisonment, civil money penalties of up to $50,000 per violation and damages of up to three times the total amount of the remuneration and/or exclusion from participation in federal health care programs, including Medicare and Medicaid. Courts have held that there is a violation of the Anti-kickback Statute if just one purpose of the renumeration is to generate referrals, even if there are other lawful purposes.

The Office of Inspector General at HHS ("OIG"), among other regulatory agencies, is responsible for identifying and eliminating fraud, abuse and waste. The OIG carries out this mission through a nationwide program of audits, investigations and inspections. As one means of providing guidance to health care providers, the OIG issues "Special Fraud Alerts." These alerts do not have the force of law, but identify features of arrangements or transactions that may indicate that the arrangements or transactions violate the Anti-kickback Statute or other federal health care laws. The OIG has identified several incentive arrangements, which, if accompanied by inappropriate intent, constitute suspect practices, including: (a) payment of any incentive by the hospital each time a physician refers a patient to the hospital, (b) the use of free or significantly discounted office space or equipment in facilities usually located close to the hospital, (c) provision of free or significantly discounted billing, nursing or other staff services, (d) free training for a physician's office staff in areas such as management techniques and laboratory techniques, (e) guarantees which provide that, if the physician's income fails to reach a predetermined level, the hospital will pay any portion of the remainder, (f) low-interest or interest-free loans, or loans which may be forgiven if a physician refers patients to the hospital, (g) payment of the costs of a physician's travel and expenses for conferences, (h) coverage on the hospital's group health insurance plans at an inappropriately low cost to the physician, (i) payment for services (which may include consultations at the hospital) which require few, if any, substantive duties by the physician, (j) purchasing goods or services from physicians at prices in excess of their fair market value, and (k) rental of space in physician offices, at other than fair market value terms, by persons or entities to which physicians refer. The OIG has encouraged persons having information about hospitals who offer the above types of incentives to physicians to report such information to the OIG.

The OIG also issues Special Advisory Bulletins as a means of providing guidance to health care providers. These bulletins, along with the Special Fraud Alerts, have focused on certain arrangements that could be subject to heightened scrutiny by government enforcement authorities, including: (a) contractual joint venture arrangements and other joint venture arrangements between those in a position to refer business, such as physicians, and those providing items or services for which Medicare or Medicaid pays, and (b) certain "gainsharing" arrangements, i.e., the practice of giving physicians a share of any reduction in a hospital's costs for patient care attributable in part to the physician's efforts.

In addition to issuing Special Fraud Alerts and Special Advisory Bulletins, the OIG issues compliance program guidance for certain types of health care providers. In January 2005, the OIG published Supplemental Compliance Guidance for Hospitals, supplementing its 1998 guidance for the hospital industry. In the supplemental guidance, the OIG identifies a number of risk areas under federal fraud and abuse statutes and regulations. These areas of risk include compensation arrangements with physicians, recruitment arrangements with physicians and joint venture relationships with physicians.

As authorized by Congress, the OIG has published safe harbor regulations that outline categories of activities that are deemed protected from prosecution under the Anti-kickback Statute. Currently, there are statutory exceptions and safe harbors for various activities, including the following: investment interests, space rental, equipment rental, practitioner recruitment, personnel services and management contracts, sale of practice, referral services, warranties, discounts, employees, group purchasing organizations, waiver of beneficiary coinsurance and deductible amounts, managed care arrangements, obstetrical malpractice insurance subsidies, investments in group practices, freestanding surgery centers, ambulance replenishing, and referral agreements for specialty services. The fact that conduct or a business arrangement does not fall within a safe harbor, or that it is identified in a fraud alert or advisory bulletin or as a risk area in the Supplemental Compliance Guidelines for Hospitals, does not automatically render the conduct or business arrangement illegal under the Anti-kickback Statute. However, such conduct and business arrangements may lead to increased scrutiny by government enforcement authorities. Although the Company believes that its arrangements with physicians have been structured to comply with current law and available interpretations, there can be no assurance that regulatory authorities enforcing these laws will determine these financial arrangements do not violate the Anti-kickback Statute or other applicable laws. An adverse determination could subject the Company to liabilities under the Social Security Act, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other federal health care programs.

Stark Law

The Social Security Act also includes a provision commonly known as the “Stark Law.” This law effectively prohibits physicians from referring Medicare and Medicaid patients to entities with which they or any of their immediate family members have a financial relationship, if these entities provide certain “designated health services” that are reimbursable by Medicare, including inpatient and outpatient hospital services, clinical laboratory services and radiology services. Sanctions for violating the Stark Law include denial of payment, refunding amounts received for services provided pursuant to prohibited referrals, civil monetary penalties of up to $15,000 per prohibited service provided, and exclusion from the Medicare and Medicaid programs. The statute also provides for a penalty of up to $100,000 for a circumvention scheme. There are exceptions to the self-referral prohibition for many of the customary financial arrangements between physicians and providers, including employment contracts, leases and recruitment agreements. There is also an exception for a physician’s ownership interest in an entire hospital, as opposed to an ownership interest in a hospital department. Unlike safe harbors under the Anti-kickback Statute with which compliance is voluntary, an arrangement must comply with every requirement of a Stark Law exception or the arrangement is in violation of the Stark Law.

CMS has issued two phases of regulations implementing the Stark Law, which became effective on January 4, 2002 and July 26, 2004, respectively, and which created several additional exceptions. A third phase is expected to be issued by March 2008. While these regulations help clarify the requirements of the exceptions to the Stark Law, it is unclear how the government will interpret many of them for enforcement purposes.

In 2003, Congress passed legislation that modified the hospital ownership exception to the Stark Law by creating an 18-month moratorium on allowing physicians to own interests in new specialty hospitals. During the moratorium, HHS was required to conduct an analysis of specialty hospitals, including quality of care provided and physician referral patterns to these facilities. MedPAC was also required to study cost and payment issues related to specialty hospitals. The moratorium applied to hospitals that primarily or exclusively treat cardiac, orthopedic or surgical conditions or any other specialized category of patients or cases designated by regulation, unless the hospitals were in operation or development before November 18, 2003, did not

increase the number of physician investors, and met certain other requirements. The moratorium expired on June 8, 2005. In March 2005, MedPAC issued its report on specialty hospitals, in which it recommended that Congress extend the moratorium until January 1, 2007, modify payments to hospitals to reflect more closely the cost of care, and allow certain types of gainsharing arrangements. In May 2005, HHS issued the required report of its analysis of specialty hospitals in which it recommended reforming certain inpatient hospital services and ambulatory surgery center services payment rates that may currently encourage the establishment of specialty hospitals and implementation of closer scrutiny of the processes for approving new specialty hospitals for participation in Medicare. Further, HHS suspended processing new provider enrollment applications for specialty hospitals until January 2006, creating in effect a moratorium on new specialty hospitals. DRA 2005, signed into law February 8, 2006, directed HHS to extend this enrollment suspension until the earlier of six months from the enactment of DRA 2005 or the release of a report regarding physician owned specialty hospitals by HHS. On August 8, 2006, HHS issued its final report, in which it announced that it would resume processing and certifying provider enrollment applications for specialty hospitals. HHS also announced that it will require hospitals to disclose any financial arrangements with physicians. HHS has not announced when it will begin collecting this data, the specific data that hospitals will be required to submit or which hospitals will be required to provide information.

Similar State Laws

Many states in which we operate also have laws that prohibit payments to physicians for patient referrals, similar to the Anti-kickback Statute and self-referral legislation similar to the Stark Law. The scope of these state laws is broad, since they can often apply regardless of the source of payment for care, and little precedent exists for their interpretation or enforcement. These statutes typically provide for criminal and civil penalties, as well as loss of facility licensure.

HIPAA and BBA-97

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") broadened the scope of certain fraud and abuse laws by adding several criminal provisions for health care fraud offenses that apply to all health benefit programs. HIPAA also added a prohibition against incentives intended to influence decisions by Medicare beneficiaries as to the provider from which they will receive services. In addition, HIPAA created new enforcement mechanisms to combat fraud and abuse, including the Medicare Integrity Program, and an incentive program under which individuals can receive up to $1,000 for providing information on Medicare fraud and abuse that leads to the recovery of at least $100 of Medicare funds. Federal enforcement officials now have the ability to exclude from Medicare and Medicaid any investors, officers and managing employees associated with business entities that have committed health care fraud, even if the officer or managing employee had no knowledge of the fraud. HIPAA was followed by the Balanced Budget Act of 1997 ("BBA-97"), which created additional fraud and abuse provisions, including civil penalties for contracting with an individual or entity that the provider knows or should know is excluded from a federal health care program.

Other Fraud and Abuse Provisions

The Social Security Act also imposes criminal and civil penalties for making false claims and statements to Medicare and Medicaid. False claims include, but are not limited to, billing for services not rendered or for misrepresenting actual services rendered in order to obtain higher reimbursement, billing for unnecessary goods and services, and cost report fraud. Criminal and civil penalties may be imposed for a number of other prohibited activities, including failure to return known overpayments, certain gainsharing arrangements, billing Medicare amounts that are substantially in excess of a provider's usual charges, offering remuneration to influence a Medicare or Medicaid beneficiary's selection of a health care provider, making or accepting a payment to induce a physician to reduce or limit services and soliciting or receiving any remuneration in return for referring an individual for an item or service payable by a federal healthcare program. Like the Anti-kickback Statute, these provisions are very broad. To avoid liability, providers must, among other things, carefully and accurately code claims for reimbursement, as well as accurately prepare cost reports.

Some of these provisions, including the federal Civil Monetary Penalty Law, require a lower burden of proof than other fraud and abuse laws, including the Anti-kickback Statute. Civil monetary penalties that may be imposed under the federal Civil Monetary Penalty Law range from $10,000 to $50,000 per act, and in some cases may result in penalties of up to three times the remuneration offered, paid, solicited or received. In addition, a violator may be subject to exclusion from federal and state healthcare programs. Federal and state governments increasingly use the federal Civil Monetary Penalty Law, especially where they believe they cannot meet the higher burden of proof requirements under the Anti-kickback Statute.

The Federal False Claims Act and Similar State Laws

The *qui tam,* or whistleblower, provisions of the federal False Claims Act allow private individuals to bring actions on behalf of the government alleging that the defendant has defrauded the federal government. Further, the government may use the False Claims Act to prosecute Medicare and other government program fraud in areas such as coding errors, billing for services not provided and submitting false cost reports. When a defendant is determined by a court of law to be liable under the False Claims Act, the defendant may be required to pay three times the actual damages sustained by the government, plus mandatory civil penalties of between $5,500 and $11,000 for each separate false claim. There are many potential bases for liability under the False Claims Act. Liability often arises when an entity knowingly submits a false claim for reimbursement to the federal government. The False Claims Act defines the term “knowingly” broadly. Though simple negligence will not give rise to liability under the False Claims Act, submitting a claim with reckless disregard to its truth or falsity constitutes a “knowing” submission under the False Claims Act and, therefore, will qualify for liability.

In some cases, whistleblowers, the federal government and some courts have taken the position that providers who allegedly have violated other statutes, such as the Anti-kickback Statute and the Stark Law, have thereby submitted false claims under the False Claims Act. A number of states in which we operate have adopted their own false claims provisions as well as their own whistleblower provisions whereby a private party may file a civil lawsuit in state court.

HIPAA Administrative Simplification and Privacy Requirements

The Administrative Simplification Provisions of HIPAA require the use of uniform electronic data transmission standards for certain health care claims and payment transactions submitted or received electronically. These provisions are intended to encourage electronic commerce in the health care industry. HHS has issued regulations implementing the HIPAA Administrative Simplification Provisions and compliance with these regulations became mandatory for our facilities in October 2003, although CMS accepted noncompliant claims through September 30, 2005. HHS has proposed a rule that would establish standards for electronic health care claims attachments. In addition, HIPAA requires that each provider apply for and receive a National Provider Identifier by May 2007. We believe that the cost of compliance with these regulations has not had and is not expected to have a material adverse effect on our business, financial position or results of operations.

HIPAA also requires HHS to adopt standards to protect the privacy and security of individually identifiable health-related information. HHS issued regulations containing privacy standards and compliance with these regulations became mandatory during April 2003. The privacy regulations control the use and disclosure of individually identifiable health-related information, whether communicated electronically, on paper or orally. The regulations also provide patients with significant new rights related to understanding and controlling how their health information is used or disclosed. HHS released final security regulations that became mandatory during April 2005 and require health care providers to implement administrative, physical and technical practices to protect the security of individually identifiable health information that is maintained or transmitted electronically. We have developed and enforce a HIPAA compliance plan, which we believe complies with HIPAA privacy and security requirements and under which a HIPAA compliance group monitors our compliance. The privacy regulations and security regulations have and will continue to impose significant costs on our facilities in order to comply with these standards.

Violations of HIPAA could result in civil penalties of up to $25,000 per type of violation in each calendar year and criminal penalties of up to $250,000 per violation. In addition, there are numerous legislative and regulatory initiatives at the federal and state levels addressing patient privacy concerns. Facilities will continue to remain subject to any federal or state privacy-related laws that are more restrictive than the privacy regulations issued under HIPAA. These statutes vary and could impose additional penalties.

EMTALA

All of our hospitals are subject to the Emergency Medical Treatment and Active Labor Act ("EMTALA"). This federal law requires any hospital that participates in the Medicare program to conduct an appropriate medical screening examination of every individual who presents to the hospital's emergency room for treatment and, if the individual is suffering from an emergency medical condition, to either stabilize that condition or make an appropriate transfer of the individual to a facility that can handle the condition. The obligation to screen and stabilize emergency medical conditions exists regardless of an individual's ability to pay for treatment. There are severe penalties under EMTALA if a hospital fails to screen or appropriately stabilize or transfer an individual or if the hospital delays appropriate treatment in order to first inquire about the individual's ability to pay. Penalties for violations of EMTALA include civil monetary penalties and exclusion from participation in the Medicare program. In addition, an injured individual, the individual's family or a medical facility that suffers a financial loss as a direct result of a hospital's violation of the law can bring a civil suit against the hospital.

The government broadly interprets EMTALA to cover situations in which individuals do not actually present to a hospital's emergency room, but present for emergency examination or treatment to the hospital's campus, generally, or to a hospital-based clinic that treats emergency medical conditions or are transported in a hospital-owned ambulance, subject to certain exceptions. EMTALA does not generally apply to individuals admitted for inpatient services. The government also has expressed its intent to investigate and enforce EMTALA violations actively in the future. We believe our hospitals operate in substantial compliance with EMTALA.

Corporate Practice of Medicine/ Fee Splitting

Some of the states in which we operate have laws that prohibit corporations and other entities from employing physicians and practicing medicine for a profit or that prohibit certain direct and indirect payments or fee-splitting arrangements between health care providers that are designed to induce or encourage the referral of patients to, or the recommendation of, particular providers for medical products and services. Possible sanctions for violation of these restrictions include loss of license and civil and criminal penalties. In addition, agreements between the corporation and the physician may be considered void and unenforceable. These statutes vary from state to state, are often vague and have seldom been interpreted by the courts or regulatory agencies.

Health Care Industry Investigations

Significant media and public attention has focused in recent years on the hospital industry. While we are currently not aware of any material investigations of the Company under federal or state health care laws or regulations, it is possible that governmental entities could initiate investigations or litigation in the future at facilities we operate and that such matters could result in significant penalties as well as adverse publicity. It is also possible that our executives and managers could be included in governmental investigations or litigation or named as defendants in private litigation.

Our substantial Medicare, Medicaid and other governmental billings result in heightened scrutiny of our operations. We continue to monitor all aspects of our business and have developed a comprehensive ethics and compliance program that is designed to meet or exceed applicable federal guidelines and industry standards. Because the law in this area is complex and constantly evolving, governmental investigations or litigation may result in interpretations that are inconsistent with our or industry practices.

In public statements surrounding current investigations, governmental authorities have taken positions on a number of issues, including some for which little official interpretation previously has been available, that appear to be inconsistent with practices that have been common within the industry and that previously have not been challenged in this manner. In some instances, government investigations that have in the past been conducted under the civil provisions of federal law may now be conducted as criminal investigations.

Both federal and state government agencies have increased their focus on and coordination of civil and criminal enforcement efforts in the health care area. The OIG and the Department of Justice have, from time to time, established national enforcement initiatives, targeting all hospital providers, that focus on specific billing practices or other suspected areas of abuse.

In addition to national enforcement initiatives, federal and state investigations relate to a wide variety of routine health care operations such as: cost reporting and billing practices, including for Medicare outliers; financial arrangements with referral sources; physician recruitment activities; physician joint ventures; and hospital charges and collection practices for self-pay patients. We engage in many of these routine health care operations and other activities that could be the subject of governmental investigations or inquiries. For example, we have significant Medicare and Medicaid billings, numerous financial arrangements with physicians who are referral sources to our hospitals, and joint venture arrangements involving physician investors. Any additional investigations of the Company, our executives or managers could result in significant liabilities or penalties to us, as well as adverse publicity.

Commencing in 1997, we became aware we were the subject of governmental investigations and litigation relating to our business practices. As part of the investigations, the United States intervened in a number of *qui tam* actions brought by private parties. The investigations related to, among other things, DRG coding, outpatient laboratory billing, home health issues, physician relations, cost report and wound care issues. The investigations were concluded through a series of agreements executed in 2000 and 2003 with the Criminal Division of the Department of Justice, the Civil Division of the Department of Justice, various U.S. Attorneys' offices, CMS, a negotiating team representing states with claims against us, and others. In January 2001, we entered into an eight-year Corporate Integrity Agreement (the "CIA") with the Office of Inspector General of the Department of Health and Human Services. Violation or breach of the CIA, or other violation of federal or state laws relating to Medicare, Medicaid or similar programs, could subject us to substantial monetary fines, civil and criminal penalties and/or exclusion from participation in the Medicare and Medicaid programs and other federal and state health care programs. Alleged violations may be pursued by the government or through private *qui tam* actions. Sanctions imposed against us as a result of such actions could have a material, adverse effect on our results of operations and financial position.

Health Care Reform

Health care is one of the largest industries in the United States and continues to attract much legislative interest and public attention. In recent years, various legislative proposals have been introduced or proposed in Congress and in some state legislatures that would effect major changes in the health care system, either nationally or at the state level. Many states have enacted, or are considering enacting, measures designed to reduce their Medicaid expenditures and change private health care insurance. States have also adopted, or are considering, legislation designed to reduce coverage and program eligibility, enroll Medicaid recipients in managed care programs and/or impose additional taxes on hospitals to help finance or expand states' Medicaid systems. Some states, including the states in which we operate, have applied for and have been granted federal waivers from current Medicaid regulations to allow them to serve some or all of their Medicaid participants through managed care providers. Hospital operating margins have been, and may continue to be, under significant pressure because of deterioration in pricing flexibility and payer mix, and growth in operating expenses in excess of the increase in PPS payments under the Medicare program.

Compliance Program and Corporate Integrity Agreement

We maintain a comprehensive ethics and compliance program that is designed to meet or exceed applicable federal guidelines and industry standards. The program is intended to monitor and raise awareness

of various regulatory issues among employees and to emphasize the importance of complying with governmental laws and regulations. As part of the ethics and compliance program, we provide annual ethics and compliance training to our employees and encourage all employees to report any violations to their supervisor, an ethics and compliance officer or a toll-free telephone ethics line.

Our CIA with the OIG is structured to assure the federal government of our overall federal health care program compliance and specifically covers DRG coding, outpatient PPS billing and physician relations. We underwent major training efforts to ensure that our employees learned and applied the policies and procedures implemented under the CIA and our ethics and compliance program. The CIA also included testing for outpatient laboratory billing in 2001, which was replaced with skilled nursing facilities billing in 2003. The CIA has had the effect of increasing the amount of information we provide to the federal government regarding our health care practices and our compliance with federal regulations. Under the CIA, we have numerous affirmative obligations, including the requirement that we report potential violations of applicable federal health care laws and regulations and have, pursuant to this obligation, reported a number of potential violations of the Stark Law, the Anti-kickback Statute, EMTALA and other laws, most of which we consider to be nonviolations or technical violations. This obligation could result in greater scrutiny by regulatory authorities. Although no government agency has taken any adverse action related to the CIA disclosures, the government could determine that our reporting and/or our resolution of reported issues has been inadequate. Breach of the CIA and/or a finding of violations of applicable health care laws or regulations could subject us to repayment requirements, substantial monetary penalties, civil penalties, exclusion from participation in the Medicare and Medicaid and other federal and state health care programs and, for violations of certain laws and regulations, criminal penalties.

Antitrust Laws

The federal government and most states have enacted antitrust laws that prohibit certain types of conduct deemed to be anti-competitive. These laws prohibit price fixing, concerted refusal to deal, market monopolization, price discrimination, tying arrangements, acquisitions of competitors and other practices that have, or may have, an adverse effect on competition. Violations of federal or state antitrust laws can result in various sanctions, including criminal and civil penalties. Antitrust enforcement in the health care industry is currently a priority of the Federal Trade Commission. We believe we are in compliance with such federal and state laws, but future review of our practices by courts or regulatory authorities could result in a determination that could adversely affect our operations.

Environmental Matters

We are subject to various federal, state and local statutes and ordinances regulating the discharge of materials into the environment. Management does not believe that we will be required to expend any material amounts in order to comply with these laws and regulations or that compliance will materially affect our capital expenditures, results of operations or financial condition.

Insurance

As is typical in the health care industry, we are subject to claims and legal actions by patients in the ordinary course of business. Our facilities are insured by our wholly-owned insurance subsidiary for losses up to $50 million per occurrence. The insurance subsidiary has obtained reinsurance for professional liability risks generally above a retention level of $15 million per occurrence. We also maintain professional liability insurance with unrelated commercial carriers for losses in excess of amounts insured by our insurance subsidiary. Effective January 1, 2007, our facilities will generally be self-insured for the first $5 million of per occurrence losses.

We purchase, from unrelated insurance companies, coverage for directors and officers liability and property loss in amounts that we believe are customary for our industry. The directors and officers liability coverage includes a $25 million corporate deductible for the periods prior to the Merger and a $1 million corporate deductible subsequent to the Merger. The property coverage includes varying deductibles depending

on the cause of the property damage. These deductibles range from $500,000 per claim up to 5% of the affected property values for certain flood and wind and earthquake related incidents.

Employees and Medical Staffs

At December 31, 2006, we had approximately 186,000 employees, including approximately 49,000 part-time employees. References herein to "employees" refer to employees of affiliates of HCA. We are subject to various state and federal laws that regulate wages, hours, benefits and other terms and conditions relating to employment. Employees at 21 and 16 of our hospitals were represented by various labor unions at December 31, 2006 and 2005, respectively. We consider our employee relations to be satisfactory. Our hospitals have experienced some recent union organizational activity. We had elections at seven hospitals in Florida in the fourth quarter of 2006 and an election at one hospital in California in February 2007. We do not expect such efforts to materially affect our future operations. Our hospitals, like most hospitals, have experienced labor costs rising faster than the general inflation rate. In some markets, nurse and medical support personnel availability has become a significant operating issue to health care providers. To address this challenge, we have implemented several initiatives to improve retention, recruiting, compensation programs and productivity. This shortage may also require an increase in the utilization of more expensive temporary personnel.

Our hospitals are staffed by licenced physicians, who generally are not employees of our hospitals. However, some physicians provide services in our hospitals under contracts which generally describe a term of service, provide and establish the duties and obligations of such physicians, require the maintenance of certain performance criteria and fix compensation for such services. Any licensed physician may apply to be accepted to the medical staff of any of our hospitals, but the hospital's medical staff and the appropriate governing board of the hospital, in accordance with established credentialing criteria, must approve acceptance to the staff. Members of the medical staffs of our hospitals often also serve on the medical staffs of other hospitals and may terminate their affiliation with one of our hospitals at any time.

Item 1A. ***Risk Factors***

Risk Factors

If any of the events discussed in the following risk factors were to occur, our business, financial position, results of operations, cash flows or prospects could be materially, adversely affected. Additional risks and uncertainties not presently known, or currently deemed immaterial, may also constrain our business and operations.

Our Substantial Leverage Could Adversely Affect Our Ability To Raise Additional Capital To Fund Our Operations, Limit Our Ability To React To Changes In The Economy Or Our Industry, Expose Us To Interest Rate Risk To The Extent Of Our Variable Rate Debt And Prevent Us From Meeting Our Obligations.

On November 17, 2006, we consummated the Merger with Merger Sub, a wholly owned subsidiary of Hercules Holding, pursuant to which the Investors acquired all of our outstanding shares of common stock for $51.00 per share in cash. The Merger, the financing transactions related to the Merger and other related transactions had a transaction value of approximately $33.0 billion and are collectively referred to in this annual report as the "Recapitalization." As a result of the Recapitalization, our outstanding common stock is owned by Hercules Holding, certain members of management and other key employees, and certain other investors. Our common stock is no longer registered with the SEC and is no longer traded on a national securities exchange.

Since completing the Recapitalization, we are highly leveraged. As of December 31, 2006, our total indebtedness was $28.408 billion. Our high degree of leverage could have important consequences, including:

- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates as certain of our unhedged borrowings will be at variable rates of interest;
- limiting our ability to make strategic acquisitions or causing us to make nonstrategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product or service line development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

We and our subsidiaries have the ability to incur additional indebtedness in the future, subject to the restrictions contained in our senior secured credit facilities and the indentures governing our outstanding notes. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

Our Debt Agreements Contain Restrictions That Limit Our Flexibility In Operating Our Business.

Our senior secured credit facilities and the indentures governing our outstanding notes contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and certain of our subsidiaries' ability to, among other things:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell or transfer assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

Under our asset-based revolving credit facility, when (and for as long as) the combined availability under our asset-based revolving credit facility and our senior secured revolving credit facility is less than a specified amount, for a certain period of time, or if a payment or bankruptcy event of default has occurred and is continuing, funds deposited into any of our depository accounts will be transferred on a daily basis into a blocked account with the administrative agent and applied to prepay loans under the asset-based revolving credit facility and to cash collateralize letters of credit issued thereunder.

Under our senior secured credit facilities we will be required to satisfy and maintain specified financial ratios. Our ability to meet those financial ratios can be affected by events beyond our control, and there can be no assurance that we will meet those ratios. A breach of any of these covenants could result in a default under both of our senior secured credit facilities. Upon the occurrence of an event of default under our senior secured credit facilities, our lenders could elect to declare all amounts outstanding under our senior secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders under our senior secured credit facilities could proceed against the collateral granted to them to secure each such indebtedness. We have pledged a significant portion

of our assets as collateral under our senior secured credit facilities and our existing senior secured notes. If any of the lenders under our senior secured credit facilities accelerate the repayment of borrowings, there can be no assurance that we will have sufficient assets to repay our senior secured credit facilities and our outstanding notes.

Our Hospitals Face Competition For Patients From Other Hospitals And Health Care Providers.

The health care business is highly competitive, and competition among hospitals and other health care providers for patients has intensified in recent years. Generally, other hospitals in the local communities served by most of our hospitals provide services similar to those offered by our hospitals. In 2005, CMS began making public performance data related to ten quality measures that hospitals submit in connection with their Medicare reimbursement. On February 8, 2006, DRA 2005 was enacted by Congress and expanded the number of quality measures that must be reported to 21, beginning with discharges occurring in the third quarter of 2006. If any of our hospitals achieve poor results (or results that are lower than our competitors) on these 21 quality measures, patient volumes could decline. In addition, DRA 2005 requires that CMS expand the number of quality measures in future years. On November 1, 2006, CMS announced a final rule that expands to 26 the number of quality measures that must be reported, beginning in the first quarter of calendar year 2007, and requires, beginning in the third quarter of calendar year 2007, that hospitals report the results of a 27-question patient perspective survey. The additional quality measures and future trends toward clinical transparency may have an unanticipated impact on our competitive position and patient volumes.

In addition, the number of freestanding specialty hospitals, surgery centers and diagnostic and imaging centers in the geographic areas in which we operate has increased significantly. As a result, most of our hospitals operate in a highly competitive environment. Some of the hospitals that compete with our hospitals are owned by governmental agencies or not-for-profit corporations supported by endowments, charitable contributions and/or tax revenues and can finance capital expenditures and operations on a tax-exempt basis. Our hospitals are facing increasing competition from physician-owned specialty hospitals and from both our own and unaffiliated freestanding surgery centers for market share in high margin services and for quality physicians and personnel. If ambulatory surgery centers are better able to compete in this environment than our hospitals, our hospitals may experience a decline in patient volume, and we may experience a decrease in margin, even if those patients use our ambulatory surgery centers. Further, if our competitors are better able to attract patients, recruit physicians, expand services or obtain favorable managed care contracts at their facilities than our hospitals and ambulatory surgery centers, we may experience an overall decline in patient volume. See Item 1, “Business — Competition.”

Section 507 of MMA provided for an 18-month moratorium on the establishment of new specialty hospitals. The moratorium expired on June 8, 2005. However, HHS suspended processing new provider enrollment applications for specialty hospitals until January 2006, creating, in effect, a new moratorium on specialty hospitals. DRA 2005 directed HHS to extend this enrollment suspension until the earlier of six months from the enactment of DRA 2005 or the release of a report regarding physician owned specialty hospitals by HHS. On August 8, 2006, HHS issued its final report, in which it announced that it would resume processing and certifying provider enrollment applications. As a result of the moratorium being rescinded, we face additional competition from an increased number of specialty hospitals, including hospitals owned by physicians currently on staff at our hospitals. In addition, HHS announced that it will require all hospitals to disclose any physician ownership and certain financial arrangements with physicians. HHS has not announced when it will begin collecting this data, the specific data that hospitals will be required to submit or which hospitals will be required to provide information.

The Growth Of Uninsured And Patient Due Accounts And A Deterioration In The Collectibility Of These Accounts Could Adversely Affect Our Results Of Operations.

The primary collection risks of our accounts receivable relate to the uninsured patient accounts and patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. The provision for doubtful accounts relates primarily to amounts due directly from patients.

The amount of the provision for doubtful accounts is based upon management's assessment of historical writeoffs and expected net collections, business and economic conditions, trends in federal and state governmental and private employer health care coverage, the rate of growth in uninsured patient admissions and other collection indicators. At December 31, 2006, our allowance for doubtful accounts represented approximately 86% of the $3.972 billion patient due accounts receivable balance, including accounts, net of estimated contractual discounts, related to patients for which eligibility for Medicaid coverage was being evaluated ("pending Medicaid accounts"). For the year ended December 31, 2006, the provision for doubtful accounts increased to 10.4% of revenues compared to 9.6% of revenues in 2005. Adjusting for the effect of the uninsured discount policy implemented January 1, 2005, the provision for doubtful accounts was 14.1% and 12.4% of revenues for the years ended December 31, 2006 and 2005, respectively.

A continuation of the trends that have resulted in an increasing proportion of accounts receivable being comprised of uninsured accounts and a deterioration in the collectibility of these accounts will adversely affect our collection of accounts receivable, cash flows and results of operations.

Changes In Governmental Interpretations May Negatively Impact Our Ability To Obtain Reimbursement Of Medicare Bad Debts

The Medicare program will reimburse 70% of bad debts related to deductibles and coinsurance for patients with Medicare coverage, after the provider has made a reasonable effort to collect these amounts. On March 30, 2006, the United States District Court for the Western District of Michigan entered a final order in *Battle Creek Health System v. Thompson,* which provided that reasonable collection efforts have not been satisfied as long as the Medicare accounts remained with an external collection agency. The case is under appeal at the United States Court of Appeals for the Sixth Circuit. We utilize extensive in-house and external collection efforts for our accounts receivable, including deductible and coinsurance amounts owed by patients with Medicare coverage. However, we utilize a secondary collection agency after in-house and primary collection agency efforts have been unsuccessful. As a result of the *Battle Creek* decision, we contacted CMS and outlined our collection process and the reasons for our belief that Medicare bad debts could be claimed for reimbursement after exhaustion of collection efforts at the primary collection agency, but while the accounts were still pending with the secondary collection agency. CMS has responded to us consistent with the *Battle Creek* decision. We are in continued discussions with CMS concerning the proper timing to claim reimbursement for Medicare bad debts. We incur approximately $30 million of Medicare bad debts per year that are subject to the *Battle Creek* decision. We are unable to predict the outcome of the *Battle Creek* case or CMS's final answer on the use of external collection agencies. We are currently evaluating possible modifications to our accounts receivable collection processes that will both provide us with reasonable collection results and comply with CMS's interpretation of reasonable collection efforts.

Changes In Governmental Programs May Reduce Our Revenues.

A significant portion of our patient volumes is derived from government health care programs, principally Medicare and Medicaid, which are highly regulated and subject to frequent and substantial changes. We derived approximately 58% of our admissions from the Medicare and Medicaid programs in 2006. In recent years, legislative and regulatory changes have resulted in limitations on and, in some cases, reductions in levels of payments to health care providers for certain services under these government programs. Such changes may also increase our operating costs, which could reduce our profitability.

Effective January 1, 2007, as a result of DRA 2005, reimbursements for ASC overhead costs are limited to no more than the overhead costs paid to hospital outpatient departments under the Medicare hospital outpatient prospective payment system for the same procedure. On August 8, 2006 CMS announced proposed regulations that, if adopted, would change payment for procedures performed in an ASC, effective January 1, 2008. Under this proposal, ASC payment groups would increase from the current nine clinically disparate payment groups to the 221 Ambulatory Procedure Classification groups (APCs) used under the outpatient prospective payment system for these surgical services. CMS estimates that the rates for procedures performed in an ASC setting would equal 62% of the corresponding rates paid for the same procedures performed in an outpatient hospital setting. Moreover, under the proposed regulations, if CMS determines

that a procedure is commonly performed in a physician's office, the ASC reimbursement for that procedure would be limited to the reimbursement allowable under the Medicare Part B Physician Fee Schedule. In addition, under this proposal, all surgical procedures, other than those that pose a significant safety risk or generally require an overnight stay, which would be listed by CMS, would be payable as ASC procedures. This will expand the number of procedures that Medicare will pay for if performed in an ASC. CMS indicates in its discussion of the proposed regulations that it believes that the volumes and service mix of procedures provided in ASCs would change significantly in 2008 under the revised payment system, but that CMS is not able to accurately project those changes. If the proposal is adopted, more Medicare procedures that are now performed in hospitals, such as ours, may be moved to ASCs reducing surgical volume in our hospitals. Also, more Medicare procedures that are now performed in ASCs, such as ours, may be moved to physicians' offices. Commercial third-party payers may adopt similar policies.

On August 1, 2006, CMS announced a final rule that refines the DRG payment system. CMS announced that it is considering additional changes effective in federal fiscal year 2008. We cannot predict the impact that any such changes, if finalized, would have on our revenues. Future realignments in the DRG system could also reduce the margins we receive for certain specialties, including cardiology and orthopedics. In fact, the greater popularity of specialty hospitals in recent years has caused CMS to focus on payment levels for such specialties. Any such change in the payments received for specialty services could have an adverse effect on our revenues and could require us to modify our strategy. Other Medicare payment changes may also affect our revenues. See Item 1. "Business — Sources of Revenue." DRG rates are updated and DRG weights are recalibrated each federal fiscal year. The index used to update the market basket gives consideration to the inflation experienced by hospitals and entities outside the health care industry in purchasing goods and services. MMA, as amended by DRA 2005, provides for DRG increases using the full market basket if data for certain patient care quality indicators is submitted quarterly to CMS, and using the market basket minus two percentage points if such data is not submitted. While we will endeavor to comply with all data submission requirements, our submissions may not be deemed timely or sufficient to entitle us to the full market basket adjustment for all of our hospitals.

Since states must operate with balanced budgets and since the Medicaid program is often the state's largest program, states can be expected to adopt or consider adopting legislation designed to reduce their Medicaid expenditures. DRA 2005, signed into law on February 8, 2006, includes Medicaid cuts of approximately $4.8 billion over five years. In addition, proposed regulatory changes, if implemented, would reduce federal Medicaid funding by an additional $12.2 billion over five years. On January 18, 2007, CMS published a proposed rule entitled "Medicaid Program; Cost Limits for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership." The proposed rule, if finalized, could significantly impact state Medicaid programs. It is uncertain if the rule will be finalized. States have also adopted, or are considering, legislation designed to reduce coverage and program eligibility, enroll Medicaid recipients in managed care programs and/or impose additional taxes on hospitals to help finance or expand the states' Medicaid systems. Future legislation or other changes in the administration or interpretation of government health programs could have a material adverse effect on our financial position and results of operations.

Demands Of Nongovernment Payers May Adversely Affect Our Growth In Revenues.

Our ability to negotiate favorable contracts with nongovernment payers, including managed care plans, significantly affects the revenues and operating results of most of our hospitals. Admissions derived from managed care and other insurers accounted for approximately 36% of our admissions in 2006. Nongovernment payers, including managed care payers, increasingly are demanding discounted fee structures, and the trend toward consolidation among nongovernment payers tends to increase their bargaining power over fee structures. Reductions in price increases or the amounts received from managed care, commercial insurance or other payers could have a material adverse effect on our financial position and results of operations.

Our Performance Depends On Our Ability To Recruit And Retain Quality Physicians.

Physicians generally direct the majority of hospital admissions, and the success of our hospitals depends, therefore, in part on the number and quality of the physicians on the medical staffs of our hospitals, the admitting practices of those physicians and maintaining good relations with those physicians. Physicians are generally not employees of the hospitals at which they practice and, in many of the markets that we serve, most physicians have admitting privileges at other hospitals in addition to our hospitals. Such physicians may terminate their affiliation with our hospitals at any time. If we are unable to provide adequate support personnel or technologically advanced equipment and hospital facilities that meet the needs of those physicians, they may be discouraged from referring patients to our facilities, admissions may decrease and our operating performance may decline.

Our Hospitals Face Competition For Staffing, Which May Increase Labor Costs And Reduce Profitability.

Our operations are dependent on the efforts, abilities and experience of our management and medical support personnel, such as nurses, pharmacists and lab technicians, as well as our physicians. We compete with other health care providers in recruiting and retaining qualified management and support personnel responsible for the daily operations of each of our hospitals, including nurses and other nonphysician health care professionals. In some markets, the availability of nurses and other medical support personnel has become a significant operating issue to health care providers. This shortage may require us to continue to enhance wages and benefits to recruit and retain nurses and other medical support personnel or to hire more expensive temporary personnel. We also depend on the available labor pool of semi-skilled and unskilled employees in each of the markets in which we operate. In addition, to the extent that a significant portion of our employee base unionizes, or attempts to unionize, our labor costs could increase. If our labor costs increase, we may not be able to raise rates to offset these increased costs. Because a significant percentage of our revenues consists of fixed, prospective payments, our ability to pass along increased labor costs is constrained. Our failure to recruit and retain qualified management, nurses and other medical support personnel, or to control labor costs, could have a material, adverse effect on our results of operations.

If We Fail To Comply With Extensive Laws And Government Regulations, We Could Suffer Penalties Or Be Required To Make Significant Changes To Our Operations.

The health care industry is required to comply with extensive and complex laws and regulations at the federal, state and local government levels relating to, among other things:

- billing for services;
- relationships with physicians and other referral sources;
- adequacy of medical care;
- quality of medical equipment and services;
- qualifications of medical and support personnel;
- confidentiality, maintenance and security issues associated with health-related information and medical records;
- the screening, stabilization and transfer of individuals who have emergency medical conditions;
- licensure;
- hospital rate or budget review;
- operating policies and procedures; and
- addition of facilities and services.

Among these laws are the Anti-kickback Statute, the Stark Law and the False Claims Act and similar state laws. These laws impact the relationships that we may have with physicians and other referral sources. We have a variety of financial relationships with physicians and others who either refer or influence the referral of patients to our hospitals and other health care facilities, including employment contracts, leases and professional service agreements. We also have similar relationships with physicians and facilities to which patients are referred from our facilities from time to time. We also provide financial incentives, including minimum revenue guarantees, to recruit physicians into the communities served by our hospitals. The OIG has enacted safe harbor regulations that outline practices that are deemed protected from prosecution under the Anti-kickback Statute. While we endeavor to comply with the applicable safe harbors, certain of our current arrangements, including joint ventures and financial relationships with physicians and other referral sources and persons and entities to which we refer patients, do not qualify for safe harbor protection. Failure to qualify for a safe harbor does not mean that the arrangement necessarily violates the Anti-kickback Statute but may subject the arrangement to greater scrutiny; however, we cannot assure you that practices that are outside of a safe harbor will not be found to violate the Anti-kickback Statute. Allegations of violations of the Anti-kickback Statute may also be brought under the federal Civil Monetary Penalty Law, which requires a lower burden of proof than other fraud and abuse laws, including the Anti-kickback Statute.

Our financial relationships with referring physicians and their immediate family members must comply with the Stark Law by meeting an exception. We attempt to structure our relationships to meet an exception to the Stark Law, but the regulations implementing the exceptions are detailed and complex, and we cannot assure you that every relationship complies fully with the Stark Law. Unlike the Anti-kickback Statute, failure to meet an exception under the Stark Law results in a violation of the Stark Law, even if such violation is technical in nature.

Additionally, if we violate the Anti-kickback Statute or Stark Law, or if we improperly bill for our services, we may be found to violate the False Claims Act, either under a suit brought by the government or by a private person under a *qui tam*, or "whistleblower," suit.

If we fail to comply with the Anti-kickback Statute, the Stark Law, the False Claims Act or other applicable laws and regulations, or if we fail to maintain an effective corporate compliance program, we could be subjected to liabilities, including civil penalties (including the loss of our licenses to operate one or more facilities), exclusion of one or more facilities from participation in the Medicare, Medicaid and other federal and state health care programs and, for violations of certain laws and regulations, criminal penalties. See Item 1, "Business — Regulation and Other Factors."

Because many of these laws and their implementation regulations are relatively new, we do not always have the benefit of significant regulatory or judicial interpretation of these laws and regulations. In the future, different interpretations or enforcement of these laws and regulations could subject our current or past practices to allegations of impropriety or illegality or could require us to make changes in our facilities, equipment, personnel, services, capital expenditure programs and operating expenses. A determination that we have violated these laws, or the public announcement that we are being investigated for possible violations of these laws, could have a material, adverse effect our business, financial condition, results of operations or prospects, and our business reputation could suffer significantly. In addition, other legislation or regulations at the federal or state level may be adopted that adversely affect our business.

We Have Been The Subject Of Governmental Investigations, Claims And Litigation

Commencing in 1997, we became aware that we were the subject of governmental investigations and litigation relating to our business practices. The investigations were concluded through a series of agreements executed in 2000 and 2003. In January 2001, we entered into an eight-year Corporate Integrity Agreement ("CIA") with the OIG. Under the CIA, we have numerous affirmative obligations, including the requirement that we report potential violations of applicable federal health care laws and regulations and have, pursuant to this obligation, reported a number of potential violations of the Stark Law, the Anti-kickback Statute, EMTALA and other laws, most of which we consider to be nonviolations or technical violations. Although no government agency has taken any adverse action related to the CIA disclosures, the government could

determine that our reporting and/or our resolution of reported issues have been inadequate. If we are found to be in violation of the CIA or any applicable health care laws or regulations, we could be subject to repayment requirements, substantial monetary fines, civil penalties, exclusion from participation in the Medicare and Medicaid and other federal and state health care programs, and, for violations of certain laws and regulations, criminal penalties. Any such sanctions or expenses could have a material, adverse effect on our financial position, results of operations or liquidity.

In September 2005, we received a subpoena from the Office of the United States Attorney for the Southern District of New York seeking the production of documents. Also in September 2005, we were informed that the SEC had issued a formal order of investigation. Both the subpoena and the formal order of investigation relate to trading in our securities. We are cooperating fully with these investigations.

Subsequently, we and certain of our executive officers and directors were named in various federal securities law class actions and several shareholders have filed derivative lawsuits purportedly on behalf of the Company. Additionally, a former employee filed a complaint against certain of our executive officers pursuant to the Employee Retirement Income Security Act, and we have been served with a shareholder demand letter addressed to our Board of Directors. We cannot predict the results of the investigations or any related lawsuits or the effect that findings in such investigations or lawsuits adverse to us may have on us. We have, however, reached an agreement in principle for the settlement of the derivative lawsuits.

On July 24, 2006, we announced that we had entered into the Merger Agreement. In connection with the Merger, we are aware of eight asserted class action lawsuits related to the Merger filed against us, certain of our executive officers, our directors and the Sponsors, and one lawsuit filed against us and one of our affiliates seeking enforcement of contractual obligations allegedly arising from the Merger. Certain of these lawsuits, though not all, are the subject of an agreement in principle to settle. Additional lawsuits pertaining to the Merger could be filed in the future. These proceedings are described in greater detail under Item 3, “Legal Proceedings.”

Health care companies are subject to numerous investigations by various governmental agencies. Further, under the federal False Claims Act, private parties have the right to bring *qui tam*, or “whistleblower,” suits against companies that submit false claims for payments to the government. Some states have adopted similar state whistleblower and false claims provisions. From time to time, companies doing business under federal health care programs may be contacted by various governmental agencies in connection with a government investigation either brought by the government or by a private person under a *qui tam* action. Because of the confidential nature of some government investigations or a confidential seal under the federal False Claims Act, we do not always know the particulars of the allegations or concerns at the time the government notifies us that an investigation is proceeding. Certain of our individual facilities have received, and other facilities from time to time may receive, government inquiries from federal and state agencies. Depending on whether the underlying conduct in these or future inquiries or investigations could be considered systemic, their resolution could have a material, adverse effect on our financial position, results of operations and liquidity.

From time to time, governmental agencies and their agents, such as the Medicare Administrative Contractors, fiscal intermediaries and carriers, as well as the OIG, conduct audits of our health care operations. Private payers may conduct similar post-payment audits, and we also perform internal audits and monitoring. Depending on the nature of the conduct found in such audits and whether the underlying conduct could be considered systemic, the resolution of these audits could have a material, adverse effect on our financial position, results of operations and liquidity.

Controls Designed To Reduce Inpatient Services May Reduce Our Revenues.

Controls imposed by Medicare and commercial third-party payers designed to reduce admissions and lengths of stay, commonly referred to as “utilization review,” have affected and are expected to continue to affect our facilities. Utilization review entails the review of the admission and course of treatment of a patient by health plans. Inpatient utilization, average lengths of stay and occupancy rates continue to be negatively affected by payer-required preadmission authorization and utilization review and by payer pressure to maximize outpatient and alternative health care delivery services for less acutely ill patients. Efforts to impose

more stringent cost controls are expected to continue. Although we are unable to predict the effect these changes will have on our operations, significant limits on the scope of services reimbursed and on reimbursement rates and fees could have a material, adverse effect on our business, financial position and results of operations.

Our Operations Could Be Impaired By A Failure Of Our Information Systems.

Any system failure that causes an interruption in service or availability of our systems could adversely affect operations or delay the collection of revenue. Even though we have implemented network security measures, our servers are vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, or cessations in the availability of systems, all of which could have a material, adverse effect on our financial position and results of operations and harm our business reputation.

The performance of our sophisticated information technology and systems is critical to our business operations. In addition to our shared services initiatives, our information systems are essential to a number of critical areas of our operations, including:

- accounting and financial reporting;
- billing and collecting accounts;
- coding and compliance;
- clinical systems;
- medical records and document storage;
- inventory management; and
- negotiating, pricing and administering managed care contracts and supply contracts.

We are in the process of implementing projects to replace our payroll and human resources information systems. Management estimates that the payroll and human resources system projects will require total expenditures of approximately $333 million to develop and install. At December 31, 2006, project-to-date costs incurred were $295 million ($160 million of the costs incurred have been capitalized and $135 million have been expensed). Management expects that the system development, testing, data conversion and installation will continue through 2007.

State Efforts To Regulate The Construction Or Expansion Of Hospitals Could Impair Our Ability To Operate And Expand Our Operations.

Some states, particularly in the eastern part of the country, require health care providers to obtain prior approval, known as a certificate of need, for the purchase, construction or expansion of health care facilities, to make certain capital expenditures or to make changes in services or bed capacity. In giving approval, these states consider the need for additional or expanded health care facilities or services. We currently operate hospitals in a number of states with certificate of need laws. The failure to obtain any requested certificate of need could impair our ability to operate or expand operations. Any such failure could, in turn, adversely affect our ability to attract patients to our hospitals and grow our revenues, which would have an adverse effect on our results of operations.

Our Facilities Are Heavily Concentrated In Florida And Texas, Which Makes Us Sensitive To Regulatory, Economic, Environmental And Competitive Changes In Those States.

We operated 173 hospitals at December 31, 2006, and 73 of those hospitals are located in Florida and Texas. Our Florida and Texas facilities' combined revenues represented approximately 51% of our consolidated revenues for the year ended December 31, 2006. This concentration makes us particularly sensitive to regulatory, economic, environmental and competition changes in those states. Any material change in the

current payment programs or regulatory, economic, environmental or competitive conditions in those states could have a disproportionate effect on our overall business results.

In addition, our hospitals in Florida and Texas and other areas across the Gulf Coast are located in hurricane-prone areas. In the recent past, hurricanes have had a disruptive effect on the operations of our hospitals in Florida, Texas and other coastal states, and the patient populations in those states. Our business activities could be harmed by a particularly active hurricane season or even a single storm. In addition, the premiums to renew our property insurance policy for 2006 and 2007 increased significantly over premiums incurred in 2005. Our new policy also includes an increase in the stated deductible and we were not able to obtain coverage in the amounts we have had under our policies prior to 2006. As a result of such increases in premiums and deductibles, we expect that our cash flows and profitability will be adversely affected. In addition, the property insurance we obtain may not be adequate to cover losses from future hurricanes or other natural disasters.

We May Be Subject To Liabilities From Claims By The IRS.

We are currently contesting claims for income taxes, interest and penalties proposed by the IRS for prior years aggregating approximately $678 million through December 31, 2006. The disputed items include the deductibility of a portion of the 2001 government settlement payment, the timing of recognition of certain patient service revenues in 2000 through 2002, the method for calculating the tax allowance for uncollectible accounts in 2002 and the amount of insurance expense deducted in 1999 through 2002.

During 2006, the IRS began an examination of our 2003 through 2004 federal income tax returns. The IRS has not determined the amount of any additional income tax, interest and penalties that it may claim upon completion of this examination or any future examinations that may be initiated. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Pending IRS Disputes.”

We May Be Subject To Liabilities From Claims Brought Against Our Facilities.

We are subject to litigation relating to our business practices, including claims and legal actions by patients and others in the ordinary course of business alleging malpractice, product liability or other legal theories. See Item 3, “Legal Proceedings.” Many of these actions involve large claims and significant defense costs. We insure a substantial portion of our professional liability risks through a wholly-owned subsidiary. Management believes our insurance coverage is sufficient to cover claims arising out of the operation of our facilities. Our wholly-owned insurance subsidiary has entered into certain reinsurance contracts, and the obligations covered by the reinsurance contracts are included in its reserves for professional liability risks, as the subsidiary remains liable to the extent that the reinsurers do not meet their obligations under the reinsurance contracts. If payments for claims exceed actuarially determined estimates, are not covered by insurance or reinsurers, if any, fail to meet their obligations, our results of operations and financial position could be adversely affected.

We Are Exposed To Market Risks Related To Changes In The Market Values Of Securities And Interest Rate Changes.

We are exposed to market risk related to changes in market values of securities. The investments in debt and equity securities of our wholly-owned insurance subsidiary were $2.129 billion and $14 million, respectively, at December 31, 2006. These investments are carried at fair value, with changes in unrealized gains and losses being recorded as adjustments to other comprehensive income. The fair value of investments is generally based on quoted market prices. At December 31, 2006, we had a net unrealized gain of $25 million on the insurance subsidiary’s investment securities.

We are also exposed to market risk related to changes in interest rates and periodically enter into interest rate swap agreements to manage our exposure to these fluctuations. Our interest rate swap agreements involve the exchange of fixed and variable rate interest payments between two parties, based on common notional principal amounts and maturity dates. The net interest payments based on the notional amounts in these agreements generally match the timing of the cash flows of the related liabilities. The notional amounts of the

swap agreements represent balances used to calculate the exchange of cash flows and are not assets or liabilities of HCA. Any market risk or opportunity associated with these swap agreements is offset by the opposite market impact on the related debt. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures About Market Risk."

Since The Merger, The Investors Control Us And May Have Conflicts Of Interest With Us In The Future.

The Investors indirectly own approximately 97.5% of our capital stock due to the Recapitalization. As a result, the Investors have control over our decisions to enter into any corporate transaction and have the ability to prevent any transaction that requires the approval of shareholders. For example, the Investors could cause us to make acquisitions that increase the amount of our indebtedness or sell assets.

Additionally, the Sponsors are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. One or more of the Sponsors may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as investment funds associated with or designated by the Sponsors continue to indirectly own a significant amount of the outstanding shares of our common stock, even if such amount is less than 50%, the Sponsors will continue to be able to strongly influence or effectively control our decisions.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

The following table lists, by state, the number of hospitals (general, acute care, psychiatric and rehabilitation) directly or indirectly owned and operated by us as of December 31, 2006:

State	Hospitals	Beds
Alaska	1	238
California	5	1,504
Colorado	7	2,246
Florida	38	9,900
Georgia	12	2,124
Idaho	2	476
Indiana	1	278
Kansas	4	1,286
Kentucky	2	384
Louisiana	11	1,748
Mississippi	1	130
Missouri	7	1,222
Nevada	3	1,075
New Hampshire	2	295
Oklahoma	2	942
South Carolina	3	740
Tennessee	13	2,297
Texas	35	9,896
Utah	6	932
Virginia	10	2,963
International		
Switzerland	2	220
England	6	704
	173	41,600

In addition to the hospitals listed in the above table, we directly or indirectly operate 107 freestanding surgery centers. We also operate medical office buildings in conjunction with some of our hospitals. These office buildings are primarily occupied by physicians who practice at our hospitals.

We maintain our headquarters in approximately 918,000 square feet of space in the Nashville, Tennessee area. In addition to the headquarters in Nashville, we maintain regional service centers related to our shared services initiatives. These service centers are located in markets in which we operate hospitals.

Our headquarters, hospitals and other facilities are suitable for their respective uses and are, in general, adequate for our present needs. Our properties are subject to various federal, state and local statutes and ordinances regulating their operation. Management does not believe that compliance with such statutes and ordinances will materially affect our financial position or results of operations.

Item 3. ***Legal Proceedings***

We operate in a highly regulated and litigious industry. As a result, various lawsuits, claims and legal and regulatory proceedings have been and can be expected to be instituted or asserted against us. The resolution of any such lawsuits, claims or legal and regulatory proceedings could materially and adversely affect our results of operations and financial position in a given period.

Government Investigation, Claims and Litigation

In January 2001, we entered into an eight-year CIA with the Office of Inspector General of the Department of Health and Human Services. Violation or breach of the CIA, or other violation of federal or state laws relating to Medicare, Medicaid or similar programs, could subject us to substantial monetary fines, civil and criminal penalties and/or exclusion from participation in the Medicare and Medicaid programs and other federal and state health care programs. Alleged violations may be pursued by the government or through private *qui tam* actions. Sanctions imposed against us as a result of such actions could have a material adverse effect on our results of operations and financial position.

Governmental Investigations

In September 2005, we received a subpoena from the Office of the United States Attorney for the Southern District of New York seeking the production of documents. Also in September 2005, we were informed that the SEC had issued a formal order of investigation. Both the subpoena and the formal order of investigation relate to trading in our securities. We are cooperating fully with these investigations.

Securities Class Action Litigation

In November 2005, two putative federal securities law class actions were filed in the United States District Court for the Middle District of Tennessee seeking monetary damages on behalf of persons who purchased our stock between January 12, 2005 and July 13, 2005. These substantially similar lawsuits assert claims pursuant to Sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder, against us and our Chairman and Chief Executive Officer, President and Chief Operating Officer, and Executive Vice President and Chief Financial Officer, related to our July 13, 2005 announcement of preliminary results of operations for the quarter ended June 30, 2005.

On January 5, 2006, the court consolidated these actions and all later-filed related securities actions under the caption *In re HCA Inc. Securities Litigation*, case number 3:05-CV-00960. Pursuant to federal statute, on January 25, 2006, the court appointed co-lead plaintiffs to represent the interests of the asserted class members in this litigation. Co-lead plaintiffs filed a consolidated amended complaint on April 21, 2006. We believe that the allegations contained within these class action lawsuits are without merit and intend to vigorously defend the litigation.

On June 27, 2006, we and each of the defendants moved to dismiss the consolidated amended complaint, and these motions are still pending.

Shareholder Derivative Lawsuits in Federal Court

In November 2005, two then current shareholders each filed a derivative lawsuit, purportedly on behalf of our company, in the United States District Court for the Middle District of Tennessee against our Chairman and Chief Executive Officer, President and Chief Operating Officer, Executive Vice President and Chief Financial Officer, other executives, and certain members of our Board of Directors. Each lawsuit asserts claims for breaches of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets, and unjust enrichment in connection with our July 13, 2005 announcement of preliminary results of operations for the quarter ended June 30, 2005 and seeks monetary damages.

On January 23, 2006, the Court consolidated these actions as *In re HCA Inc. Derivative Litigation*, lead case number 3:05-CV-0968. The court stayed this action on February 27, 2006, pending resolution of a motion to dismiss the consolidated amended complaint in the related federal securities class action against us. On

March 24, 2006, a consolidated derivative complaint was filed pursuant to a prior court order. On November 8, 2006, we reached an agreement in principle for the settlement of this consolidated action. The proposed settlement is subject to definitive documentation and court approval.

Shareholder Derivative Lawsuit in State Court

On January 18, 2006, a then current shareholder filed a derivative lawsuit, purportedly on behalf of our company, in the Circuit Court for the State of Tennessee (Nashville District), against our Chairman and Chief Executive Officer, President and Chief Operating Officer, Executive Vice President and Chief Financial Officer, other executives, and certain members of our Board of Directors. This lawsuit is substantially identical in all material respects to the consolidated federal litigation described above under "Shareholder Derivative Lawsuits in Federal Court." The Court stayed this action on April 3, 2006, pending resolution of a motion to dismiss the consolidated amended complaint in the related federal securities class action against us. On November 8, 2006, we reached an agreement in principle for the settlement of this action. The proposed settlement is subject to definitive documentation and court approval.

ERISA Litigation

On November 22, 2005, Brenda Thurman, a former employee of an HCA affiliate, filed a complaint in the United States District Court for the Middle District of Tennessee on behalf of herself, the HCA Savings and Retirement Program (the "Plan"), and a class of participants in the Plan who held an interest in our common stock, against our Chairman and Chief Executive Officer, President and Chief Operating Officer, Executive Vice President and Chief Financial Officer, and other unnamed individuals. The lawsuit, filed under sections 502(a)(2) and 502(a)(3) of the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §§ 1132(a)(2) and (3), alleges that defendants breached their fiduciary duties owed to the Plan and to plan participants and seeks monetary damages and injunctions and other relief.

On January 13, 2006, the court signed an order staying all proceedings and discovery in this matter, pending resolution of a motion to dismiss the consolidated amended complaint in the related federal securities class action against HCA. On January 18, 2006, the magistrate judge signed an order (1) consolidating Thurman's cause of action with all other future actions making the same claims and arising out of the same operative facts, (2) appointing Thurman as lead plaintiff, and (3) appointing Thurman's attorneys as lead counsel and liaison counsel in the case. On January 26, 2006, the court issued an order reassigning the case to United States District Court Judge William J. Haynes, Jr., who has been presiding over the federal securities class action and federal derivative lawsuits.

Merger Litigation in State Court

We are aware of six asserted class action lawsuits related to the Merger filed against us, our Chairman and Chief Executive Officer, our President and Chief Operating Officer, members of the Board of Directors and each of the Sponsors in the Chancery Court for Davidson County, Tennessee. The complaints are substantially similar and allege, among other things, that the Merger was the product of a flawed process, that the consideration to be paid to our shareholders in the Merger was unfair and inadequate, and that there was a breach of fiduciary duties. The complaints further allege that the Sponsors abetted the actions of our officers and directors in breaching their fiduciary duties to our shareholders. The complaints sought, among other relief, an injunction preventing completion of the Merger. On August 3, 2006, the Chancery Court consolidated these actions and all later-filed actions as *In re HCA Inc. Shareholder Litigation*, case number 06-1816-III.

On November 8, 2006, we and the other named parties entered into a memorandum of understanding with plaintiffs' counsel in connection with these actions.

Under the terms of the memorandum, we, the other named parties and the plaintiffs have agreed to settle the lawsuit subject to court approval. If the court approves the settlement contemplated in the memorandum, the lawsuit will be dismissed with prejudice. We and the other defendants deny all of the allegations in the lawsuit. Pursuant to the terms of the memorandum, Hercules Holding agreed to waive that portion in excess

of $220 million of any termination fee that it has a right to receive under the Merger Agreement. Also, we and the other parties agreed not to assert that a then current shareholder's demand for appraisal is untimely under Section 262 of the General Corporation Law of the State of Delaware (the "DGCL") where such shareholder submitted a written demand for appraisal within 30 calendar days of the shareholders meeting held to adopt the Merger Agreement (with any such deadline being extended to the following business day should the 30th day fall on a holiday or weekend). We and the other parties also agreed not to assert that (i) the surviving corporation in the Merger or then current shareholder who was entitled to appraisal rights may not file a petition in the Court of Chancery of the State of Delaware demanding a determination of the value of the shares held by all such shareholders if such petition is not filed within 120 days of the effective time of the Merger so long as such petition is filed within 150 days of the effective time, (ii) a then current shareholder may not withdraw such shareholder's demand for appraisal and accept the terms offered by the Merger if such withdrawal is not made within 60 days of the effective time of the Merger so long as such withdrawal is made within 90 days of the effective time of the Merger and (iii) that a then current shareholder may not, upon written request, receive from the surviving corporation a statement setting forth the aggregate number of shares not voted in favor of the Merger with respect to which demands for appraisal have been received and the aggregate number of holders of such shares if such request is not made within 120 days of the effective time of the Merger so long as such request is made within 150 days of the effective time.

Two cases making similar allegations and seeking similar relief on behalf of purported classes of then current shareholders have also been filed in Delaware. These two actions have also been consolidated under case number 2307-N and are pending in the Delaware Chancery Court, New Castle County. We believe this lawsuit is without merit and plan to defend it vigorously. We further believe the claims asserted in this lawsuit are subject to the November 8, 2006 agreement in principle to settle the Merger litigation and shareholder derivative lawsuits.

On October 23, 2006, the Foundation for Seacoast Health filed a lawsuit against us and one of our affiliates, HCA Health Services of New Hampshire, Inc., in the Superior Court of Rockingham County, New Hampshire. Among other things, the complaint seeks to enforce certain provisions of an asset purchase agreement between the parties, including a purported right of first refusal to purchase a New Hampshire hospital, that allegedly are triggered by the Merger. The Foundation initially sought to enjoin the Merger. However, the parties reached an agreement that allowed the Merger to proceed, while preserving the plaintiff's opportunity to litigate whether the Merger triggered the right of first refusal to purchase the hospital and, if so, at what price the hospital could be repurchased. The court has adopted a procedural schedule for addressing these issues that includes a trial in June 2007.

General Liability and Other Claims

On April 10, 2006, a class action complaint was filed against us in the District Court of Kansas alleging, among other matters, nurse understaffing at all of our hospitals, certain consumer protection act violations, negligence and unjust enrichment. The complaint is seeking, among other relief, declaratory relief and monetary damages, including disgorgement of profits of $12.25 billion. A motion to dismiss this action was granted on July 27, 2006, but the plaintiffs have appealed this dismissal. We believe this lawsuit is without merit and plan to defend it vigorously.

We are a party to certain proceedings relating to claims for income taxes and related interest in the United States Tax Court and the United States Court of Federal Claims. For a description of those proceedings, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — IRS Disputes" and Note 6 to our consolidated financial statements.

We are also subject to claims and suits arising in the ordinary course of business, including claims for personal injuries or for wrongful restriction of, or interference with, physicians' staff privileges. In certain of these actions the claimants have asked for punitive damages against us, which may not be covered by insurance. In the opinion of management, the ultimate resolution of these pending claims and legal proceedings will not have a material, adverse effect on our results of operations or financial position.

Item 4. ***Submission of Matters to a Vote of Security Holders***

We held a special meeting of shareholders on November 16, 2006. The following matter was voted upon at the meeting:

	Votes in Favor	Votes Against	Abstentions
To adopt the Agreement and Plan of Merger, dated as of July 24, 2006, by and among the Company, Hercules Holding II, LLC, a Delaware limited liability company, and Hercules Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Hercules Holding II, LLC	283,539,958	31,968,124	4,830,055

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our outstanding common stock is privately held, and there is no established public trading market for our common stock. As of February 28, 2007, there were 653 holders of our common stock. See Item 7, "Management's Discussion and Analysis of Financial condition and Results of Operations — Liquidity and Capital Resources — Financing Activities" for a description of the restrictions on our ability to pay dividends.

In January 2005, our Board of Directors approved an increase in our quarterly dividend from $0.13 per share to $0.15 per share. The Board declared the initial $0.15 per share dividend payable on June 1, 2005 to shareholders of record at May 1, 2005. In January 2006, our Board of Directors approved an increase in our quarterly dividend from $0.15 per share to $0.17 per share. The Board declared the initial $0.17 per share dividend payable on June 1, 2006 to shareholders of record at May 1, 2006 and an additional dividend payable September 1, 2006 to shareholders of record on August 1, 2006. We did not pay a quarterly dividend during the fourth quarter of 2006.

Item 6. *Selected Financial Data*

HCA INC.
SELECTED FINANCIAL DATA
AS OF AND FOR THE YEARS ENDED DECEMBER 31
(Dollars in millions)

	2006	2005	2004	2003	2002
Summary of Operations:					
Revenues	**$ 25,477**	$ 24,455	$ 23,502	$ 21,808	$ 19,729
Salaries and benefits	**10,409**	9,928	9,419	8,682	7,952
Supplies	**4,322**	4,126	3,901	3,522	3,158
Other operating expenses	**4,057**	4,039	3,797	3,676	3,341
Provision for doubtful accounts	**2,660**	2,358	2,669	2,207	1,581
(Gains) losses on investments	**(243)**	(53)	(56)	(1)	2
Equity in earnings of affiliates	**(197)**	(221)	(194)	(199)	(206)
Depreciation and amortization	**1,391**	1,374	1,250	1,112	1,010
Interest expense	**955**	655	563	491	446
Gains on sales of facilities	**(205)**	(78)	—	(85)	(6)
Transaction costs	**442**	—	—	—	—
Impairment of long-lived assets	**24**	—	12	130	19
Government settlement and investigation related costs	—	—	—	(33)	661
Impairment of investment securities	—	—	—	—	168
	23,615	22,128	21,361	19,502	18,126
Income before minority interests and income taxes	**1,862**	2,327	2,141	2,306	1,603
Minority interests in earnings of consolidated entities	**201**	178	168	150	148
Income before income taxes	**1,661**	2,149	1,973	2,156	1,455
Provision for income taxes	**625**	725	727	824	622
Net income	**$ 1,036**	$ 1,424	$ 1,246	$ 1,332	$ 833
Financial Position:					
Assets	**$ 23,675**	$ 22,225	$ 21,840	$ 21,400	$ 19,059
Working capital	**2,502**	1,320	1,509	1,654	766
Long-term debt, including amounts due within one year	**28,408**	10,475	10,530	8,707	6,943
Minority interests in equity of consolidated entities	**907**	828	809	680	611
Equity securities with contingent redemption rights	**125**	—	—	—	—
Stockholders' (deficit) equity	**(11,374)**	4,863	4,407	6,209	5,702
Cash Flow Data:					
Cash provided by operating activities	**$ 1,845**	$ 2,971	$ 2,954	$ 2,292	$ 2,648
Cash used in investing activities	**(1,307)**	(1,681)	(1,688)	(2,862)	(1,740)
Cash (used in) provided by financing activities	**(240)**	(1,212)	(1,347)	650	(934)
Operating Data:					
Number of hospitals at end of period(a)	**166**	175	182	184	173
Number of freestanding outpatient surgical centers at end of period(b)	**98**	87	84	79	74
Number of licensed beds at end of period(c)	**39,354**	41,265	41,852	42,108	39,932
Weighted average licensed beds(d)	**40,653**	41,902	41,997	41,568	39,985
Admissions(e)	**1,610,100**	1,647,800	1,659,200	1,635,200	1,582,800
Equivalent admissions(f)	**2,416,700**	2,476,600	2,454,000	2,405,400	2,339,400
Average length of stay (days)(g)	**4.9**	4.9	5.0	5.0	5.0
Average daily census(h)	**21,688**	22,225	22,493	22,234	21,509
Occupancy(i)	**53%**	53%	54%	54%	54%
Emergency room visits(j)	**5,213,500**	5,415,200	5,219,500	5,160,200	4,802,800
Outpatient surgeries(k)	**820,900**	836,600	834,800	814,300	809,900
Inpatient surgeries(l)	**533,100**	541,400	541,000	528,600	518,100
Days revenues in accounts receivable(m)	**53**	50	48	52	52
Gross patient revenues(n)	**$ 84,913**	$ 78,662	$ 71,279	$ 62,626	$ 53,542
Outpatient revenues as a % of patient revenues(o)	**36%**	36%	37%	37%	37%

(a) Excludes seven facilities in 2006, 2005, 2004, and 2003; and six facilities in 2002 that are not consolidated (accounted for using the equity method) for financial reporting purposes.
(b) Excludes nine facilities in 2006, seven facilities in 2005, eight facilities in 2004 and four facilities in 2003 and 2002 that are not consolidated (accounted for using the equity method) for financial reporting purposes.
(c) Licensed beds are those beds for which a facility has been granted approval to operate from the applicable state licensing agency.
(d) Weighted average licensed beds represents the average number of licensed beds, weighted based on periods owned.
(e) Represents the total number of patients admitted to our hospitals and is used by management and certain investors as a general measure of inpatient volume.
(f) Equivalent admissions are used by management and certain investors as a general measure of combined inpatient and outpatient volume. Equivalent admissions are computed by multiplying admissions (inpatient volume) by the sum of gross inpatient revenue and gross outpatient revenue and then dividing the resulting amount by gross inpatient revenue. The equivalent admissions computation "equates" outpatient revenue to the volume measure (admissions) used to measure inpatient volume, resulting in a general measure of combined inpatient and outpatient volume.
(g) Represents the average number of days admitted patients stay in our hospitals.
(h) Represents the average number of patients in our hospital beds each day.
(i) Represents the percentage of hospital licensed beds occupied by patients. Both average daily census and occupancy rate provide measures of the utilization of inpatient rooms.
(j) Represents the number of patients treated in our emergency rooms.
(k) Represents the number of surgeries performed on patients who were not admitted to our hospitals. Pain management and endoscopy procedures are not included in outpatient surgeries.
(l) Represents the number of surgeries performed on patients who have been admitted to our hospitals. Pain management and endoscopy procedures are not included in inpatient surgeries.
(m) Revenues per day is calculated by dividing the revenues for the period by the days in the period. Days revenues in accounts receivable is then calculated as accounts receivable, net of the allowance for doubtful accounts, at the end of the period divided by revenues per day.
(n) Gross patient revenues are based upon our standard charge listing. Gross charges/revenues typically do not reflect what our hospital facilities are paid. Gross charges/revenues are reduced by contractual adjustments, discounts and charity care to determine reported revenues.
(o) Represents the percentage of patient revenues related to patients who are not admitted to our hospitals.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

HCA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On November 17, 2006, we consummated the Merger with Merger Sub, a wholly owned subsidiary of Hercules Holding, pursuant to which Hercules Holding acquired all of our outstanding shares of common stock for $51.00 per share in cash. The Merger, the financing transactions related to the Merger and other related transactions had a transaction value of approximately $33.0 billion and are collectively referred to in this annual report as the "Recapitalization." As a result of the Recapitalization, our outstanding common stock is owned by Hercules Holding, certain members of management and other key employees, and certain other entities. Our common stock is no longer registered with the SEC and is no longer traded on a national securities exchange.

The selected financial data and the accompanying consolidated financial statements present certain information with respect to the financial position, results of operations and cash flows of HCA Inc. which should be read in conjunction with the following discussion and analysis. The terms "HCA," "Company," "we," "our," or "us," as used herein, refer to HCA Inc. and our affiliates unless otherwise stated or indicated by context. The term "affiliates" means direct and indirect subsidiaries of HCA Inc. and partnerships and joint ventures in which such subsidiaries are partners.

Forward-Looking Statements

This Annual Report on Form 10-K includes certain disclosures which contain "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words like "may," "believe," "will," "expect," "project," "estimate," "anticipate," "plan," "initiative" or "continue." These forward-looking statements are based on our current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond our control, that could significantly affect current plans and expectations and our future financial position and results of operations. These factors include, but are not limited to, (1) the ability to recognize the benefits of the Recapitalization and the effect of the Recapitalization on our customer, employee and other relationships, (2) the impact of the substantial indebtedness incurred to finance the Recapitalization, (3) increases in the amount and risk of collectibility of uninsured accounts and deductibles and copayment amounts for insured accounts, (4) the ability to achieve operating and financial targets and achieve expected levels of patient volumes and control the costs of providing services, (5) possible changes in the Medicare, Medicaid and other state programs that may impact reimbursements to health care providers and insurers, (6) the highly competitive nature of the health care business, (7) changes in revenue mix and the ability to enter into and renew managed care provider agreements on acceptable terms, (8) the efforts of insurers, health care providers and others to contain health care costs, (9) the outcome of our continuing efforts to monitor, maintain and comply with appropriate laws, regulations, policies and procedures and our corporate integrity agreement with the government, (10) changes in federal, state or local regulations affecting the health care industry, (11) the ability to attract and retain qualified management and personnel, including affiliated physicians, nurses and medical support personnel, (12) the outcome of governmental investigations by the United States Attorney for the Southern District of New York and the SEC, (13) the outcome of certain class action and derivative litigation filed with respect to us, (14) the possible enactment of federal or state health care reform, (15) the availability and terms of capital to fund the expansion of our business, (16) the continuing impact of hurricanes on our facilities and the ability to obtain recoveries under our insurance policies, (17) changes in accounting practices, (18) changes in general economic conditions, (19) future divestitures which may result in charges, (20) changes in business strategy or development plans, (21) delays in receiving payments for services provided, (22) the outcome of pending and any future tax audits, appeals and litigation associated with our tax positions, (23) potential liabilities and other claims that may be asserted against us, and (24) other risk factors described in this Annual Report on Form 10-K. As a consequence, current plans, anticipated actions and future financial position and results may differ from those

expressed in any forward-looking statements made by or on behalf of HCA. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this report.

2006 Operations Summary

Net income totaled $1.036 billion for the year ended December 31, 2006 compared to $1.424 billion for the year ended December 31, 2005. The 2006 results include reductions to estimated professional liability reserves of $136 million, gains on investments of $243 million, gains on sales of facilities of $205 million, transaction costs related to the Recapitalization of $442 million and an impairment of long-lived assets of $24 million. The 2005 results include reductions to estimated professional liability reserves of $83 million, expenses associated with hurricanes of $60 million, gains on investments of $53 million, gains on sales of facilities of $78 million, a favorable tax settlement of $48 million and a tax benefit of $24 million related to the repatriation of foreign earnings.

Revenues increased 4.2% on a consolidated basis and 6.2% on a same facility basis for the year ended December 31, 2006 compared to the year ended December 31, 2005. The consolidated revenues increase can be attributed to a 6.8% increase in revenue per equivalent admission, offsetting a 2.4% decline in equivalent admissions. The same facility revenues increase resulted from flat same facility equivalent admissions and a 6.2% increase in same facility revenue per equivalent admission.

During the year ended December 31, 2006, same facility admissions increased 0.2% compared to the year ended December 31, 2005. Same facility inpatient surgeries increased 0.7% and same facility outpatient surgeries decreased 1.2% during the year ended December 31, 2006 compared to the year ended December 31, 2005.

For the year ended December 31, 2006, the provision for doubtful accounts increased to 10.4% of revenues from 9.6% of revenues for the year ended December 31, 2005. Same facility uninsured admissions increased 10.9% and same facility uninsured emergency room visits increased 6.2% for the year ended December 31, 2006 compared to the year ended December 31, 2005.

Interest expense totaled $955 million for the year ended December 31, 2006 compared to $655 million for the year ended December 31, 2005. Interest expense for the fourth quarter of 2006 was $373 million and represented an increase of $207 million compared to the fourth quarter of 2005, due primarily to the increased debt related to the Recapitalization.

Business Strategy

We are committed to providing the communities we serve high quality, cost-effective health care while complying fully with our ethics policy, governmental regulations and guidelines and industry standards. As a part of this strategy, management focuses on the following principal elements:

Maintain Our Dedication to the Care and Improvement of Human Life. Our business is built on putting patients first and providing high quality health care services in the communities we serve. Our dedicated professionals oversee our Quality Review System, which measures clinical outcomes, satisfaction and regulatory compliance to improve hospital quality and performance. In addition, we continue to implement advanced health information technology to improve the quality and convenience of services to our communities. We are using our advanced electronic medication administration record, which uses bar coding technology to ensure that each patient receives the right medication, to build toward a fully electronic health record that provides convenient access, electronic order entry and decision support for physicians. These technologies improve patient safety, quality and efficiency.

Business Strategy (Continued)

Maintain Our Commitment to Ethics and Compliance. We are committed to a corporate culture highlighted by the following values — compassion, honesty, integrity, fairness, loyalty, respect and kindness. Our comprehensive ethics and compliance program reinforces our dedication to these values.

Leverage Our Leading Local Market Positions. We strive to maintain and enhance the leading positions that we enjoy in the majority of our markets. We believe that the broad geographic presence of our facilities across a range of markets, in combination with the breadth and quality of services provided by our facilities, increases our attractiveness to patients and large employers and positions us to negotiate more favorable terms from commercial payers and increase the number of payers with whom we contract. We also intend to strategically enhance our outpatient presence in our communities to attract more patients to our facilities.

Expand Our Presence in Key Markets. We seek to grow our business in key markets, focusing on large, high growth urban and suburban communities, primarily in the southern and western regions of the United States. We seek to strategically invest in new and expanded services at our existing hospitals and surgery centers to increase our revenues at those facilities and provide the benefits of medical technology advances to our communities. For example, we intend to continue to expand high volume and high margin specialty services, such as cardiology and orthopedic services, and increase the capacity, scope and convenience of our outpatient facilities. To complement this organic growth, we intend to continue to opportunistically develop and acquire new hospitals and outpatient facilities.

Continue to Leverage Our Scale. We will continue to obtain price efficiencies through our group purchasing organization and to build on the cost savings and efficiencies in billing, collection and other processes we have achieved through our nine regional service centers. We are increasingly taking advantage of our national scale by contracting for services on a multistate basis. We will explore the feasibility of replicating our successful shared services model for additional clinical and support functions, such as physician credentialing, medical transcription and electronic medical recordkeeping, across multiple markets.

Continue to Develop Enduring Physician Relationships. We depend on the quality and dedication of the physicians who serve at our facilities, and we aggressively recruit both primary care physicians and key specialists to meet community needs and improve our market position. We strategically recruit physicians and often assist them in establishing a practice or joining an existing practice where there is a community need and provide support to build their practices in compliance with regulatory standards. We intend to improve both service levels and revenues in our markets by:

- expanding the number of high quality specialty services, such as cardiology, orthopedics, oncology and neonatology;
- continuing to use joint ventures with physicians to further develop our outpatient business, particularly through ambulatory surgery centers and outpatient diagnostic centers;
- developing medical office buildings to provide convenient facilities for physicians to locate their practices and serve their patients; and
- continuing our focus on improving hospital quality and performance and implementing advanced technologies in our facilities to attract physicians to our facilities.

Become the Health Care Employer of Choice. We will continue to use a number of industry-leading practices to help ensure that our hospitals are a health care employer of choice in their respective communities. Our staffing initiatives for both care providers and hospital management provide strategies for recruitment, compensation and productivity to increase employee retention and operating efficiency at our hospitals. For example, we maintain an internal contract nursing agency to supply our hospitals with high

Business Strategy (Continued)

quality staffing at a lower cost than external agencies. In addition, we have developed several proprietary training and career development programs for our physicians and hospital administrators, including an executive development program designed to train the next generation of hospital leadership. We believe that our continued investment in the training and retention of employees improves the quality of care, enhances operational efficiency and fosters employee loyalty.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses. Our estimates are based on historical experience and various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates on an ongoing basis and make changes to the estimates and related disclosures as experience develops or new information becomes known. Actual results may differ from these estimates.

We believe that the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenues

Revenues are recorded during the period the health care services are provided, based upon the estimated amounts due from payers. Estimates of contractual allowances under managed care health plans are based upon the payment terms specified in the related contractual agreements. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The estimated reimbursement amounts are made on a payer-specific basis and are recorded based on the best information available regarding management's interpretation of the applicable laws, regulations and contract terms. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms that result from contract renegotiations and renewals. We have invested significant resources to refine and improve our computerized billing system and the information system data used to make contractual allowance estimates. We have developed standardized calculation processes and related training programs to improve the utility of our patient accounting systems.

The Emergency Medical Treatment and Active Labor Act ("EMTALA") requires any hospital that participates in the Medicare program to conduct an appropriate medical screening examination of every person who presents to the hospital's emergency room for treatment and, if the individual is suffering from an emergency medical condition, to either stabilize that condition or make an appropriate transfer of the individual to a facility that can handle the condition. The obligation to screen and stabilize emergency medical conditions exists regardless of an individual's ability to pay for treatment. Federal and state laws and regulations, including but not limited to EMTALA, require, and our commitment to providing quality patient care encourages, the provision of services to patients who are financially unable to pay for the health care services they receive.

We do not pursue collection of amounts related to patients who meet our guidelines to qualify as charity care; therefore, they are not reported in revenues. The revenues associated with uninsured patients who do not meet our guidelines to qualify as charity care have generally been reported in revenues at gross charges. Patients treated at our hospitals for nonelective care, who have income at or below 200% of the federal poverty level, are eligible for charity care. The federal poverty level is established by the federal government and is based on income and family size. On January 1, 2005, we modified our policies to provide discounts to uninsured patients who do not qualify for Medicaid or charity care. These discounts are similar to those provided to many local managed care plans.

Critical Accounting Policies and Estimates (Continued)

Revenues (Continued)

Due to the complexities involved in the classification and documentation of health care services authorized and provided, the estimation of revenues earned and the related reimbursement are often subject to interpretations that could result in payments that are different from our estimates. A hypothetical 1% change in net receivables that are subject to contractual discounts at December 31, 2006 would result in an impact on pretax earnings of approximately $32 million.

Provision for Doubtful Accounts and the Allowance for Doubtful Accounts

The collection of outstanding receivables from Medicare, managed care payers, other third-party payers and patients is our primary source of cash and is critical to our operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. The provision for doubtful accounts and the allowance for doubtful accounts relate primarily to amounts due directly from patients. An estimated allowance for doubtful accounts is recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. We consider the return of an account from the primary external collection agency to be the culmination of our reasonable collection efforts and the timing basis for writing off the account balance. Writeoffs are based upon specific identification and the writeoff process requires a writeoff adjustment entry to the patient accounting system. We do not pursue collection of amounts related to patients that meet our guidelines to qualify as charity care. Charity care is not reported in revenues and does not have an impact on the provision for doubtful accounts.

The amount of the provision for doubtful accounts is based upon management's assessment of historical writeoffs and expected net collections, business and economic conditions, trends in federal, state, and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical writeoffs and recoveries at facilities that represent a majority of our revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectibility of our accounts receivable. We perform the hindsight analysis quarterly, utilizing rolling twelve-months accounts receivable collection and writeoff data. At December 31, 2006, the allowance for doubtful accounts represented approximately 86% of the $3.972 billion patient due accounts receivable balance, including accounts, net of the related estimated contractual discounts, related to patients for which eligibility for Medicaid assistance or charity was being evaluated ("pending Medicaid accounts"). At December 31, 2005, the allowance for doubtful accounts represented approximately 85% of the $3.404 billion patient due accounts receivable balance, including pending Medicaid accounts, net of the related estimated contractual discounts. The provision for doubtful accounts was 10.4% of revenues in 2006, 9.6% of revenues in 2005 and 11.4% of revenues in 2004. Our uninsured discount policy, which became effective January 1, 2005, resulted in $1.095 billion and $769 million in discounts to the uninsured being recorded during 2006 and 2005, respectively. Adjusting for the effect of the uninsured discounts, the provision for doubtful accounts was 14.1% and 12.4% of revenues for the years ended December 31, 2006 and 2005, respectively. See "Supplemental Non-GAAP Disclosures, Operating Measures Adjusted for the Impact of Discounts for the Uninsured." Days revenues in accounts receivable were 53 days, 50 days and 48 days at December 31, 2006, 2005 and 2004, respectively. Management expects a continuation of the challenges related to the collection of the patient due accounts. Adverse changes in the percentage of our patients having adequate health care coverage, general economic conditions, patient accounting service center operations, payer mix, or trends in federal, state, and private employer health care coverage could affect the collection of accounts receivable, cash flows and results of operations.

HCA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Critical Accounting Policies and Estimates (Continued)

Provision for Doubtful Accounts and the Allowance for Doubtful Accounts (Continued)

The approximate breakdown of accounts receivable by payer classification as of December 31, 2006 and 2005 is set forth in the following table:

	% of Accounts Receivable		
	Under 91 Days	91 — 180 Days	Over 180 Days
Accounts receivable aging at December 31, 2006:			
Medicare and Medicaid	13%	1%	2%
Managed care and other insurers	21	4	4
Uninsured	20	11	24
Total	54%	16%	30%
Accounts receivable aging at December 31, 2005:			
Medicare and Medicaid	13%	2%	2%
Managed care and other insurers	21	4	4
Uninsured	21	11	22
Total	55%	17%	28%

Professional Liability Claims

We, along with virtually all health care providers, operate in an environment with professional liability risks. Prior to 2007, a substantial portion of our professional liability risks was insured through a wholly-owned insurance subsidiary. Reserves for professional liability risks were $1.584 billion and $1.621 billion at December 31, 2006 and December 31, 2005, respectively. The current portion of these reserves, $275 million and $285 million at December 31, 2006 and 2005, respectively, is included in "other accrued expenses." Obligations covered by reinsurance contracts are included in the reserves for professional liability risks, as the insurance subsidiary remains liable to the extent reinsurers do not meet their obligations. Reserves for professional liability risks (net of $42 million and $43 million receivable under reinsurance contracts at December 31, 2006 and 2005, respectively) were $1.542 billion and $1.578 billion at December 31, 2006 and 2005, respectively. Reserves and provisions for professional liability risks are based upon actuarially determined estimates. The independent actuaries' estimated reserve ranges, net of amounts receivable under reinsurance contracts, were $1.321 billion to $1.545 billion at December 31, 2006 and $1.373 billion to $1.589 billion at December 31, 2005. Reserves for professional liability risks represent the estimated ultimate cost of all reported and unreported losses incurred through the respective consolidated balance sheet dates. The reserves are estimated using individual case-basis valuations and actuarial analyses. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are continually reviewed and adjustments are recorded as experience develops or new information becomes known.

The reserves for professional liability risks cover approximately 3,000 and 3,300 individual claims at December 31, 2006 and 2005, respectively, and estimates for unreported potential claims. The time period required to resolve these claims can vary depending upon the jurisdiction and whether the claim is settled or litigated. The estimation of the timing of payments beyond a year can vary significantly. Changes to the estimated reserve amounts are included in current operating results. Due to the considerable variability that is inherent in such estimates, there can be no assurance that the ultimate liability will not exceed management's estimates.

Critical Accounting Policies and Estimates (Continued)

Professional Liability Claims (Continued)

Provisions for losses related to professional liability risks were $217 million, $298 million and $291 million for the years ended December 31, 2006, 2005 and 2004, respectively. We recognized reductions in our estimated professional liability insurance reserves of $136 million, $83 million and $59 million during 2006, 2005 and 2004, respectively. These reductions reflect the recognition by the external actuaries of our improving frequency and severity claim trends. This improving frequency and moderating severity can be primarily attributed to tort reforms enacted in key states, particularly Texas, and our risk management and patient safety initiatives, particularly in the areas of obstetrics and emergency services.

Income Taxes

We calculate our provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized by identifying the temporary differences that arise from the recognition of items in different periods for tax and accounting purposes. Deferred tax assets generally represent the tax effects of amounts expensed in our income statement for which tax deductions will be claimed in future periods.

Although we believe that we have properly reported taxable income and paid taxes in accordance with applicable laws, federal and state taxing authorities may challenge our tax positions upon audit. To reflect the possibility that our positions may not ultimately be sustained, we have established, and when appropriate adjust, provisions for potential adverse tax outcomes, based on our evaluation of the underlying facts and circumstances. Final audit results may vary from our estimates.

Results of Operations

Revenue/ Volume Trends

Our revenues depend upon inpatient occupancy levels, the ancillary services and therapy programs ordered by physicians and provided to patients, the volume of outpatient procedures and the charge and negotiated payment rates for such services. Gross charges typically do not reflect what our facilities are actually paid. Our facilities have entered into agreements with third-party payers, including government programs and managed care health plans, under which the facilities are paid based upon the cost of providing services, predetermined rates per diagnosis, fixed per diem rates or discounts from gross charges.

Revenues increased 4.2% to $25.477 billion for the year ended December 31, 2006 from $24.455 billion for the year ended December 31, 2005 and increased 4.1% for the year ended December 31, 2005 from $23.502 billion for the year ended December 31, 2004. The increase in revenues in 2006 can be primarily attributed to a 6.8% increase in revenue per equivalent admission offsetting a 2.4% decline in equivalent admissions compared to the prior year. Our uninsured discount policy, which became effective January 1, 2005, resulted in $1.095 billion and $769 million in discounts to the uninsured being recorded during 2006 and 2005, respectively. Adjusting for the effect of the uninsured discounts, revenue per equivalent admission increased 8.0% in the year ended December 31, 2006 compared to the year ended December 31, 2005. See "Supplemental Non-GAAP Disclosures, Operating Measures Adjusted for the Impact of Discounts for the Uninsured." The increase in revenues in 2005 can be primarily attributed to a 0.9% increase in equivalent admissions and a 3.1% increase in revenue per equivalent admission compared to the prior year.

Same facility admissions increased 0.2% in 2006 compared to 2005 and increased 0.1% in 2005 compared to 2004. Same facility inpatient surgeries increased 0.7% and same facility outpatient surgeries decreased 1.2% during 2006 compared to 2005. Same facility inpatient surgeries increased 0.9% and same facility outpatient

Results of Operations (Continued)

Revenue/ Volume Trends (Continued)

surgeries increased 0.3% during 2005 compared to 2004. Same facility emergency room visits decreased 0.8% during 2006 compared to 2005 and increased 4.8% during 2005 compared to 2004.

Admissions related to Medicare, managed Medicare, Medicaid, managed Medicaid, managed care and other insurers and the uninsured for the years ended December 31, 2006, 2005 and 2004 are set forth below.

	Years Ended December 31,		
	2006	2005	2004
Medicare	**37%**	38%	39%
Managed Medicare	**6**	(a)	(a)
Medicaid	**9**	10	10
Managed Medicaid	**6**	5	4
Managed care and other insurers(a)	**36**	42	42
Uninsured	**6**	5	5
	100%	100%	100%

(a) Prior to 2006, managed Medicare admissions were classified as managed care.

Same facility uninsured emergency room visits increased 6.2% and same facility uninsured admissions increased 10.9% during 2006 compared to 2005. Same facility uninsured emergency room visits increased 11.0% and same facility uninsured admissions increased 9.5% during 2005 compared to 2004. Management cannot predict whether the current trends in same facility emergency room visits and same facility uninsured admissions will continue.

Several factors negatively affected patient volumes in 2006 and 2005. Unit closures and changes in Medicare admission guidelines led to reductions in rehabilitation and skilled nursing admissions. Cardiac admissions have been affected by competition from physician-owned heart hospitals and credentialing decisions made at some of our Florida hospitals. More stringent enforcement of case management guidelines led to certain patient services being classified as outpatient observation visits instead of one-day admissions. To increase patient volumes, we plan to increase physician recruitment, increase available medical office building space on or near our campuses, and continue capital spending devoted to both maintenance of technology and facilities and growth and expansion programs.

At December 31, 2006, we owned and operated 38 hospitals and 33 surgery centers in the state of Florida. Our Florida facilities' revenues totaled $6.563 billion and $6.276 billion for the years ended December 31, 2006 and 2005, respectively. At December 31, 2006, we owned and operated 35 hospitals and 22 surgery centers in the state of Texas. Our Texas facilities' revenues totaled $6.316 billion and $5.900 billion for the years ended December 31, 2006 and 2005, respectively.

We provided $1.296 billion, $1.138 billion and $926 million of charity care during the years ended December 31, 2006, 2005 and 2004, respectively. On January 1, 2005, we modified our policies to provide a discount to uninsured patients who do not qualify for Medicaid or charity care. These discounts are similar to those provided to many local managed care plans and totaled $1.095 billion and $769 million for the years ended December 31, 2006 and 2005, respectively.

HCA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Results of Operations (Continued)

Revenue/ Volume Trends (Continued)

We receive a significant portion of our revenues from government health programs, principally Medicare and Medicaid, which are highly regulated and subject to frequent and substantial changes. Legislative changes have resulted in limitations and even reductions in levels of payments to health care providers for certain services under these government programs.

The approximate percentages of our inpatient revenues related to Medicare, managed Medicare, Medicaid, managed Medicaid, managed care plans and other insurers and the uninsured for the years ended December 31, 2006, 2005 and 2004 are set forth below.

	Years Ended December 31,		
	2006	**2005**	**2004**
Medicare	**34%**	36%	37%
Managed Medicare	**6**	(a)	(a)
Medicaid	**6**	7	6
Managed Medicaid	**3**	3	3
Managed care and other insurers(a)	**46**	49	48
Uninsured(b)	**5**	5	6
	100%	100%	100%

(a) Prior to 2006, managed Medicare revenues were classified managed care.

(b) Uninsured revenues for the years ended December 31, 2006 and 2005 were reduced due to discounts to the uninsured, related to the uninsured discount program implemented January 1, 2005.

HCA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Results of Operations (Continued)

Operating Results Summary

The following are comparative summaries of operating results for the years ended December 31, 2006, 2005 and 2004 (dollars in millions):

	2006		2005		2004	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Revenues	$ 25,477	100.0	$ 24,455	100.0	$ 23,502	100.0
Salaries and benefits	10,409	40.9	9,928	40.6	9,419	40.1
Supplies	4,322	17.0	4,126	16.9	3,901	16.6
Other operating expenses	4,057	16.0	4,039	16.5	3,797	16.0
Provision for doubtful accounts	2,660	10.4	2,358	9.6	2,669	11.4
Gains on investments	(243)	(1.0)	(53)	(0.2)	(56)	(0.2)
Equity in earnings of affiliates	(197)	(0.8)	(221)	(0.9)	(194)	(0.8)
Depreciation and amortization	1,391	5.5	1,374	5.6	1,250	5.3
Interest expense	955	3.7	655	2.7	563	2.4
Gains on sales of facilities	(205)	(0.8)	(78)	(0.3)	—	—
Transaction costs	442	1.7	—	—	—	—
Impairment of long-lived assets	24	0.1	—	—	12	0.1
	23,615	92.7	22,128	90.5	21,361	90.9
Income before minority interests and income taxes	1,862	7.3	2,327	9.5	2,141	9.1
Minority interests in earnings of consolidated entities	201	0.8	178	0.7	168	0.7
Income before income taxes	1,661	6.5	2,149	8.8	1,973	8.4
Provision for income taxes	625	2.4	725	3.0	727	3.1
Net income	$ 1,036	4.1	$ 1,424	5.8	$ 1,246	5.3
% changes from prior year:						
Revenues	4.2%		4.1%		7.8%	
Income before income taxes	(22.7)		9.0		(8.5)	
Net income	(27.2)		14.2		(6.5)	
Admissions(a)	(2.3)		(0.7)		1.5	
Equivalent admissions(b)	(2.4)		0.9		2.0	
Revenue per equivalent admission	6.8		3.1		5.6	
Same facility % changes from prior year(c):						
Revenues	6.2		4.7		7.3	
Admissions(a)	0.2		0.1		0.7	
Equivalent admissions(b)	—		1.4		1.3	
Revenue per equivalent admission	6.2		3.2		6.0	

(a) Represents the total number of patients admitted to our hospitals and is used by management and certain investors as a general measure of inpatient volume.

(b) Equivalent admissions are used by management and certain investors as a general measure of combined inpatient and outpatient volume. Equivalent admissions are computed by multiplying admissions (inpatient volume) by the sum of gross inpatient revenue and gross outpatient revenue and then dividing the resulting amount by gross inpatient revenue. The equivalent admissions computation "equates" outpatient revenue to the volume measure (admissions) used to measure inpatient volume, resulting in a general measure of combined inpatient and outpatient volume.

(c) Same facility information excludes the operations of hospitals and their related facilities that were either acquired, divested or removed from service during the current and prior year.

HCA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Results of Operations (Continued)

Operating Results Summary (Continued)

Supplemental Non-GAAP Disclosures
Operating Measures Adjusted for the Impact of Discounts for the Uninsured
(Dollars in millions, except revenue per equivalent admission)

The results of operations for the year ended December 31, 2006, adjusted for the impact of our uninsured discount policy, are presented below:

	Year Ended December 31, 2006						
	Reported GAAP(a) Amounts	Uninsured Discounts Adjustment(b)	Non-GAAP Adjusted Amounts(c)	GAAP % of Revenues		Non-GAAP % of Adjusted Revenues	
				2006	2005	2006	2005
Revenues	$ 25,477	$ 1,095	$ 26,572	100.0%	100.0%	100.0%	100.0%
Salaries and benefits	10,409	—	10,409	40.9	40.6	39.2	39.4
Supplies	4,322	—	4,322	17.0	16.9	16.3	16.4
Other operating expenses	4,057	—	4,057	16.0	16.5	15.2	15.9
Provision for doubtful accounts	2,660	1,095	3,755	10.4	9.6	14.1	12.4
Admissions	1,610,100		1,610,100				
Equivalent admissions	2,416,700		2,416,700				
Revenue per equivalent admission	$ 10,542		$ 10,995				
% change from prior year	6.8%		8.0%				
Same Facility(d):							
Revenues	$ 24,448	$ 1,063	$ 25,511				
Admissions	1,557,700		1,557,700				
Equivalent admissions	2,322,500		2,322,500				
Revenue per equivalent admission	$ 10,527		$ 10,984				
% change from prior year	6.2%		7.3%				

(a) Generally accepted accounting principles ("GAAP").

(b) Represents the impact of the discounts for the uninsured for the period. On January 1, 2005, we modified our policies to provide discounts to uninsured patients who do not qualify for Medicaid or charity care. These discounts are similar to those provided to many local managed care plans. In implementing the discount policy, we first attempt to qualify uninsured patients for Medicaid, other federal or state assistance or charity care. If an uninsured patient does not qualify for these programs, the uninsured discount is applied.

(c) Revenues, the provision for doubtful accounts, certain operating expense categories as a percentage of revenues and revenue per equivalent admission have been adjusted to exclude the discounts under our uninsured discount policy (non-GAAP financial measures). We believe these non-GAAP financial measures are useful to investors and provide disclosures of our results of operations on the same basis as that used by management. Management finds this information to be useful to enable the evaluation of revenue and certain expense category trends that are influenced by patient volumes and are generally analyzed as a percentage of net revenues. These non-GAAP financial measures should not be considered an alternative to GAAP financial measures. We believe this supplemental information provides management and the users of our financial statements with useful information for period-to-period comparisons. Investors are encouraged to use GAAP measures when evaluating our overall financial performance.

(d) Same facility information excludes the operations of hospitals and their related facilities which were either acquired, divested or removed from service during the current and prior period.

Years Ended December 31, 2006 and 2005

Net income totaled $1.036 billion for the year ended December 31, 2006 compared to $1.424 billion for the year ended December 31, 2005. Financial results for 2006 include gains on investments of $243 million, gains on sales of facilities of $205 million, reductions to estimated professional liability reserves of $136 million, expenses related to the Recapitalization of $442 million and an asset impairment charge of $24 million. Financial results for 2005 include gains on investments of $53 million, gains on sales of facilities of $78 million, reductions to estimated professional liability reserves of $83 million, an adverse financial

Results of Operations (Continued)

Years Ended December 31, 2006 and 2005 (Continued)

impact from hurricanes of $60 million, a tax benefit of $24 million related to the repatriation of foreign earnings, and a favorable tax settlement of $48 million related to the divestitures in 1998 and 2001 of certain noncore business units.

Revenues increased 4.2% to $25.477 billion for the year ended December 31, 2006 from $24.455 billion for the year ended December 31, 2005. The increase in revenues was due primarily to a 6.8% increase in revenue per equivalent admission offsetting a 2.4% decline in equivalent admissions compared to the prior year. Same facility revenues increased 6.2% due to a 6.2% increase in same facility revenue per equivalent admission and flat same facility equivalent admissions for the year ended December 31, 2006 compared to the year ended December 31, 2005.

During the year ended December 31, 2006, same facility admissions increased 0.2%, compared to the year ended December 31, 2005. Same facility inpatient surgeries increased 0.7% and same facility outpatient surgeries decreased 1.2% during the year ended December 31, 2006 compared to the year ended December 31, 2005.

Salaries and benefits, as a percentage of revenues, were 40.9% in 2006 and 40.6% in 2005. Salaries and benefits per equivalent admission increased 7.4% in 2006 compared to 2005. Labor rate increases averaged approximately 5.4% for the year ended December 31, 2006 compared to 2005.

Supplies, as a percentage of revenues, were 17.0% in 2006 and 16.9% in 2005. Supply costs per equivalent admission increased 7.4% in 2006 compared to 2005. Same facility supply costs increased 11.0% for medical devices (cardiology and orthopedic) and 2.6% for pharmacy products.

Other operating expenses, as a percentage of revenues, decreased to 16.0% in 2006 from 16.5% in 2005. Other operating expenses in 2006 reflect reductions to our estimated professional liability reserves of $136 million, compared to $83 million in reductions recorded in 2005. Other operating expenses are primarily comprised of contract services, professional fees, repairs and maintenance, rents and leases, utilities, insurance (including professional liability insurance) and nonincome taxes.

Provision for doubtful accounts, as a percentage of revenues, increased to 10.4% for the year ended December 31, 2006 from 9.6% in the year ended December 31, 2005. Adjusting for the effect of the discount policy for the uninsured, the provision for doubtful accounts, as a percentage of revenues, was 14.1% in 2006 compared to 12.4% in 2005. The provision for doubtful accounts and the allowance for doubtful accounts relate primarily to uninsured amounts due directly from patients. The increase in the provision for doubtful accounts, as a percentage of revenues, can be attributed to an increasing amount of patient financial responsibility under certain managed care plans and same facility increases in uninsured emergency room visits of 6.2% and uninsured admissions of 10.9% in 2006 compared to 2005. At December 31, 2006, our allowance for doubtful accounts represented approximately 86% of the $3.972 billion total patient due accounts receivable balance, including accounts, net of estimated contractual discounts, related to patients for which eligibility for Medicaid coverage was being evaluated.

Gains on investments for the year ended December 31, 2006 of $243 million relate to sales of investment securities by our wholly-owned insurance subsidiary. Gains on investments for the year ended December 31, 2005 were $53 million. Net unrealized gains on investment securities declined from $184 million at December 31, 2005 to $25 million at December 31, 2006. The increase in realized gains and the decline in unrealized gains were primarily due to the decision to liquidate our equity investment portfolio and reinvest in debt and interest-bearing investments.

HCA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Results of Operations (Continued)

Years Ended December 31, 2006 and 2005 (Continued)

Equity in earnings of affiliates decreased from $221 million for the year ended December 31, 2005 to $197 million for the year ended December 31, 2006. The decrease was primarily due to decreases in profits at the Denver, Colorado market joint venture.

Depreciation and amortization decreased, as a percentage of revenue, to 5.5% in the year ended December 31, 2006 from 5.6% in the year ended December 31, 2005. During 2005, we incurred additional depreciation expense of approximately $44 million to correct accumulated depreciation of certain facilities and assure a consistent application of our accounting policy relative to certain short-lived medical equipment.

Interest expense increased to $955 million for the year ended December 31, 2006 from $655 million for the year ended December 31, 2005. While interest expense increased $300 million for the year ended December 31, 2006 compared to 2005, $207 million of the increase occurred during the fourth quarter of 2006 due to the increased debt related to the Recapitalization. Our average debt balance was $13.811 billion for the year ended December 31, 2006 compared to $9.828 billion for the year ended December 31, 2005. The average interest rate for our long-term debt increased from 7.0% at December 31, 2005 to 7.9% at December 31, 2006.

Gains on sales of facilities were $205 million for the year ended December 31, 2006 and included a $92 million gain on the sale of four hospitals in West Virginia and Virginia and a $93 million gain on the sale of two hospitals in Florida. Gains on sales were facilities were $78 million for the year ended December 31, 2005 and included a $29 million gain related to the recognition of previously deferred gain on the sale of a group of medical office buildings.

Minority interests in earnings of consolidated entities increased from $178 million for the year ended December 31, 2005 to $201 million for the year ended December 31, 2006. The increase relates primarily to the operations of surgery centers and other outpatient services entities.

The effective tax rate was 37.6% for the year ended December 31, 2006 and 33.8% for the year ended December 31, 2005. During 2005, the effective tax rate was reduced due to a favorable tax settlement of $48 million related to the divestiture of certain noncore business units and a tax benefit of $24 million from the repatriation of foreign earnings. Excluding the effect of the combined $72 million tax benefit, the effective tax rate for the year ended December 31, 2005 would have been 37.1%.

Years Ended December 31, 2005 and 2004

Net income increased 14.2%, from $1.246 billion for the year ended December 31, 2004 to $1.424 billion for the year ended December 31, 2005. Financial results for 2005 include gains on investments of $53 million, gains on sales of facilities of $78 million, reductions to estimated professional liability reserves of $83 million, an adverse financial impact from hurricanes of $60 million, a tax benefit of $24 million related to the repatriation of foreign earnings, and a favorable tax settlement of $48 million related to the divestures in 1998 and 2001 of certain noncore business units. The 2004 results include gains on investments of $56 million, a favorable change in the estimated provision for doubtful accounts totaling $46 million based upon refinements to our allowance for doubtful accounts estimation process, a $59 million reduction to estimated professional liability reserves, an adverse financial impact from hurricanes of $40 million, and an impairment of long-lived assets of $12 million.

Revenues increased 4.1% to $24.455 billion for the year ended December 31, 2005 compared to $23.502 billion for the year ended December 31, 2004. The increase in revenues was due to a 0.9% increase in

Results of Operations (Continued)

Years Ended December 31, 2005 and 2004 (Continued)

equivalent admissions and 3.1% increase in revenue per equivalent admission. Adjusting for the effect of the uninsured discount policy, revenues increased 7.3% for the year ended December 31, 2005 compared to 2004. For the year ended December 31, 2005, admissions decreased 0.7% and same facility admissions increased by 0.1% compared to 2004. Outpatient surgical volumes increased 0.2% and increased 0.3% on a same facility basis in 2005 compared to 2004.

Salaries and benefits, as a percentage of revenues, were 40.6% in 2005 and 40.1% in 2004. Adjusting for the effect of the uninsured discount policy, salaries and benefits were 39.4% of revenues for the year ended December 31, 2005. Labor rate increases averaged approximately 4.2% for the year ended December 31, 2005.

Supply costs increased, as a percentage of revenues, to 16.9% for the year ended December 31, 2005 from 16.6% for the year ended December 31, 2004. Adjusting for the effect of the uninsured discount policy, supplies were 16.4% of revenues for the year ended December 31, 2005. During 2005, general supply cost trends included a more stable pricing environment for medical devices and pharmacy items and a stabilization in usage rates for drug-eluting stents.

Other operating expenses (primarily consisting of contract services, professional fees, repairs and maintenance, rents and leases, utilities, insurance and nonincome taxes), as a percentage of revenues, increased to 16.5% in 2005 from 16.0% in 2004. Adjusting for the effect of the uninsured discount policy, other operating expenses were 15.9% of revenues for the year ended December 31, 2005.

The provision for doubtful accounts, as a percentage of revenues, declined to 9.6% for the year ended December 31, 2005 from 11.4% for the year ended December 31, 2004. Adjusting for the effect of the uninsured discount policy, the provision for doubtful accounts was 12.4% of revenues in the year ended December 31, 2005. The provision for doubtful accounts and the allowance for doubtful accounts relate primarily to uninsured amounts due directly from patients. The increase in the provision for doubtful accounts (adjusted for uninsured discounts), as a percentage of revenues, related to an increasing amount of patient financial responsibility under certain managed care plans, increases in uninsured emergency room visits of 9.9% and increases in uninsured admissions of 8.9% in 2005 compared to 2004. At December 31, 2005, the allowance for doubtful accounts represented approximately 85% of the $3.404 billion total patient due accounts receivable balance, including accounts, net of estimated contractual discounts, related to patients for which eligibility for Medicaid coverage was being evaluated.

Gains on investments for the year ended December 31, 2005 of $53 million consist primarily of net gains on investment securities held by our wholly-owned insurance subsidiary. Gains on investments for the year ended December 31, 2004 were $56 million. At December 31, 2005, we had net unrealized gains of $184 million on the insurance subsidiary's investment securities.

Equity in earnings of affiliates increased to $221 million for the year ended December 31, 2005 compared to $194 million for the year ended December 31, 2004. The increase was primarily due to an increase in profits at the Denver, Colorado market joint venture.

Depreciation and amortization increased, as a percentage of revenues, to 5.6% in the year ended December 31, 2005 from 5.3% in the year ended December 31, 2004. A portion of the increase is the result of additional depreciation expense of approximately $44 million recorded during 2005 to correct accumulated depreciation at certain facilities and assure a consistent application of our accounting policy relative to certain short-lived medical equipment.

Results of Operations (Continued)

Years Ended December 31, 2005 and 2004 (Continued)

Interest expense increased to $655 million for the year ended December 31, 2005 from $563 million for the year ended December 31, 2004. The average debt balance was $9.828 billion for the year ended December 31, 2005 compared to $8.853 billion for the year ended December 31, 2004. The average interest rate for our long-term debt increased from 6.5% at December 31, 2004 to 7.0% at December 31, 2005.

During 2004, we closed San Jose Medical Center in San Jose, California, resulting in a pretax asset impairment charge of $12 million ($8 million after-tax).

Minority interests in earnings of consolidated entities increased to $178 million for the year ended December 31, 2005 compared to $168 million for the year ended December 31, 2004.

The effective tax rate was 33.8% for the year ended December 31, 2005 and 36.8% for the year ended December 31, 2004. During 2005, the effective tax rate was reduced due to a favorable tax settlement of $48 million related to the divestures of certain noncore business units in 1998 and 2001 and a tax benefit of $24 million related to the repatriation of foreign earnings. Excluding the effect of the combined $72 million of tax benefits, the effective tax rate for the year ended December 31, 2005 would have been 37.1%.

Liquidity and Capital Resources

Cash provided by operating activities totaled $1.845 billion in 2006 compared to $2.971 billion in 2005 and $2.954 billion in 2004. Working capital totaled $2.502 billion at December 31, 2006 and $1.320 billion at December 31, 2005. Cash flows provided by operating activities include income tax benefits related to the exercise of employee stock awards of $163 million and $50 million for the years ended December 31, 2005 and 2004, respectively. For the year ended December 31, 2006, income tax benefits related to the exercise of employee stock awards of $97 million were included in financing activities. The lower cash provided by operating activities in 2006 when compared to both 2005 and 2004 relates, primarily, to increases in income tax payments, net of refunds, of $524 million for 2006 compared to 2005 and $693 million for 2006 compared to 2004, and increases in accounts receivable, net of the provision for doubtful accounts, of $92 million for 2006 compared to 2005 and $404 million for 2006 compared to 2004.

Cash used in investing activities was $1.307 billion, $1.681 billion and $1.688 billion in 2006, 2005 and 2004, respectively. Excluding acquisitions, capital expenditures were $1.865 billion in 2006, $1.592 billion in 2005 and $1.513 billion in 2004. We expended $112 million, $126 million and $44 million for acquisitions of hospitals and health care entities during 2006, 2005 and 2004, respectively. During 2006, acquisitions included three hospitals and outpatient and ancillary services entities. During 2005 and 2004, the acquisitions were generally comprised of outpatient and ancillary services entities. Capital expenditures in all three years were funded by a combination of cash flows from operations and the issuance of debt. Planned capital expenditures are expected to approximate $1.8 billion in 2007. At December 31, 2006, there were projects under construction which had an estimated additional cost to complete and equip over the next five years of $1.9 billion. We expect to finance capital expenditures with internally generated and borrowed funds.

The sales of nine hospitals were completed during 2006, and we received cash proceeds of $560 million. We also received proceeds of $91 million on the sales of real estate investments and our equity investment in a hospital joint venture. The sales of five hospitals were completed during 2005 and we received cash proceeds of $260 million.

Cash used in financing activities totaled $240 million in 2006, $1.212 billion in 2005 and $1.347 billion in 2004. The Recapitalization included the issuance of $19.964 billion of long-term debt, the receipt of

Liquidity and Capital Resources (Continued)

$3.782 billion of equity contributions, the repurchase of $20.364 billion of common stock, the payment of $745 million related to Recapitalization related fees and expenses, and the retirement of $3.182 billion of existing long-term debt.

During 2006, we repurchased 13.1 million shares (excluding the Recapitalization) of our common stock for a total of $653 million. During 2005, we repurchased 36.7 million shares of our common stock for a total cost of $1.856 billion. During 2004, we repurchased 77.4 million shares of our common stock for a total cost of $3.109 billion. During 2005, we received cash inflows of $943 million related to the exercise of employee stock options.

In addition to cash flows from operations, available sources of capital include amounts available under our senior secured credit facilities ($1.8 billion as of December 31, 2006 and $2.5 billion as of February 28, 2007) and anticipated access to public and private debt markets.

Investments of our professional liability insurance subsidiary, to maintain statutory equity and pay claims, totaled $2.143 billion and $2.384 billion at December 31, 2006 and 2005, respectively. Claims payments, net of reinsurance recoveries, during the next twelve months are expected to approximate $250 million. Our wholly-owned insurance subsidiary has entered into certain reinsurance contracts, and the obligations covered by the reinsurance contracts are included in the reserves for professional liability risks, as the subsidiary remains liable to the extent that the reinsurers do not meet their obligations under the reinsurance contracts. To minimize our exposure to losses from reinsurer insolvencies, we evaluate the financial condition of our reinsurers and monitor concentrations of credit risk arising from similar activities or economic characteristics of the reinsurers. The amounts receivable related to the reinsurance contracts were $42 million and $43 million at December 31, 2006 and 2005, respectively.

Financing Activities

Due to the Recapitalization, we are a highly leveraged company with significant debt service requirements. Our debt totaled $28.408 billion at December 31, 2006 and represented a $17.933 billion increase from the total debt of $10.475 billion at December 31, 2005. We expect our interest expense to increase from $955 million for the year ended December 31, 2006 to approximately $2.3 billion in 2007.

In connection with the Recapitalization, we entered into (i) a $2.0 billion senior secured asset-based revolving loan agreement with a borrowing base of 85% of eligible accounts receivable with customary reserves and eligibility criteria ($4 million available at December 31, 2006) and (ii) a new senior secured credit agreement, consisting of a $2.0 billion revolving credit facility ($1.826 billion available at December 31, 2006 after giving effect to certain outstanding letters of credit), a $2.75 billion term loan A, a $8.8 billion term loan B and a €1.0 billion term loan ($1.320 billion at December 31, 2006). Obligations under the senior secured credit facilities are guaranteed by all material, unrestricted wholly-owned U.S. subsidiaries. In addition, borrowings under the €1.0 billion term loan are guaranteed by all material, wholly-owned European subsidiaries.

Also in connection with the Recapitalization, we issued $4.2 billion of senior secured notes (comprised of $1.0 billion of $9^{1}/_{8}$% notes due 2014 and $3.2 billion of $9^{1}/_{4}$% notes due 2016) and $1.5 billion of $9^{5}/_{8}$% senior secured toggle notes (which allow us, at our option, to pay interest in-kind during the first five years) due 2016, which are subject to certain standard covenants. The notes are guaranteed by certain of our subsidiaries.

Proceeds from the senior secured credit facilities and the senior secured notes were used in connection with the closing of the Recapitalization and to repay the amounts owed under our previous bank credit agreements. In connection with the Recapitalization, we also tendered for all amounts outstanding under the

HCA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Liquidity and Capital Resources (Continued)

Financing Activities (Continued)

8.85% notes due 2007, the 7.00% notes due 2007, the 7.25% notes due 2008, the 5.25% notes due 2008 and the 5.50% notes due 2009 (collectively, the "Short term Notes"). Approximately 97% of the $1.365 billion total outstanding amount under the Short term Notes was repurchased pursuant to the tender.

In 2006, we issued $1.0 billion of 6.5% notes due 2016. Proceeds of $625 million were used to refinance the remaining amount outstanding under the 2005 term loan and the remaining proceeds were used to pay down amounts advanced under a bank revolving credit facility.

In 2005, in connection with our modified "Dutch" auction tender offer, we entered into the 2005 term loan with several banks, which had a maturity of May 2006. Under this agreement, we borrowed $800 million. Proceeds from the 2005 term loan were used to partially fund the repurchase of our common stock. The proceeds of $175 million from the sales of hospitals in 2005 were used to repay a portion of the amounts outstanding under the 2005 term loan.

Management believes that cash flows from operations, amounts available under our senior secured credit facilities and our anticipated access to public and private debt markets will be sufficient to meet expected liquidity needs during the next twelve months.

Contractual Obligations and Off-Balance Sheet Arrangements

As of December 31, 2006, maturities of contractual obligations and other commercial commitments are presented in the table below (dollars in millions):

	Payments Due by Period				
Contractual Obligations(a)	**Total**	**Current**	**2-3 Years**	**4-5 Years**	**After 5 Years**
Long-term debt including interest, excluding the senior secured credit facilities(b)	$ 25,272	$ 1,197	$ 2,370	$ 3,745	$ 17,960
Loans outstanding under the senior secured credit facilities, including interest(b)	22,535	1,390	2,892	3,235	15,018
Operating leases(c)	1,287	236	348	199	504
Purchase and other obligations(c)	27	17	5	5	—
Total contractual obligations	$ 49,121	$ 2,840	$ 5,615	$ 7,184	$ 33,482

	Commitment Expiration by Period				
Other Commercial Commitments Not Recorded on the Consolidated Balance Sheet	**Total**	**Current**	**2-3 Years**	**4-5 Years**	**After 5 Years**
Letters of credit(d)	$ 134	$ 46	$ —	$ —	$ 88
Surety bonds(e)	131	126	5	—	—
Physician commitments(f)	37	34	2	1	—
Guarantees(g)	2	—	—	—	2
Total commercial commitments	$ 304	$ 206	$ 7	$ 1	$ 90

(a) We have not included obligations to pay estimated professional liability claims ($1.584 billion at December 31, 2006) in this table. The estimated professional liability claims are expected to be funded by the designated investment securities that are restricted for this purpose ($2.143 billion at December 31, 2006).

(b) Estimate of interest payments assumes that interest rates, borrowing spreads and foreign currency exchange rates at December 31, 2006, remain constant during the period presented.

(c) Future operating lease obligations and purchase obligations are not recorded in our consolidated balance sheet.

(d) Amounts relate primarily to instances in which we have letters of credit outstanding with insurance companies that issued workers compensation insurance policies to us in prior years. The letters of credit serve as security to the insurance companies for payment obligations we retained.

(e) Amounts relate primarily to instances in which we have agreed to indemnify various commercial insurers who have provided surety bonds to cover damages for malpractice cases which were awarded to plaintiffs by the courts. These cases are currently under appeal and the bonds will not be released by the courts until the cases are closed.

(f) In consideration for physicians relocating to the communities in which our hospitals are located and agreeing to engage in private practice for the benefit of the respective communities, we make advances to physicians, normally over a period of one year, to assist in establishing the physicians' practices. The actual amount of these commitments to be advanced often depends upon the financial results of the physicians' private practices during the recruitment agreement payment period. The physician commitments reflected were based on our maximum exposure on effective agreements at December 31, 2006.

(g) We have entered into guarantee agreements related to certain leases.

Market Risk

We are exposed to market risk related to changes in market values of securities. The investments in debt and equity securities of our wholly-owned insurance subsidiary were $2.129 billion and $14 million, respectively, at December 31, 2006. These investments are carried at fair value, with changes in unrealized gains and losses being recorded as adjustments to other comprehensive income. The fair value of investments is generally based on quoted market prices. At December 31, 2006, we had a net unrealized gain of $25 million on the insurance subsidiary's investment securities.

We are also exposed to market risk related to changes in interest rates and we periodically enter into interest rate swap agreements to manage our exposure to these fluctuations. Our interest rate swap agreements involve the exchange of fixed and variable rate interest payments between two parties, based on common notional principal amounts and maturity dates. The notional amounts of the swap agreements represent balances used to calculate the exchange of cash flows and are not our assets or liabilities. Our credit risk related to these agreements is considered low because the swap agreements are with creditworthy financial institutions. The interest payments under these agreements are settled on a net basis. These derivatives have been recognized in the financial statements at their respective fair values.

With respect to our interest-bearing liabilities, approximately $6.746 billion of long-term debt at December 31, 2006 is subject to variable rates of interest, while the remaining balance in long-term debt of $21.662 billion at December 31, 2006 is subject to fixed rates of interest. Both the general level of interest rates and, for the senior secured credit facilities, our leverage affect our variable interest rates. Our variable debt is comprised primarily of amounts outstanding under the senior secured credit facilities. Borrowings under the senior secured credit facilities bear interest at a rate equal to an applicable margin plus, at our option, either (a) a base rate determined by reference to the higher of (1) the federal funds rate plus 1/2 of 1% and (2) the prime rate of Bank of America or (b) a LIBOR rate for the currency of such borrowing for the relevant interest period. The applicable margin for borrowings under the senior secured credit facilities, with the exception of term loan B where the margin is static, may be reduced subject to attaining certain leverage ratios.

Market Risk (Continued)

Due primarily to the lowering of our credit ratings in connection with the Recapitalization, the average rate for our long-term debt increased from 7.0% at December 31, 2005 to 7.9% at December 31, 2006. The estimated fair value of our total long-term debt was $28.096 billion at December 31, 2006. The estimates of fair value are based upon the quoted market prices for the same or similar issues of long-term debt with the same maturities. Based on a hypothetical 1% increase in interest rates, the potential annualized reduction to future pretax earnings would be approximately $67 million. To mitigate the impact of fluctuations in interest rates, we generally target a portion of our debt portfolio to be maintained at fixed rates.

Our international operations and the €1.0 billion term loan expose us to market risks associated with foreign currencies. In order to mitigate the currency exposure related to the €1.0 billion term loan, in November 2006 we entered into certain cross currency swap agreements. A cross currency swap is an agreement between two parties to exchange a stream of principal and interest payments in one currency for a stream of principal and interest payments in another currency over a specified period.

Financial Instruments

Derivative financial instruments are employed to manage risks, including foreign currency and interest rate exposures, and are not used for trading or speculative purposes. We recognize derivative instruments, such as interest rate swap agreements and foreign exchange contracts, in the consolidated balance sheets at fair value. Changes in the fair value of derivatives are recognized periodically either in earnings or in stockholders' equity, as a component of other comprehensive income, depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or a cash flow hedge. Gains and losses on derivatives designated as cash flow hedges, to the extent they are effective, are recorded in other comprehensive income, and subsequently reclassified to earnings to offset the impact of the hedged items when they occur.

Changes in the value of financial instruments denominated in foreign currencies used as hedges of the net investment in foreign operations are reported in other comprehensive income. Changes in the fair value of derivatives not qualifying as hedges, and for any portion of a hedge that is ineffective, are reported in earnings.

The net interest paid or received on interest rate swaps is recognized as interest expense. Gains and losses resulting from the early termination of interest rate swap agreements are deferred and amortized as adjustments to expense over the remaining period of the debt originally covered by the terminated swap.

Effects of Inflation and Changing Prices

Various federal, state and local laws have been enacted that, in certain cases, limit our ability to increase prices. Revenues for general, acute care hospital services rendered to Medicare patients are established under the federal government's prospective payment system. Total Medicare revenues approximated 26% in 2006, 27% in 2005 and 28% in 2004 of our total patient revenues.

Management believes that hospital industry operating margins have been, and may continue to be, under significant pressure because of changes in payer mix and growth in operating expenses in excess of the increase in prospective payments under the Medicare program. In addition, as a result of increasing regulatory and competitive pressures, our ability to maintain operating margins through price increases to non-Medicare patients is limited.

IRS Disputes

HCA is currently contesting before the Appeals Division of the Internal Revenue Service (the "IRS"), the United States Tax Court (the "Tax Court"), and the United States Court of Federal Claims, certain claimed deficiencies and adjustments proposed by the IRS in conjunction with its examinations of HCA's 1994 through 2002 federal income tax returns, Columbia Healthcare Corporation's ("CHC") 1993 and 1994 federal income tax returns, HCA-Hospital Corporation of America's ("Hospital Corporation of America") 1991 through 1993 federal income tax returns and Healthtrust, Inc. — The Hospital Company's ("Healthtrust") 1990 through 1994 federal income tax returns.

During 2003, the United States Court of Appeals for the Sixth Circuit affirmed a Tax Court decision received in 1996 related to the IRS examination of Hospital Corporation of America's 1987 through 1988 Federal income tax returns, in which the IRS contested the method that Hospital Corporation of America used to calculate its tax allowance for doubtful accounts. HCA filed a petition for review by the United States Supreme Court, which was denied in October 2004. Due to the volume and complexity of calculating the tax allowance for doubtful accounts, the IRS has not determined the amount of additional tax and interest that it may claim for taxable years after 1988. In December 2004, HCA made a deposit of $109 million for additional tax and interest, based on its estimate of amounts due for taxable periods through 1998.

Other disputed items include the deductibility of a portion of the 2001 government settlement payment, the timing of recognition of certain patient service revenues in 2000 through 2002, the method for calculating the tax allowance for doubtful accounts in 2002, and the amount of insurance expense deducted in 1999 through 2002. The IRS has claimed an additional $678 million in income taxes, interest and penalties through December 31, 2006 with respect to these issues. This amount is net of a refundable tax deposit of $177 million, and related interest, we made during 2006.

During February 2006, the IRS began an examination of HCA's 2003 through 2004 federal income tax returns. The IRS has not determined the amount of any additional income tax, interest and penalties that it may claim upon completion of this examination.

Management believes that adequate provisions have been recorded to satisfy final resolution of the disputed issues. Management believes that HCA, CHC, Hospital Corporation of America and Healthtrust properly reported taxable income and paid taxes in accordance with applicable laws and agreements established with the IRS during previous examinations and that final resolution of these disputes will not have a material, adverse effect on the results of operations or financial position.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

The information called for by this item is provided under the caption "Market Risk" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 8. ***Financial Statements and Supplementary Data***

Information with respect to this Item is contained in our consolidated financial statements indicated in the Index to Consolidated Financial Statements on Page F-1 of this Annual Report on Form 10-K.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

1. Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.

2. Internal Control Over Financial Reporting

(a) Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment under the framework in Internal Control — Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2006.

Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2006 has been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young's attestation report is included herein.

(b) Attestation Report of the Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
HCA Inc.

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that HCA Inc. maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). HCA Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that HCA Inc. maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, HCA Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of HCA Inc. as of December 31, 2006 and 2005, and the related consolidated statements of income, stockholders' (deficit) equity and cash flows for each of the three years in the period ended December 31, 2006, and our report dated March 22, 2007 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
March 22, 2007

Item 9B. ***Other Information***

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

As of February 28, 2007, our directors were as follows:

Name	Age	Director Since	Position(s)
Jack O. Bovender, Jr.	61	1999	Chairman of the Board and Chief Executive Officer
Christopher J. Birosak	52	2006	Director
George A. Bitar	42	2006	Director
Richard M. Bracken	54	2002	President, Chief Operating Officer and Director
John P. Connaughton	40	2006	Director
Thomas F. Frist, Jr., M.D.	68	1994	Director
Thomas F. Frist III	39	2006	Director
Christopher R. Gordon	34	2006	Director
Michael W. Michelson	55	2006	Director
James C. Momtazee	35	2006	Director
Stephen G. Pagliuca	52	2006	Director
Peter M. Stavros	32	2006	Director
Nathan C. Thorne	53	2006	Director

As of February 28, 2007, our executive officers (other than Messrs. Bovender and Bracken who are listed above) were as follows:

Name	Age	Position(s)
R. Milton Johnson	50	Executive Vice President and Chief Financial Officer
David G. Anderson	59	Senior Vice President — Finance and Treasurer
Victor L. Campbell	60	Senior Vice President
Rosalyn S. Elton	45	Senior Vice President — Operations Finance
V. Carl George	62	Senior Vice President — Development
Charles J. Hall	54	President — Eastern Group
R. Sam Hankins, Jr.	56	Chief Financial Officer — Outpatient Services Group
Russell K. Harms	49	Chief Financial Officer — Central Group
Samuel N. Hazen	46	President — Western Group
Patricia T. Lindler	59	Senior Vice President — Government Programs
A. Bruce Moore, Jr.	47	President — Outpatient Services Group
Jonathan B. Perlin	46	Chief Medical Officer and Senior Vice President — Quality
W. Paul Rutledge	52	President — Central Group
Richard J. Shallcross	48	Chief Financial Officer — Western Group
Joseph N. Steakley	52	Senior Vice President — Internal Audit Services
John M. Steele	51	Senior Vice President — Human Resources
Donald W. Stinnett	50	Chief Financial Officer — Eastern Group
Beverly B. Wallace	56	President — Shared Services Group
Robert A. Waterman	53	Senior Vice President and General Counsel
Noel Brown Williams	51	Senior Vice President and Chief Information Officer
Alan R. Yuspeh	57	Senior Vice President — Ethics, Compliance and Corporate Responsibility

Our Board of Directors consists of thirteen directors, who were elected upon consummation of the Merger and 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 approximately 97.5% of our outstanding common stock, we do not currently have a policy or procedures with respect to shareholder recommendations for nominees to the Board of Directors.

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.

George A. Bitar is a Managing Director in the Merrill Lynch Global Private Equity Division where he serves as Co-Head of the U.S. Region, and a Managing Director in Merrill Lynch Global Partners, Inc., the Manager of ML Global Private Equity Fund, L.P., a proprietary private equity fund. Mr. Bitar serves on the Board of Hertz Global Holdings, Inc., The Hertz Corporation, Advantage Sales and Marketing, Inc. and Aeolus Re Ltd.

Jack O. Bovender, Jr. has served as our Chairman and Chief Executive Officer since January 2002. Mr. Bovender served as 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.

Richard M. Bracken was appointed President and Chief Operating Officer in January 2002; he was appointed Chief Operating Officer in July 2001. 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. He has played a leading role in transactions in the medical, technology and media industries. Prior to joining Bain Capital, Mr. Connaughton was a consultant at Bain & Company, Inc., where he advised Fortune 500 companies. Mr. Connaughton currently serves as a director of M|C Communications (PriMed), Warner Chilcott Corporation, Epoch Senior Living, CRC Health Corporation, AMC Entertainment Inc. (formerly Loews Cineplex Entertainment LCE Holdings, Inc.), Warner Music Group, ProSiebenSat.1.Media AG, SunGard Data Systems, Cumulus Media Partners and The Boston Celtics.

Thomas F. Frist, Jr., M.D. served as an executive officer and Chairman of our Board of Directors from January 2001 to January 2002. From July 1997 to January 2001, Dr. Frist served as our Chairman and Chief Executive Officer. Dr. Frist served as Vice Chairman of the Board of Directors from April 1995 to July 1997 and as Chairman from February 1994 to April 1995. He was Chairman, Chief Executive Officer and President of HCA-Hospital Corporation of America from 1988 to February 1994. Dr. Frist is the father of Thomas F. Frist III, who also serves as a director.

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 son of Thomas F. Frist, Jr., M.D., who also serves as a director.

Christopher R. Gordon is a principal of Bain Capital 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 CRC Health Corporation.

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 Accellent, Inc., Alliance Imaging, Inc. and Jazz Pharmaceuticals, Inc.

James C. Momtazee has been an executive of Kohlberg Kravis Roberts & Co. L.P. since 1996. 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., Alliance Imaging, Inc. and Jazz Pharmaceuticals, Inc.

Stephen G. Pagliuca has been a Managing Director of Bain Capital Partners, LLC since 1989, when he founded the Information Partners private equity fund for Bain Capital. Mr. Pagliuca currently serves as a director of Burger King Corporation, Gartner, Inc., ProSieben.Sat1 Media AG, Warner Chilcott Corporation and The Boston Celtics.

Peter M. Stavros joined Kohlberg Kravis Roberts & Co. L.P. as a Principal in 2005. Prior to joining Kohlberg Kravis Roberts & Co. L.P., Mr. Stavros was a Vice President with GTCR Golder Rauner and an Associate at Vestar Capital Partners.

Nathan C. Thorne is a Senior Vice President of Merrill Lynch & Co., Inc. and President of Merrill Lynch Global Private Equity. Mr. Thorne joined Merrill Lynch in 1984.

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.

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 HRET, a subsidiary of the American Hospital Association, and on the Board of the Federation of American Hospitals, where he serves on the Executive Committee.

Rosalyn S. Elton has served as Senior Vice President — Operations Finance of the Company since July 1999. Ms. Elton served as Vice President — Operations Finance of the Company from August 1993 to July 1999. From October 1990 to August 1993, Ms. Elton served as Vice President — Financial Planning and Treasury for the Company.

V. Carl George has served as Senior Vice President — Development of the Company since July 1999. Mr. George served as Vice President — Development of the Company from April 1995 to July 1999. From September 1987 to April 1995, Mr. George served as Director of Development for Healthtrust. Prior to working for Healthtrust, Mr. George served with HCA-Hospital Corporation of America in various positions.

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.

R. Sam Hankins, Jr. was appointed Chief Financial Officer — Outpatient Services Group in May 2004. Mr. Hankins served as Chief Financial Officer — West Florida Division from January 1998 until May 2004. Prior to that time, Mr. Hankins served as Chief Financial Officer — Northeast Division from March 1997 until December 1997, and as Chief Financial Officer — Richmond Division from March 1996 until February 1997. Prior to that time, Mr. Hankins served in various positions with CJW Medical Center in Richmond, Virginia and with several hospitals.

Russell K. Harms was appointed Chief Financial Officer — Central Group in October 2005. From January 2001 to October 2005, Mr. Harms served as Chief Financial Officer of HCA's MidAmerica Division. From December 1997 to December 2000, Mr. Harms served as Chief Financial Officer of Presbyterian/ St. Lukes Medical Center.

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.

Patricia T. Lindler has served as Senior Vice President — Government Programs of the Company since July 1999. Ms. Lindler served as Vice President — Reimbursement of the Company from September 1998 to July 1999. Prior to that time, Ms. Lindler was the President of Health Financial Directions, Inc. from March 1995 to November 1998. From September 1980 to February 1995, Ms. Lindler served as Director of Reimbursement of the Company's Florida Group.

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 Chief Medical Officer and Senior Vice President — Quality of the Company in August 2006. Prior to joining the Company, Dr. Perlin had served as Undersecretary of 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 Undersecretary of 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 20 years, working with hospitals in the Southeast.

Richard J. Shallcross was appointed Chief Financial Officer — Western Group of the Company in August 2001. Mr. Shallcross served as Chief Financial Officer — Continental Division of the Company from September 1997 to August 2001. From October 1996 to August 1997, Mr. Shallcross served as Chief Financial Officer — Utah/Idaho Division of the Company. From November 1995 until September 1996, Mr. Shallcross served as Vice President of Finance and Managed Care for the Colorado Division of the Company.

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 Chief Financial Officer — Eastern Group in October 2005. Mr. Stinnett had served as Chief Financial Officer of the Far West Division since July 1999. 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 — Ethics, Compliance and Corporate Responsibility of the Company since October 1997. 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.

Audit Committee Financial Expert

Our Audit and Compliance Committee is composed of Christopher J. Birosak, Thomas F. Frist III, Christopher R. Gordon and James C. Momtazee. 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." Though not formally considered by our Board given that our securities are not registered 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 listed prior to the Merger, we do not believe that any of Messrs. Birosak, Frist, Gordon or Momtazee 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 owns approximately 97.5% of our outstanding common stock, and other relationships with us. See Item 13, "Certain Relationships and Related Transactions."

Code of Ethics

We have a Code of Conduct which is applicable to all our directors, officers and employees (the "Code of Conduct"). The Code of Conduct is available on the Ethics and Compliance and Corporate Governance pages

of our website at www.hcahealthcare.com. To the extent required pursuant to applicable SEC regulations, we intend to post amendments to or waivers from our Code of Conduct (to the extent applicable to our chief executive officer, principal financial officer or principal accounting officer) at this location on our website or report the same on a Current Report on Form 8-K. Our Code of Conduct is available free of charge upon request to our Corporate Secretary, HCA Inc., One Park Plaza, Nashville, TN 37203.

Item 11. *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 Michael W. Michelson, George A. Bitar, John P. Connaughton and Thomas F. Frist, Jr., M.D. 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 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 noteworthy 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 views and recommendations of our Chief Executive Officer are also solicited by the Committee with respect to executive compensation as an additional factor in the final compensation decisions with respect to persons other than the Chief Executive Officer.

In 2006, the Committee was composed of C. Michael Armstrong, Martin Feldstein, Frederick W. Gluck and Charles O. Holliday, Jr., who served on our Board of Directors prior to the Merger. Determinations with respect to 2006 compensation were made by this prior Committee.

Compensation Philosophy

The Committee believes the most effective executive compensation program aligns the interests of our executives with those of our stakeholders while encouraging long term executive retention. Our primary objective is to provide the highest quality health care to our patients while enhancing the long term value of the Company to our shareholders. The Committee is committed to a strong, positive link between our objectives and our compensation and benefits practices.

Compensation Policies with Respect to Executive Officers for 2006

Our executive compensation structure for 2006 consisted of base salary (designed to be reasonable and competitive), annual PEP awards payable in cash (designed to reward short term performance and provide incentive for meeting financial, strategic and other objectives), and restricted stock and stock option grants (designed to enhance the mutuality of interests between our officers and our shareholders and reward long term performance). In addition, we provided an opportunity for executives to participate in a stock purchase plan and two supplemental retirement plans (designed to reward their long term commitment and contributions to the Company, and Company performance over an extended period of time).

While the Committee does not support rigid adherence to benchmarks or compensatory formulas and strives to make compensation decisions which reflect the unique attributes of the Company and each employee, our general policy with respect to pay positioning in 2006 was as follows:

- Pay positioning should reflect both market competitiveness and internal job value.
- Generally, executive base salaries and short term target incentives should position total annual cash compensation between the median and 75th percentile of the competitive marketplace.
- The target value of long term incentive grants (stock options and restricted stock) should reference market median, internal job value and individual performance.

To ensure executives' pay levels are consistent with the compensation strategy, the Committee collected compensation data from similarly sized general industry companies. Data was also collected from other health care providers as an industry reference, although we are significantly larger than other companies in our industry that report compensation data. The Committee believed this information provided an appropriate basis for a competitive executive compensation assessment. With respect to 2006 compensation, the Committee evaluated our executive total pay positioning with the assistance of Semler Brossy Consulting Group, LLC ("Semler Brossy"). In particular, Semler Brossy assisted the Committee with the peer and market survey and analyses and in the assessment of our performance-based short and long term compensation programs. Semler Brossy was selected due to its national recognition as a compensation consulting firm and the fact that the Committee believed Semler Brossy was independent of conflicts with either the Board members or management. The compensation of Jack O. Bovender, Jr., our Chairman and Chief Executive Officer; Richard M. Bracken, our President and Chief Operating Officer; R. Milton Johnson, our Executive Vice President and Chief Financial Officer; Samuel N. Hazen, our President — Western Group; W. Paul Rutledge, our President — Central Group; and Charles R. Evans, who served as President — Eastern Group until October 1, 2006 (together, the "named executive officers") for 2006 is listed in the Summary Compensation Table.

Base Salary

In 2006, the Committee evaluated base salaries for our executives, and assigned each executive position a salary range based on market competitiveness and internal job value. In determining appropriate salary levels and salary increases within that range, the Committee considered a position's level of responsibility, projected role and responsibilities, required impact on execution of Company strategy, external pay practices, total cash and total direct compensation positioning, and other factors it deemed appropriate. The Committee also considered individual performance and vulnerability to recruitment by other companies.

In January 2006, after conducting this assessment, we increased salaries for all executives, including the named executive officers. The average base salary increases in 2006 for our executive officers, as well as for Messrs. Bovender, Bracken, Johnson, Hazen and Evans as a group, was 3.5%. Because of the increase to base salary Mr. Rutledge received in October 2005 in connection with his promotion to President — Central Group, Mr. Rutledge did not receive a salary increase in January 2006. However, in October 2006, the Committee increased Mr. Rutledge's base salary approximately 8.3% in order to better align the salaries of the presidents of our three operating groups.

Short Term Incentive Compensation

The purpose of the PEP is to reward participating employees for annual financial and/or nonfinancial performance, with the goals of providing high quality health care for our patients and increasing shareholder value. In 2006, the Committee adopted separate programs for our executive officers (the "Senior Officer PEP") and for our employees who are not executive officers.

Each participant in the Senior Officer PEP is assigned an annual award target expressed as a percentage of salary ranging from 30% to 120%. Actual awards under the Senior Officer PEP are generally determined using three steps. First, the executive must exhibit our mission and values, uphold our Code of Conduct and follow our compliance policies and procedures. This step is critical to reinforcing our commitment to integrity

and the delivery of high quality health care. In the event the Committee determines the participant's conduct during the fiscal year is not in compliance with the first step, he or she will not be eligible for an incentive award. Second, an initial award amount is determined based upon one or more measures of Company performance. In 2006, the Senior Officer PEP incorporated two Company financial performance measures (earnings per share, or "EPS," and Earnings before Interest, Taxes, Depreciation and Amortization, or "EBITDA," each as defined in the Senior Officer PEP). Generally, we then integrate an individual performance component into most participants' awards, although awards for certain participants, including the named executive officers, remain tied exclusively to the financial performance measures. The Senior Officer PEP is designed to provide 100% of the target award for target performance, 50% of the target award for a minimum acceptable (threshold) level of performance, and a maximum of 200% of the target award for maximum performance. Payouts between threshold and maximum amounts are calculated by the Committee, in its sole discretion, using interpolation. No payments are made for performance below threshold levels. The Committee approves the threshold, target and maximum performance levels at the beginning of the fiscal year.

The Committee may make adjustments to the terms of awards under the Senior Officer PEP in recognition of unusual or nonrecurring events affecting a participant or the Company, or our financial statements; in the event of changes in applicable laws, regulations, or accounting principles; or in the event that the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits available under the Senior Officer PEP. The Committee is also authorized to adjust performance targets or awards to avoid unwarranted penalties or windfalls, although adjustments to avoid unwarranted penalties were not permitted under the 2006 Senior Officer PEP with respect to awards to Covered Officers (as defined in the 2006 Senior Officer PEP), which includes the named executive officers. Except as the Committee may otherwise determine in its sole and absolute discretion, termination of a participant's employment prior to the end of the year, other than for reasons of death or disability, will result in the forfeiture of the award by the participant.

For 2006, the Committee set Messrs. Bovender's, Bracken's, Johnson's, Hazen's, Rutledge's and Evans's Senior Officer PEP targets at 120%, 90%, 60%, 60%, 60% and 60%, respectively, of base salary for target performance. Awards under the 2006 Senior Officer PEP to Covered Officers, including the named executive officers, were made under the HCA 2005 Equity Incentive Plan (the "2005 Plan") and were structured in an effort to meet the requirements for deductibility under Section 162(m) of the Internal Revenue Code. As further discussed below under "Long Term Equity Incentive Compensation," pursuant to the terms of the 2005 Plan, all awards made under the 2005 Plan vest upon a "change of control" of the Company. As a result, pursuant to the terms of the 2006 Senior Officer PEP and the 2005 Plan, and in accordance with the Merger Agreement, upon consummation of the Merger, awards under the 2006 Senior Officer PEP vested and were paid out to the Covered Officers, including the named executive officers, at the target level. Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans received $1,944,274, $954,785, $450,227, $473,203, $390,000 and $326,034, respectively, under the 2006 Senior Officer PEP upon consummation of the Merger. Mr. Evans's payment under the 2006 Senior Officer PEP was prorated for the nine months he served as President — Eastern Group.

We do not intend to publicly disclose the specific performance targets for 2006 as they reflect competitive, sensitive information regarding our budget. However, we consider our budget a reach and we deliberately set aggressive individual goals where applicable. Thus, while designed to be attainable, target performance levels for 2006 required strong performance and execution which in our view provided a bonus incentive firmly aligned with stockholder interests. Our named executive officers in our proxy statement for 2005 did not receive any payout in 2005 with respect to financial performance targets under the 2004 Senior Officer PEP. Our named executive officers in our proxy statement for our 2006 annual meeting of shareholders received payouts under the 2005 Senior Officer PEP at the maximum level, or 200% of the target award, for maximum performance with respect to our 2005 financial measures. The Committee has historically attempted to maintain consistency year over year with respect to the difficulty of achieving the threshold, target and maximum performance levels.

Long Term Equity Incentive Awards

With respect to 2006 compensation, the Committee utilized long term incentives, including stock options and restricted shares issued pursuant to the 2005 Plan, to achieve three objectives:

- Retain key executive talent;
- Link executive compensation to our long term performance; and
- Deliver value to employees in a manner that maximizes economic and tax effectiveness to the Company, while reducing shareholder dilution where possible.

In 2006, executive officers received long term incentive awards under the 2005 Plan consisting of stock options and restricted shares. The stock options and restricted share awards were each intended to comprise 50% of the total award value. The Committee believed this policy, in conjunction with an increased dividend on our common stock, was consistent with its goals of executive retention and focusing executives on our long term performance. The issuance of restricted shares, rather than stock options, was also intended to reduce future dilution to our shareholders because we issued approximately one restricted share for every four stock options we would have issued if we had continued to primarily issue stock options, thus reducing the aggregate number of shares granted in long term incentive awards. The Committee felt that a balanced approach to long term incentives, rather than reliance on a single equity vehicle, was consistent with emerging competitive practices and served to benefit shareholders and award recipients. Consistent with our pay positioning policy, target stock option and restricted share grant values were based on a number of factors, including an assessment of our performance, the executive's level of responsibility, past and anticipated contributions to the Company, competitive practices, and the potential dilution resulting from equity-based grants.

As a privately held company, we no longer have a policy regarding stock ownership guidelines. However, in 2006 as a public company, we maintained ownership guidelines requiring executive officers to own shares equal to a multiple of the executive officer's base salary. We maintained these guidelines in an effort to firmly align the interests of our executives with those of our shareholders and to ensure our executives maintained a significant stake in our long term performance.

Stock Options

In 2006, option grants to executive officers were made pursuant to the 2005 Plan, had a 10 year term, and an exercise price equal to the fair market value of our common stock on the date of grant based on the closing price of our common stock as reported on the New York Stock Exchange on the date of grant. In order to have the exercise price reflect the value of our stock during the course of the award year and to encourage employee retention, options awarded as long term incentive compensation in 2006 were granted on a quarterly basis on pre-determined dates in equal installments of one-fourth of the total number of shares awarded, and were to vest ratably in increments of 25% on each of the first, second, third and fourth anniversaries of the initial grant date. In 2006, Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans received long term incentive awards of options to purchase 267,000 shares, 119,600 shares, 72,500 shares, 72,500 shares, 72,500 shares and 72,500 shares, respectively. For additional information concerning the options awarded in 2006, see the Grants of Plan-Based Awards Table.

Restricted Shares

In 2006, restricted share grants were made pursuant to the 2005 Plan. To encourage retention, the restricted shares granted as long term incentive compensation in 2006 were to vest ratably in increments of 20% on each of the first, second, third, fourth and fifth anniversaries of the date of grant. In 2006, Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans received 66,750 restricted shares, 29,900 restricted shares, 18,100 restricted shares, 18,100 restricted shares, 18,100 restricted shares and 18,100 restricted shares, respectively. For additional information concerning the restricted shares awarded in 2006, see the Grants of Plan-Based Awards Table.

The Committee's meeting schedule in 2006 was set at the beginning of the year, and the proximity of these awards to earnings announcements or other market events was coincidental. Prior to the Merger, we generally did not impose performance-based vesting restrictions with respect to equity awards. While we considered the merits of performance-based vesting, we believed time-based equity awards directly and firmly aligned the interests of our executives with those of our shareholders. Time-based vesting provides economic benefit only to the extent the employee remains employed by us, and the multi-year vesting of these awards ensured long term performance and stock price appreciation was required in order to realize significant value from these awards. All awards made under the 2005 Plan were subject to a provision requiring the vesting of such awards in full upon a "change of control" of the Company. The Committee believed this acceleration feature to be appropriate when adopting the 2005 Plan as it was generally consistent with predecessor plans, and further based on the Committee's belief as to competitive market practices and that the lack of an accelerated vesting provision may have put us at a competitive disadvantage in our recruiting and retention efforts as employees often consider equity upside opportunities in an acquisition context a critical element of compensation.

As a result of the Merger, all unvested awards under the 2005 Plan (and all predecessor equity incentive plans) vested in November 2006. Except to the extent any options awarded under the 2005 Plan (or any predecessor plans) were rolled over into the reorganized HCA, participants in the 2005 Plan (and all predecessor plans) received consideration in the Merger for their awards. Participants who held restricted shares pursuant to the 2005 Plan (and any predecessor plans) received $51.00 per share, less any applicable withholding taxes. Participants who held options under the 2005 Plan (and any predecessor plans) received a cash payment equal to the excess (if any) of (a) the product of the number of shares subject to such options and the $51.00 per share Merger consideration, over (b) the aggregate exercise price of the options, less any applicable withholding taxes. As a result of the Merger, no further awards will be made under the 2005 Plan or any predecessor equity incentive plan. As discussed below under "2007 Compensation," we adopted a new equity plan in connection with the consummation of the Merger which is designed to reflect our status as a sponsor-backed closely held company.

Management Stock Purchase Plan

The HCA Inc. Amended and Restated Management Stock Purchase Plan, or MSPP, allowed select executives, including the named executive officers, to convert up to 25% of their annual base salary into restricted shares granted at a discount of 25% of the average closing price as reported on the New York Stock Exchange on all trading days during a defined purchase period. The MSPP was approved by shareholders in 1995 and amended in 1998 in connection with our elimination of a cash incentive plan. The MSPP was amended again in 2004 to extend its term. The MSPP provided that shares granted thereunder would generally vest three years from the date of grant, encouraging a long term focus. With certain exceptions, upon termination of employment during the restricted period, the employee would receive a cash payment equal to the lesser of (a) the then current fair market value of the restricted shares or (b) the aggregate salary foregone by the employee as a condition to receiving the restricted shares.

As a result of the Merger, all unvested shares awarded under the MSPP vested in November 2006. In addition, pursuant to the Merger Agreement, participants in the MSPP during the purchase period in which the Merger closed were refunded the amount of salary they had deferred toward the future purchase of shares under the MSPP and received the benefit of the gain on shares that would have been purchased through such deferral. See footnote (6) to the Summary Compensation Table. The MSPP was terminated upon consummation of the Merger. Each of the named executive officers participated in the MSPP.

2007 Compensation

In connection with the Merger, each of Messrs. Bovender, Bracken, Johnson, Hazen and Rutledge, and certain other members of senior management, entered into employment agreements (the material terms of which are described under "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements") which, among other things, set the executive's annual base salary (subject to any annual increases which may be approved by the Board of Directors), and set PEP

targets and equity grants for 2007. Given that the compensation of many of our executive officers had recently been renegotiated in connection with the Merger, the Committee (as reconstituted following the Merger) did not engage the services of a compensation consultant with respect to, or otherwise undertake an extensive reassessment of, executive compensation for 2007. Accordingly, Messrs. Bovender, Bracken, Johnson, Hazen and Rutledge did not receive base salary increases or changes to their PEP opportunities in 2007. With respect to the other executive officers, in light of our strategies to manage expenses in 2007, the Committee determined that none of the executive officers should receive increases to their base salaries or PEP opportunities in 2007. The 2007 Senior Officer PEP incorporates EBITDA (defined as earnings before income taxes, depreciation and amortization (but excluding any expenses for share-based compensation under SFAS 123(R) with respect to any awards granted under the 2006 Plan (as defined below)), as determined in good faith by the Board in consultation with the Chief Executive Officer) as the sole Company financial performance measure. The change from two financial performance measures (EPS and EBITDA) to one was made because we are now a closely held company (and therefore EPS is a less meaningful performance measure to our shareholders) and because EBITDA is the Company financial performance measure used in our new option agreements (which are described below).

Mr. Evans retired from the Company effective December 31, 2006. In lieu of paying Mr. Evans the lump sum severance payment pursuant to our severance policy applicable to our employees generally, we have agreed that Mr. Evans will continue to receive base salary and benefits for a period of six months which ends June 30, 2007. See “Potential Payments Upon Termination or Change in Control — Charles R. Evans.”

On November 17, 2006, the Board of Directors approved and adopted the 2006 Stock Incentive Plan for Key Employees of HCA Inc. and its Affiliates (the “2006 Plan”). The purpose of the 2006 Plan is to promote our long term financial interests and growth by attracting and retaining management and other personnel and key service providers with the training, experience and ability to enable them to make a substantial contribution to the success of our business; to motivate management personnel by means of growth-related incentives to achieve long range goals; and to further the alignment of interests of participants with those of our shareholders through opportunities for increased stock or stock-based ownership in the Company.

In January 2007, the Committee approved grants to Messrs. Bovender, Bracken, Johnson, Hazen and Rutledge of options to purchase 399,604 shares, 349,654 shares, 249,753 shares, 159,841 shares and 139,861 shares, respectively, of our common stock. The options are divided so that 1/3 are time vested options, 1/3 are EBITDA-based performance vested options and 1/3 are performance options that vest based on investment return to the Sponsors, each as described below.

The time vested options vest and become exercisable in equal increments of 20% on each of the first five anniversaries of the date of grant. The time vested options have a strike price equivalent to fair market value on the date of grant (as determined reasonably and in good faith by the Board of Directors after consultation with the Chief Executive Officer).

The EBITDA-based performance vested options are eligible to vest and become exercisable in equal increments of 20% at the end of fiscal years 2007, 2008, 2009, 2010 and 2011, but will vest on those dates only if we achieve certain annual EBITDA performance targets, as determined in good faith by the Board in consultation with the CEO). The EBITDA-based performance vested options also vest and become exercisable on a “catch up” basis, if at the end of fiscal years 2008, 2009, 2010 or 2011, the cumulative total EBITDA earned in all prior completed fiscal years or the 2012 fiscal year exceeds the cumulative total of all EBITDA targets in effect for such years. Similar to 2006 performance-based awards, we do not intend to publicly disclose the specific EBITDA performance targets for these options. However, we intend to set these targets at levels designed to be generally consistent with the level of difficulty of achievement associated with prior year performance-based awards.

The options that vest based on investment return to the Sponsors are eligible to vest and become exercisable with respect to 10% of the common stock subject to such options on each of the first five anniversaries of the closing date of the Merger if the Investor Return (as defined below) is at least equal to two times the price paid to shareholders in the Merger (or $102.00), and with respect to an additional 10% on each of the first five anniversaries of the closing date if the Investor Return is at least equal to two-and-a-half

times the price paid to shareholders in the Merger (or $127.50). "Investor Return" means, on any of the first five anniversaries of the closing date of the Merger, or any date thereafter, all cash proceeds actually received by affiliates of the Sponsors after the closing date in respect of their common stock, including the receipt of any cash dividends or other cash distributions (but including the fair market value of any distribution of common stock by the Sponsors to their limited partners), determined on a fully diluted, per share basis. The Sponsor investment return options also may become vested and exercisable on a "catch up" basis if the relevant Investor Return is achieved at any time occurring prior to the expiration of such options.

The combination of time, performance and investor return based vesting of these awards is designed to compensate executives for long term commitment to the Company, while motivating sustained increases in our financial performance and helping ensure the Sponsors have received an appropriate return on their invested capital.

Our retirement and supplemental retirement plans were maintained following the Merger and are further described below.

HCA 401(k) Plan and Retirement Plan

Generally, all employees, including the named executive officers, are eligible to participate in the HCA 401(k) Plan after they have completed two consecutive months of service. Employees contribute funds from their paychecks to the 401(k) Plan on a before-tax basis. Employees can direct their contributions to any of the offered range of investment funds. We match 50% of the first three percent of eligible pay an employee contributes to his or her account, and those matching contributions are automatically invested according to the employee's investment choices.

Generally, all employees, including the named executive officers, are also eligible to participate in the HCA Retirement Plan after completing one year of service and having at least 1,000 hours of service during a plan year during which they were employed on both January 1 and December 31. The amount of our annual contribution to an employee's account is based on a contribution schedule and the amount of an employee's pay, with a higher contribution applied to an employee's eligible pay that exceeds the Social Security wage base, if any. An employee's Retirement Plan account is invested in diversified investment vehicles, such as domestic and international stocks, fixed income securities and short term securities.

Each of the named executive officers participates in the HCA 401(k) Plan and the Retirement Plan. For additional information on the amounts contributed to those plans by us in 2006, see footnote (6) to the Summary Compensation Table.

Restoration Plan and Supplemental Executive Retirement Plan

Our key executives, including the named executive officers, participate in two supplemental retirement programs. The Committee initially approved these supplemental retirement programs to recognize significant long term contributions and commitments by our executive officers to our growth and the creation of stockholder value, to induce our executives to continue in our employ through a specified retirement age (initially 62 through 65, based on length of service) and to help us remain competitive in attracting and retaining key executive talent. The Restoration Plan provides a benefit to replace the lost contributions due to the IRS compensation limit under Internal Revenue Code Section 401(a)(17). For additional information concerning the Restoration Plan, see "Nonqualified Deferred Compensation." Key executives also participate in the Supplemental Executive Retirement Plan, or the SERP. The SERP benefit brings the total value of annual retirement income to a specific income replacement level. For additional information concerning the SERP, see "Pension Benefits."

Personal Benefits

Our executive officers generally do not receive benefits outside of those offered to our other employees. Mr. Bovender and Mr. Bracken are permitted to use the Company aircraft for personal trips, subject to the aircraft's availability. Other executive officers, including Messrs. Johnson, Hazen, Rutledge and Evans may

have their spouses accompany them on business trips taken on the Company aircraft, subject to seat availability. In addition, there are times when it is appropriate for an executive's spouse to attend events related to our business. On those occasions, we will pay for the travel expenses of the executive's spouse. We will, upon request, provide mobile telephones and personal digital assistants to our employees and certain of our executive officers have obtained such devices through us. The value of these benefits is included in the executive officers income for tax purposes and, in certain limited circumstances, the additional income attributed to an executive officer as a result of one of these benefits will be grossed up to cover the taxes due on that income. The HCA Foundation matches charitable contributions by executive officers up to an aggregate of $10,000 per executive annually. Except as otherwise discussed herein, other welfare and employee-benefit programs are the same for all of our eligible employees, including our executive officers. See footnote (6) to the Summary Compensation Table.

Legal Fees

In accordance with our Restated Certificate of Incorporation (prior to the Merger) and the laws of the State of Delaware, we advanced payments for legal fees and expenses to certain of our officers for retention of legal counsel in connection with matters relating to their actions as an officer of the Company. Currently, certain of our officers have been named in various lawsuits, and we are cooperating with certain investigations being conducted by the United States Attorney for the Southern District of New York and the SEC. The proceedings and investigations are described in greater detail in Item 3, "Legal Proceedings." In accordance with our Restated Certificate of Incorporation and Delaware law, any officer who is advanced payments for legal fees will reimburse us for such amounts in the event it is ultimately determined that the individual is not entitled to indemnification under such provisions. In 2006, we advanced payments for legal fees in the amount of approximately $75,000 to Mr. Bracken.

In connection with the Merger, we paid substantial legal fees which included fees for counsel retained by us on behalf of management, including the named executive officers, to represent them in the negotiation of certain agreements and other matters related to the Merger. We paid legal fees of approximately $2 million which related to the rollover program described under "Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table — Option and Restricted Share Awards," and the 2006 Plan and related agreements (see Item 13, "Certain Relationships and Related Transactions") for the benefit of up to 1,600 HCA employees, and for the negotiation of individual employment agreements in connection with the Merger. These legal fees represent a flat fee for group representation and it is not practicable to specify which portions of these legal fees were incurred with respect to any particular named executive officer or any other employee.

Severance and Change in Control Agreements

As noted above, certain of our executive officers, including Messrs. Bovender, Bracken, Johnson, Hazen and Rutledge, entered into employment agreements in connection with the Merger, which agreements provide, among other things, for each executive's rights upon a termination of employment. We believe that reasonable and appropriate severance and change in control benefits are appropriate in order to be competitive in our executive retention efforts. These benefits should reflect the fact that it may be difficult for such executives to find comparable employment within a short period of time. We also believe that these types of agreements are appropriate and customary in situations such as the Merger wherein the executives have made significant personal investments in the Company and that investment is generally illiquid for a significant period of time. Finally, we believe formalized severance and change in control arrangements are common benefits offered by employers competing for similar senior executive talent. Information regarding applicable payments under such agreements for the named executive officers is provided under "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements" and "Potential Payments Upon Termination or Change in Control."

Tax and Accounting Implications

As part of its role in 2006, the Committee reviewed and considered the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that we may not deduct

compensation of more than $1,000,000 that is paid to certain individuals. At the time of the review, we believed that compensation paid in 2006 under the senior management cash and equity incentive plans would generally be fully deductible for federal income tax purposes. However, in certain situations, the Committee approved compensation that did not meet these requirements in order to ensure competitive levels of total compensation for our executive officers. However, because the Company was privately held on the last day of 2006, Section 162(m) will not limit the tax deductibility of any executive compensation for 2006. Similarly, Section 162(m) was not a consideration with respect to 2007 compensation as our common stock is no longer registered or publicly traded.

The Committee operates its compensation programs with the good faith intention of complying with Section 409A of the Internal Revenue Code. Effective January 1, 2006, we began accounting for stock based payments with respect to our long term equity incentive award programs in accordance with the requirements of SFAS 123(R).

Conclusion

The Committee's compensation philosophy for an executive officer for 2006 was intended to reflect the unique attributes of the Company and each employee individually in the context of our pay positioning policies, emphasizing an overall analysis of the executive's performance for the prior year, projected role and responsibilities, required impact on execution of our strategy, vulnerability to recruitment by other companies, external pay practices, total cash compensation and equity positioning internally, current equity holdings, and other factors the Committee deemed appropriate. We believe our approach to executive compensation emphasized significant time and performance-based elements intended to promote long term shareholder value and strongly aligned the interests of our executive officers with those of our shareholders.

Compensation Committee Report

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed it with management and, based on such review, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

Michael W. Michelson (Chair)
George A. Bitar
John P. Connaughton
Thomas F. Frist, Jr., M.D.

Summary Compensation Table

The following table sets forth information regarding the compensation earned by the Chief Executive Officer, the Chief Financial Officer and our other three most highly compensated executive officers during 2006, and one additional person who would have been one of our most highly compensated executive officers had he not stepped down as an executive officer on September 30, 2006 (named executive officers).

Name and Principal Positions	Year	Salary ($)(1)	Restricted Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
Jack O. Bovender, Jr. Chairman and Chief Executive Officer	2006	$ 1,535,137	$ 6,393,996	$ 6,714,520	$ 1,944,274	$ 10,715,751	$ 1,013,576	$ 28,317,254
Richard M. Bracken President, Chief Operating Officer, Director	2006	$ 952,420	$ 2,937,283	$ 2,966,787	$ 954,785	$ 4,912,088	$ 514,772	$ 13,238,135
R. Milton Johnson Executive Vice President and Chief Financial Officer	2006	$ 655,016	$ 1,820,053	$ 1,787,629	$ 450,227	$ 1,848,700	$ 295,160	$ 6,856,785
Samuel N. Hazen President — Western Group	2006	$ 688,438	$ 1,812,299	$ 1,787,629	$ 473,203	$ 1,828,748	$ 329,324	$ 6,919,641
W. Paul Rutledge President — Central Group	2006	$ 537,520	$ 1,276,441	$ 2,093,442	$ 390,000	$ 1,648,053	$ 242,908	$ 6,188,364
Charles R. Evans President — Eastern Group*	2006	$ 668,455	$ 1,738,282	$ 2,129,118	$ 326,034	$ 2,999,679	$ 240,148	$ 8,101,716

* Mr. Evans retired from his position as President — Eastern Group effective October 1, 2006, and retired from the Company effective December 31, 2006.

(1) Salary amounts do not include the value of restricted stock awards granted pursuant to the MSPP in lieu of a portion of annual salary. Such awards are included in the "Restricted Stock Awards" column. The 2006 base salary for each of Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans were $1,615,662, $1,057,882, $748,265, $786,450, $612,500 and $722,479, respectively.

(2) Restricted Stock Awards include all compensation expense recognized in our financial statements in accordance with SFAS 123(R) with respect to restricted shares awarded to the named executive officers, including restricted shares awarded pursuant to the 2005 Plan and predecessor plans, and restricted shares awarded pursuant to the MSPP. As a result of the Merger, all outstanding restricted shares vested and therefore all compensation expense with respect to restricted shares was recognized in 2006 in accordance with SFAS 123(R). See Note 3 to our consolidated financial statements.

(3) Includes all compensation expense recognized in our financial statements in accordance with SFAS 123(R) with respect to options to purchase shares of our common stock awarded to the named executive officers, including options awarded pursuant to the 2005 Plan and predecessor plans. As a result of the Merger, all outstanding options vested and therefore all compensation expense with respect to the options was recognized in 2006 in accordance with SFAS 123(R). See Note 3 to our consolidated financial statements.

(4) Reflects amounts paid under the 2006 Senior Officer PEP in November 2006, which amounts became due and payable to certain of our executive officers, including the named executive officers, as a result of the change in control of the Company upon consummation of the Merger. Mr. Evans's payment under the 2006 Senior Officer PEP was prorated for his service as President — Eastern Group for the first nine months of 2006.

(5) All amounts are attributable to increases in value to the SERP benefits. Assumptions used to calculate these figures are provided

under the table titled “Pension Benefits.” Messrs. Bovender’s, Bracken’s

Johnson's Hazen's, Rutledge's and Evans's SERP benefit value increased in 2006 by $4,185,617, $1,272,074, $299,972, $287,717, $199,078 and $1,406,032, respectively, as a result of the passage of time. In 2006, their SERP benefit value further increased due to three special, one-time events: (i) the payments made under the 2006 Senior Officer PEP in November 2006 described in footnote (4) to the Summary Compensation Table, which had the effect of increasing the named executive officers' current final average earnings; (ii) the Merger constituted a change in control under the terms of the SERP, which triggered a decrease in the normal retirement age under the SERP from age 65 (or 62 with 10 years of service) to age 60; and (iii) the Committee approved the amendment of the SERP to include a lump sum payment provision and to revise certain actuarial factors. The impact of each of these events on the SERP benefit values were:

	Bovender	Bracken	Johnson	Hazen	Rutledge	Evans
Timing of PEP payment	$ 2,593,533	$ 732,167	$ 293,215	$ 263,193	$ 307,300	$ 316,971
Change to retirement age	$ 1,250,090	$ 1,535,685	$ 576,907	$ 620,300	$ 556,513	$ 746,179
Lump sum provision and actuarial factors	$ 2,686,511	$ 1,372,162	$ 678,606	$ 657,538	$ 585,162	$ 530,497

(6) Amounts consist of:

- The cash payment received as a result of the deemed purchase under the MSPP. Salary amounts withheld on behalf of the participants in the MSPP through the closing date of the Merger were deemed to have been used to purchase shares of our common stock under the terms of the MSPP, using the closing date of the Merger as the last date of the applicable offering period, and then converted into the right to receive a cash payment equal to the number of shares deemed purchased under the MSPP multiplied by $51.00. Salary amounts were refunded to the participants, and they also received a cash payment equal to the difference between $51.00 and the deemed purchase price, multiplied by the number of shares the participant was deemed to have purchased. Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans received cash payments of $20,860, $27,326, $24,157, $25,379, $19,709 and $13,982, respectively.

- Company contributions to our Retirement Plan, matching Company contributions to our 401(k) Plan and Company accruals for our Restoration Plan as set forth below.

	Bovender	Bracken	Johnson	Hazen	Rutledge	Evans
HCA Retirement Plan	$ 19,019	$ 19,019	$ 19,019	$ 19,019	$ 19,019	$ 17,290
HCA 401(k) matching contribution	$ 3,125	$ 3,300	$ 3,300	$ 3,300	$ 3,300	$ 3,300
HCA Restoration Plan	$ 856,424	$ 409,933	$ 212,109	$ 247,060	$ 172,696	$ 181,516

- Dividends on restricted shares. On March 1, 2006, June 1, 2006 and September 1, 2006, we paid dividends of $0.15 per share, $0.17 per share and $0.17 per share, respectively, for each issued and outstanding share of common stock of HCA, including restricted shares. Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans received aggregate dividends of $82,525, $42,030, $25,267, $27,754, $26,500 and $24,060, respectively, in 2006 in respect of restricted shares held by them.

- Personal use of corporate aircraft. In 2006, each of Messrs. Bovender, Bracken, Johnson, Hazen and Rutledge were allowed personal use of the Company airplane with an incremental cost of approximately $30,336, $12,173, $11,308, $6,812 and $1,684, respectively, to the Company. Mr. Evans did not have any personal travel on the Company plane in 2006. We calculate the aggregate incremental cost of the personal use of Company aircraft based on a methodology that includes the average aggregate cost, on a per nautical mile basis, of variable expenses incurred in connection with personal plane usage, including trip-related maintenance, landing fees, fuel, crew hotels and meals, on-board catering, trip-related hangar and parking costs and other variable costs. Because our aircraft are used primarily for business travel, our incremental cost methodology does not include fixed costs of owning and operating aircraft that do not change based on usage. We grossed up the income attributed to

Messrs. Bovender and Bracken with respect to certain trips on the Company plane. The additional income attributed to them as a result of gross ups was $1,287 and $522, respectively. In addition, we will pay the travel expenses of our executives' spouses associated with travel to business related events at which spouse attendance is appropriate. We paid approximately $469 for travel by Mr. Bracken's wife on a commercial airline for such an event.

Grants of Plan-Based Awards

The following table provides information with respect to our 2006 Senior Officer PEP, as well restricted shares granted under the MSPP in 2006, and restricted shares and options granted as part of the named executive officers' long term incentive compensation awards made under the 2005 Plan during the 2006 fiscal year.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ($)(1)			All Other Stock Awards: Number of Shares of Stock(2)	Fair Value of All Other Stock Awards at Date of Grant(2)	All Other Option Awards: Number of Securities Underlying Options(3)	Exercise or Base Price of Option Awards ($/sh)(3)	Fair Value of All Other Option Awards at Date of Grant(3)
		Threshold ($)	Target ($)	Maximum ($)					
Jack O. Bovender, Jr.	1/01/2006	—	—	—	2,092	$ 26,087	—	—	—
Jack O. Bovender, Jr.	1/26/2006	—	—	—	66,750	$ 3,330,825	66,750	$ 49.90	$ 956,374
Jack O. Bovender, Jr.	4/26/2006	—	—	—	—	—	66,750	$ 45.08	$ 877,422
Jack O. Bovender, Jr.	7/01/2006	—	—	—	2,367	$ 26,842	—	—	—
Jack O. Bovender, Jr.	7/26/2006	—	—	—	—	—	66,750	$ 49.60	$ 937,384
Jack O. Bovender, Jr.	10/26/2006	—	—	—	—	—	66,750	$ 50.34	$ 44,055
Jack O. Bovender, Jr.	N/A	$ 972,137	$ 1,944,274	$ 3,888,547	—	—	—	—	—
Richard M. Bracken	1/01/2006	—	—	—	2,740	$ 34,168	—	—	—
Richard M. Bracken	1/26/2006	—	—	—	29,900	$ 1,492,010	29,900	$ 49.90	$ 428,398
Richard M. Bracken	4/26/2006	—	—	—	—	—	29,900	$ 45.08	$ 393,041
Richard M. Bracken	7/01/2006	—	—	—	3,100	$ 35,154	—	—	—
Richard M. Bracken	7/26/2006	—	—	—	—	—	29,900	$ 49.60	$ 419,892
Richard M. Bracken	10/26/2006	—	—	—	—	—	29,900	$ 50.34	$ 19,734
Richard M. Bracken	N/A	$ 477,392	$ 954,785	$ 1,909,570	—	—	—	—	—
R. Milton Johnson	1/01/2006	—	—	—	1,938	$ 24,167	—	—	—
R. Milton Johnson	1/26/2006	—	—	—	18,100	$ 903,190	18,125	$ 49.90	$ 259,690
R. Milton Johnson	4/26/2006	—	—	—	—	—	18,125	$ 45.08	$ 238,257
R. Milton Johnson	7/01/2006	—	—	—	2,741	$ 31,083	—	—	—
R. Milton Johnson	7/26/2006	—	—	—	—	—	18,125	$ 49.60	$ 254,533
R. Milton Johnson	10/26/2006	—	—	—	—	—	18,125	$ 50.34	$ 11,963
R. Milton Johnson	N/A	$ 225,114	$ 450,227	$ 900,455	—	—	—	—	—
Samuel N. Hazen	1/01/2006	—	—	—	2,546	$ 31,749	—	—	—
Samuel N. Hazen	1/26/2006	—	—	—	18,100	$ 903,190	18,125	$ 49.90	$ 259,690
Samuel N. Hazen	4/26/2006	—	—	—	—	—	18,125	$ 45.08	$ 238,257
Samuel N. Hazen	7/01/2006	—	—	—	2,881	$ 32,671	—	—	—
Samuel N. Hazen	7/26/2006	—	—	—	—	—	18,125	$ 49.60	$ 254,533
Samuel N. Hazen	10/26/2006	—	—	—	—	—	18,125	$ 50.34	$ 11,963
Samuel N. Hazen	N/A	$ 236,602	$ 473,203	$ 946,406	—	—	—	—	—
W. Paul Rutledge	1/01/2006	—	—	—	1,855	$ 23,132	—	—	—
W. Paul Rutledge	1/26/2006	—	—	—	18,100	$ 903,190	18,125	$ 49.90	$ 259,690
W. Paul Rutledge	4/26/2006	—	—	—	—	—	18,125	$ 45.08	$ 238,257
W. Paul Rutledge	7/01/2006	—	—	—	2,204	$ 24,993	—	—	—
W. Paul Rutledge	7/26/2006	—	—	—	—	—	18,125	$ 49.60	$ 254,533
W. Paul Rutledge	10/26/2006	—	—	—	—	—	18,125	$ 50.34	$ 11,963
W. Paul Rutledge	N/A	$ 195,000	$ 390,000	$ 780,000	—	—	—	—	—
Charles R. Evans	1/01/2006	—	—	—	1,404	$ 17,508	—	—	—
Charles R. Evans	1/26/2006	—	—	—	18,100	$ 903,190	18,125	$ 49.90	$ 259,690
Charles R. Evans	4/26/2006	—	—	—	—	—	18,125	$ 45.08	$ 238,257
Charles R. Evans	7/01/2006	—	—	—	1,588	$ 18,008	—	—	—

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ($)(1)			All Other Stock Awards: Number of Shares of Stock(2)	Fair Value of All Other Stock Awards at Date of Grant(2)	All Other Option Awards: Number of Securities Underlying Options(3)	Exercise or Base Price of Option Awards ($/sh)(3)	Fair Value of All Other Option Awards at Date of Grant(3)
		Threshold ($)	Target ($)	Maximum ($)					
Charles R. Evans	7/26/2006	—	—	—	—	—	18,125	$ 49.60	$ 254,533
Charles R. Evans	10/26/2006	—	—	—	—	—	18,125	$ 50.34	$ 11,963
Charles R. Evans	N/A	$ 163,017	$ 326,034	$ 652,069	—	—	—	—	—

(1) Our 2006 Senior Officer PEP was administered pursuant to the terms of the 2005 Plan with respect to certain of our officers, including the named executive officers, and is described in more detail under "Compensation Discussion and Analysis — Short Term Incentive Compensation." The amounts shown in the "Threshold" column reflect the threshold payment, which is 50% of the amount shown in the "Target" column. The amount shown in the "Maximum" column is 200% of the target amount. These amounts are based on the individual's salary and position as of the date the 2006 Senior Officer PEP was approved by the Compensation Committee. Pursuant to the terms of the 2006 Senior Officer PEP and the 2005 Plan, and in accordance with the Merger Agreement, upon consummation of the Merger, awards under the 2006 Senior Officer PEP vested and were paid out to certain of our officers, including the named executive officers, at the target level. Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans received $1,944,274, $954,785, $450,227, $473,203, $390,000 and $326,034, respectively, under the 2006 Senior Officer PEP upon consummation of the Merger. Mr. Evans's payment under the 2006 Senior Officer PEP was prorated for his service as President — Eastern Group for the first nine months of 2006.

(2) Includes restricted shares awarded under the 2005 Plan by the Compensation Committee as part of the named executive officer's long term incentive award. The terms of these restricted share awards are described in more detail under "Compensation Discussion and Analysis — Long Term Equity Incentive Awards — Restricted Shares." Also includes restricted shares received in lieu of base salary pursuant to the MSPP. The shares were purchased at a 25% discount from the average market price of the stock during the deferral period. Amounts with respect to MSPP shares included in the table reflect the value of the 25% discount on the date of grant. Because the Merger closed in November 2006, shares were purchased under the MSPP only with respect to the first semi-annual deferral period in 2006. As a result of the Merger, all outstanding equity awards vested.

(3) Includes stock options awarded under the 2005 Plan by the Compensation Committee as part of the named executive officer's long term incentive award. The terms of these option awards are described in more detail under "Compensation Discussion and Analysis — Long Term Equity Incentive Awards — Stock Options." As a result of the Merger, all outstanding equity awards vested.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Total Compensation

In 2006, total compensation, as described in the Summary Compensation Table, was significantly impacted by the Merger and related one time events. However, the design for our executive compensation structure for 2006 originally consisted primarily of base salary, annual PEP awards payable in cash, and restricted stock and stock option grants. We weighted these components so that annual incentive targets would generally be a multiple of 0.6 times to 1.2 times base salary, and long term incentive targets would generally be a multiple of three to five times base salary. This mix was intended to reflect our philosophy that a significant portion of an executive's compensation should be equity-linked and/or tied to our operating performance. In addition, we provided an opportunity for executives to participate in the MSPP and two supplemental retirement plans. The one time events which impacted our total executive compensation in 2006 are described in more detail below.

Option and Restricted Share Awards

The most significant one time event effecting executive compensation in 2006 was the Merger. As a result of the Merger, all unvested awards under the 2005 Plan (and all predecessor equity incentive plans) and the MSPP vested in November 2006, including the options and restricted shares awarded in 2006. Accordingly, all previously unrecognized compensation expense associated with these awards was recognized in 2006 in accordance with SFAS 123(R) and is included under the "Stock Options" and "Restricted Stock Awards" columns of the Summary Compensation Table.

Generally, all outstanding options under the 2005 Plan (and any predecessor plans) were cancelled and converted into the right to receive a cash payment equal to the number of shares of common stock underlying the option multiplied by the amount by which the Merger consideration of $51.00 per share exceeded the exercise price for the options (without interest and less any applicable withholding taxes). However, certain members of management, including the named executive officers, were given the opportunity to convert options held by them prior to consummation of the Merger into options to purchase shares of common stock of the surviving corporation ("Rollover Options"). Immediately after the consummation of the Merger, all Rollover Options (other than those with an exercise price below $12.75) were adjusted so that they retained the same "spread value" (as defined below) as immediately prior to the Merger, but the new per share exercise price for all Rollover Options would be $12.75. The term "spread value" means the difference between (x) the aggregate fair market value of the common stock (determined using the Merger consideration of $51.00 per share) subject to the outstanding options held by the participant immediately prior to the Merger that became Rollover Options, and (y) the aggregate exercise price of those options. Members of management, including the named executive officers, received the Merger consideration described above with respect to all options other than Rollover Options.

Rollover Options held by the named executive officers are described in the Outstanding Equity Awards at Fiscal Year-End Table. Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans received aggregate Merger consideration of $14,253,903, $4,673,206, $333,966, $2,487,893, $170 and $2,125,188, respectively, with respect to options other than Rollover Options. These amounts are included in the Option Exercises and Stock Vested Table. The Rollover Options were exchanged on a tax-free basis and we did not record additional compensation expense related to the rollover of those options in 2006. The inherent value of the Rollover Options, based on the exchange ratio at the time of the closing of the Merger, for each of Messrs. Bovender, Bracken, Johnson, Hazen and Rutledge was $13,788,896, $5,844,332, $6,000,239, $4,479,840 and $1,338,865, respectively. Due to his imminent retirement, Mr. Evans did not roll over any options.

Participants who held restricted shares pursuant to the 2005 Plan (and any predecessor plans) and the MSPP received $51.00 per share, less any applicable withholding taxes, as Merger consideration. These amounts are included in the Option Exercises and Stock Vested Table.

Because of the timing of the close of the Merger in November 2006, the second annual deferral period with respect to the MSPP terminated early. Upon the close of the Merger, all salary amounts withheld on behalf of the participants in the MSPP through the closing date of the Merger were deemed to have been used to purchase shares of common stock under the terms of the MSPP, using the closing date of the Merger as the last date of the applicable offering period. Participants, including the named executive officers, then received a cash payment equal to the number of shares deemed purchased under the MSPP multiplied by $51.00, less any salary amounts deferred pursuant to the MSPP toward the purchase, which salary amounts were refunded. These amounts are included in the "All Other Compensation" column of the Summary Compensation Table.

2006 Senior Officer PEP

Our 2006 Senior Officer PEP was administered pursuant to the terms of the 2005 Plan with respect to certain of our officers, including the named executive officers. Accordingly, pursuant to the terms of the 2006 Senior Officer PEP and the 2005 Plan, upon consummation of the Merger, awards under the 2006 Senior Officer PEP vested and were paid out to certain of our executive officers, including the named executive

officers, at the target level. These amounts are included in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

SERP Benefits

Increases in the SERP benefit value during 2006 were impacted by three special one-time events: (i) the payments made to Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans under the 2006 Senior Officer PEP upon consummation of the Merger which had the effect of increasing the named executive officers' current final average earnings; (ii) the Merger constituted a change in control under the terms of the SERP, which triggered a decrease in the normal retirement age under the SERP from age 65 (or 62 with 10 years of service) to age 60; and (iii) the Compensation Committee approved the amendment of the SERP to include a lump sum payment provision and to revise certain actuarial factors, as described in more detail under "Pension Benefits." The amounts associated with the impact of these events are included in the "Changes in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table and described in more detail in footnote (5) thereto.

Employment Agreements

In connection with the Merger, on November 16, 2006, Hercules Holding entered into substantially similar employment agreements with each of Jack O. Bovender, Jr., Richard M. Bracken, R. Milton Johnson, Samuel N. Hazen, W. Paul Rutledge, Beverly B. Wallace, Charles J. Hall, and Robert A. Waterman, which agreements were shortly thereafter assumed by the Company and which agreements will govern the terms of each executive's employment. Although the employment agreements did not impact the compensation paid in 2006 and discussed in the Summary Compensation Table and Grants of Plan-Based Awards Table, they are important to an understanding of our executive compensation policies for 2007. The respective offices held by each executive have not changed as a result of execution of these employment agreements, although the agreements provide that Jack O. Bovender, Jr. and Richard M. Bracken will be members of our Board of Directors so long as they remain officers of the Company, with Mr. Bovender continuing to serve as the Chairman. The term of employment under each of these agreements is indefinite and they are terminable by either party at any time; provided that an executive must give no less than 90 days notice prior to a resignation.

Each employment agreement sets forth the executive's annual base salary, which will be subject to discretionary annual increases upon review by the Board of Directors, and states that the executive will be eligible to earn an annual bonus as a percentage of salary with respect to each fiscal year, based upon the extent to which annual performance targets established by the Board of Directors are achieved. With respect to the 2007 fiscal year, each executive is eligible to earn under the 2007 Senior Officer PEP (i) a target bonus, if 2007 performance targets are met; (ii) a specified percentage of the target bonus, if "threshold" levels of performance are achieved but performance targets are not met; or (iii) a multiple of the target bonus if "maximum" performance goals are achieved, with the annual bonus amount being interpolated, in the sole discretion of the Board of Directors, for performance results that exceed "threshold" levels but do not meet or exceed "maximum" levels. The employment agreements commit us to provide each executive with annual bonus opportunities in 2008 that are consistent with those applicable to the 2007 fiscal year, unless doing so would be adverse to our interests or the interests of our shareholders. For later fiscal years, our Board of Directors will set bonus opportunities in consultation with our Chief Executive Officer. Each employment agreement also sets forth the number of options that the executive will be granted pursuant to the 2006 Plan as a percentage of the total equity initially to be made available for grants pursuant to the 2006 Plan.

Pursuant to each employment agreement, if an executive's employment terminates due to death or disability, the executive would be entitled to receive (i) any base salary and any bonus that is earned and unpaid through the date of termination; (ii) reimbursement of any unreimbursed business expenses properly incurred by the executive; (iii) such employee benefits, if any, as to which the executive may be entitled under our employee benefit plans (the payments and benefits described in (i) through (iii) being "accrued rights"); and (iv) a pro rata portion of any annual bonus that the executive would have been entitled to receive pursuant to the employment agreement based upon our actual results for the year of termination (with such proration based on the percentage of the fiscal year that shall have elapsed through the date of termination of employment, payable to the executive when the annual bonus would have been otherwise payable (the "pro rata bonus")).

If an executive's employment is terminated by us without "cause" (as defined below) or by the executive for "good reason" (as defined below) (each a "qualifying termination"), the executive would be (i) entitled to the accrued rights; (ii) subject to compliance with certain confidentiality, non-competition and non-solicitation covenants contained in his or her employment agreement and execution of a general release of claims on behalf of the Company, an amount equal to the product of (x) two (three in the case of Jack O. Bovender, Jr., Richard M. Bracken and R. Milton Johnson) and (y) the sum of (A) the executive's base salary and (B) annual bonus paid or payable in respect of the fiscal year immediately preceding the fiscal year in which termination occurs, payable over a two-year period; (iii) entitled to the pro rata bonus; and (iv) entitled to continued coverage under our group health plans during the period over which the cash severance described in clause (ii) is paid. However, in lieu of receiving the payments and benefits described in (ii), (iii) and (iv) immediately above, the executive may instead elect to have his or her covenants not to compete waived by us. The same severance applies regardless of whether the termination was in connection with a change in control of the Company.

"Cause" is defined as an executive's (i) willful and continued failure to perform his material duties to the Company which continues beyond 10 business days after a written demand for substantial performance is delivered; (ii) willful or intentional engagement in material misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company or the Sponsors; (iii) conviction of, or a plea of *nolo contendere* to, a crime constituting a felony, or a misdemeanor for which a sentence of more than six months' imprisonment is imposed; or (iv) willful and material breach of his covenants under the employment agreement which continues beyond the designated cure period or of the agreements relating to the new equity. "Good Reason" is defined as (i) a reduction in the executive's base salary (other than a general reduction that affects all similarly situated employees in substantially the same proportions which is implemented by the Board in good faith after consultation with the chief executive officer and chief operating officer, a reduction in the executive's annual incentive compensation opportunity, or the reduction of benefits payable to the executive under the SERP; (ii) a substantial diminution in the executive's title, duties and responsibilities; or (iii) a transfer of the executive's primary workplace to a location that is more than 20 miles from his current workplace (other than, in the case of (i) and (ii), any isolated, insubstantial and inadvertent failure that is not in bad faith and is cured within 10 business days after executive's written notice to the Company).

In the event of an executive's termination of employment that is not a qualifying termination or a termination due to death or disability, he or she will only be entitled to the "accrued rights" (as defined above).

In each of the employment agreements with the executives (exclusive of Robert A. Waterman), we also commit to grant, among the executives (exclusive of Robert A. Waterman), 10% of the options initially authorized for grant under the 2006 Plan at some time before November 17, 2011 (but with a good faith commitment to do so before a "change in control" or a "public offering" (as those terms are defined in the new stock incentive plan) and before the time when our Board of Directors reasonably believes that the fair market value of our common stock is likely to exceed the equivalent of $102.00 per share) at an exercise price per share that is the equivalent of $102.00 per share. A percentage of these options will be vested at the time of the grant, such percentage corresponding to the elapsed percentage of the period measured between November 17, 2006 and November 17, 2011. When granted, these options will be allocated among the recipients by our Board of Directors in consultation with our chief executive officer based upon the perceived contributions of each recipient since November 17, 2006. The terms of these options will otherwise be consistent with other time vesting options granted under the new stock incentive plan. Additionally, pursuant to the employment agreements, we agree to indemnify each executive against any adverse tax consequences (including, without limitation, under Section 409A and 4999 of the Internal Revenue Code), if any, that result from the adjustment by us of stock options held by the executive in connection with Merger or the future payment of any extraordinary cash dividends.

The employment agreement with Jack O. Bovender Jr. also provides that in the event of (i) any termination of Mr. Bovender's employment after he has attained 62 years of age (other than a termination for cause) or (ii) a termination of Mr. Bovender's employment by us without cause, then (A) neither Mr. Bovender nor we will have any put or call rights with respect to Mr. Bovender's "new options" granted

pursuant to the 2006 Plan or stock acquired upon exercise of such options (see Item 13. "Certain Relationships and Related Transactions — Stockholder Agreements"), (B) the unvested new options held by Mr. Bovender that vest solely based on the passage of time will vest as if his employment had continued through the next three anniversaries of their date of grant, (C) the unvested new options held by Mr. Bovender that are performance options will remain outstanding and will vest, if at all, on the next three dates that they would have otherwise vested had his employment continued, based upon the extent to which performance goals are met, (D) Mr. Bovender's new options will remain exercisable until the second anniversary of the last date on which his performance based new options are eligible to vest, except that his new options that are granted with a strike price equal to two times that of his performance based new options will remain exercisable until the fifth anniversary of the last date on which his performance based new options are eligible to vest, and (E) we will continue to provide coverage for Mr. Bovender and his spouse under our group health plan (on the same basis as such coverage was provided immediately prior to termination of employment) until, in each case, he and his spouse attain 65 years of age.

Additional information with respect to potential payments to the named executive officers pursuant to their employment agreements is contained in "Potential Payments Upon Termination or Change in Control."

Outstanding Equity Awards at Fiscal Year-End

The following table includes certain information with respect to options and restricted shares held by the named executive officers as of December 31, 2006.

Name	Number of Securities Underlying Unexercised Options Exercisable(1)	Number of Securities Underlying Unexercised Options Unexercisable(1)	Option Exercise Price ($)(2)	Option Expiration Date	Number of Shares of Units of Stock that Have not Vested(3)	Market Value of Shares or Units of Stock That Have Not Vested(3)
Jack O. Bovender, Jr.	143,058	—	$ 12.75	1/25/2011	—	—
Jack O. Bovender, Jr.	53,882	—	$ 12.75	1/24/2012	—	—
Jack O. Bovender, Jr.	69,411	—	$ 12.75	1/29/2013	—	—
Jack O. Bovender, Jr.	53,751	—	$ 12.75	1/29/2014	—	—
Jack O. Bovender, Jr.	24,549	—	$ 12.75	1/27/2015	—	—
Jack O. Bovender, Jr.	15,843	—	$ 12.75	1/26/2016	—	—
Richard M. Bracken	8,052	—	$ 12.75	3/22/2011	—	—
Richard M. Bracken	26,248	—	$ 12.75	7/26/2011	—	—
Richard M. Bracken	29,934	—	$ 12.75	1/24/2012	—	—
Richard M. Bracken	40,490	—	$ 12.75	1/29/2013	—	—
Richard M. Bracken	30,235	—	$ 12.75	1/29/2014	—	—
Richard M. Bracken	10,739	—	$ 12.75	1/27/2015	—	—
Richard M. Bracken	7,095	—	$ 12.75	1/26/2016	—	—
R. Milton Johnson	87,180	—	$ 12.75	3/4/2009	—	—
R. Milton Johnson	6,039	—	$ 12.75	3/22/2011	—	—
R. Milton Johnson	9,579	—	$ 12.75	1/24/2012	—	—
R. Milton Johnson	9,254	—	$ 12.75	1/29/2013	—	—
R. Milton Johnson	8,062	—	$ 12.75	1/29/2014	—	—
R. Milton Johnson	26,013	—	$ 12.75	7/22/2014	—	—
R. Milton Johnson	6,441	—	$ 12.75	1/27/2015	—	—
R. Milton Johnson	4,301	—	$ 12.75	1/26/2016	—	—
Samuel N. Hazen	28,123	—	$ 12.75	3/4/2009	—	—
Samuel N. Hazen	6,039	—	$ 12.75	3/22/2011	—	—
Samuel N. Hazen	13,124	—	$ 12.75	7/26/2011	—	—
Samuel N. Hazen	19,158	—	$ 12.75	1/24/2012	—	—
Samuel N. Hazen	23,137	—	$ 12.75	1/29/2013	—	—
Samuel N. Hazen	16,797	—	$ 12.75	1/29/2014	—	—
Samuel N. Hazen	6,441	—	$ 12.75	1/27/2015	—	—
Samuel N. Hazen	4,301	—	$ 12.75	1/26/2016	—	—
W. Paul Rutledge	8,381	—	$ 12.75	1/24/2012	—	—
W. Paul Rutledge	9,254	—	$ 12.75	1/29/2013	—	—
W. Paul Rutledge	5,375	—	$ 12.75	1/29/2014	—	—
W. Paul Rutledge	2,297	—	$ 12.75	1/27/2015	—	—
W. Paul Rutledge	5,395	—	$ 12.75	10/01/2015	—	—
W. Paul Rutledge	4,301	—	$ 12.75	1/26/2016	—	—
Charles R. Evans	—	—	—	—	—	—

(1) The options described in this table represent Rollover Options, as further described under "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table — Options and Restricted Share Awards." There were no options granted under the 2006 Plan in 2006.

(2) Immediately after the consummation of the Merger, all Rollover Options (other than those with an exercise price below $12.75) were adjusted such that they retained the same "spread value" (as defined below) as immediately prior to the Merger, but the new per share exercise price for all Rollover Options would be $12.75. The term "spread value" means the difference between (x) the aggregate fair market value of the common stock (determined using the Merger consideration of $51.00 per share) subject to the outstanding options held by the participant immediately prior to the Merger that became Rollover Options, and (y) the aggregate exercise price of those options.

(3) As a result of the Merger, all unvested restricted shares under our equity incentive plans became fully vested. Participants who held restricted shares, including the named executive officers, received the merger consideration of $51.00 per share for each restricted share held by them, less any applicable withholding taxes.

Option Exercises and Stock Vested

The following table includes certain information with respect to the options exercised and restricted shares that vested during the fiscal year ended December 31, 2006.

	Option Awards			Stock Awards		
Name	Number of Shares Acquired on Exercise(1)		Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting(2)		Value Realized on Vesting ($)(2)
Jack O. Bovender, Jr.	420,660	$	14,253,643	178,168	$	9,024,985
Richard M. Bracken	137,912	$	4,673,010	92,829	$	4,701,665
R. Milton Johnson	9,850	$	333,757	56,428	$	2,861,852
Samuel N. Hazen	73,419	$	2,487,729	62,100	$	3,140,286
W. Paul Rutledge	—		—	57,879	$	2,928,404
Charles R. Evans	315,575	$	2,125,188	52,818	$	2,670,339

(1) As a result of the Merger, all options outstanding under our equity incentive plans at the time of the Merger became fully vested and immediately exercisable. Certain members of management, including the named executive officers, were given the opportunity to convert options held by them prior to consummation of the Merger into Rollover Options. With respect to Messrs. Bovender, Bracken, Johnson, Hazen and Rutledge, the options and amounts described in this table reflect options held by the named executive officers that were not rolled over into the surviving corporation, and the gross amount payable with respect to such options in the Merger (including any amounts which were withheld from the participant to pay applicable withholding taxes). Due to his imminent retirement, Mr. Evans did not roll over any options. See "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table" and the Outstanding Equity Awards at Fiscal-Year End Table.

(2) Includes an aggregate of 13,093 shares with respect to Mr. Bovender, 7,590 shares with respect to Mr. Bracken, 4,225 shares with respect to Mr. Johnson, 5,706 shares with respect to Mr. Hazen, 9,291 shares with respect to Mr. Rutledge, and 4,591 shares with respect to Mr. Evans which vested in 2006 in accordance with their terms. The value realized on vesting with respect to those restricted shares is determined based upon the close price of our common stock on the New York Stock Exchange on the date of vesting. As a result of the Merger, all outstanding restricted shares under our equity incentive plans became fully vested. Participants who held restricted shares, including the named executive officers, received the Merger consideration of $51.00 per share for each restricted share held by them, less any applicable withholding taxes. The value disclosed in the table reflects the gross amount payable with respect to such restricted shares (including any amounts which were withheld from the participant to pay applicable withholding taxes).

Pension Benefits

Our SERP is intended to qualify as a "top-hat" plan designed to benefit a select group of management or highly compensated employees. There are no other defined benefit plans that provide for payments or benefits to any of the named executive officers. Information about benefits provided by the SERP is as follows:

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
Jack O. Bovender, Jr.	SERP	27	$ 21,078,516	$ 0
Richard M. Bracken	SERP	25	$ 7,876,338	$ 0
R. Milton Johnson	SERP	23	$ 1,940,003	$ 0
Samuel N. Hazen	SERP	24	$ 2,536,329	$ 0
W. Paul Rutledge	SERP	25	$ 2,305,297	$ 0
Charles R. Evans	SERP	20(1)	$ 4,678,005	$ 0

(1) Mr. Evans was granted three additional years of service in accordance with the SERP's provision for Termination for Good Reason following a Change in Control, which increased the present value of his accumulated benefit by $800,280.

Mr. Bovender is eligible for normal retirement. Mr. Evans is eligible for early retirement. The remaining named executive officers have not satisfied the eligibility requirements for normal or early retirement. All of the named executive officers are 100% vested in their accrued SERP benefit.

Plan Provisions

In the event the employee's "accrued benefits under the Company's Plans" (computed using "actuarial factors") are insufficient to provide the "life annuity amount," the SERP will provide a benefit equal to the amount of the shortfall. Benefits can be paid in the form of an annuity or a lump sum. The lump sum is calculated by converting the annuity benefit using the "actuarial factors." All benefits with a present value not exceeding one million dollars are paid as a lump sum regardless of the election made.

Normal retirement eligibility requires attainment of age 60 for employees who were participants at the time of the change in control, including all of the named executive officers. Early retirement eligibility requires age 55 with 20 or more years of service. The service requirement for early retirement is waived for employees participating in the SERP at the time of its inception in 2001, including all of the named executive officers. The "life annuity amount" payable to a participant who takes early retirement is reduced by three percent for each full year or portion thereof that the participant retires prior to normal retirement age.

The "life annuity amount" is the annual benefit payable as a life annuity to a participant upon normal retirement. It is equal to the participant's "accrual rate" multiplied by the product of the participant's "years of service" times the participant's "pay average." The SERP benefit for each year equals the life annuity amount less the annual life annuity amount produced by the employee's "accrued benefit under the Company's Plans."

The "accrual rate" is a percentage assigned to each participant, and is either 2.2% or 2.4%. All of the named executive officers are assigned a percentage of 2.4%.

A participant is credited with a "year of service" for each calendar year that the participant performs 1,000 hours of service for HCA or one of our subsidiaries, or for each year the participant is otherwise credited by us, subject to a maximum credit of 25 years of service.

A participant's "pay average" is an amount equal to one-fifth of the sum of the compensation during the period of 60 consecutive months for which total compensation is greatest within the 120 consecutive month period immediately preceding the participant's retirement. For purposes of this calculation, the participant's compensation includes base compensation, payments under the PEP, and bonuses paid prior to the establishment of the PEP.

The "accrued benefits under the Company's Plans" for an employee equals the sum of the employer-funded benefits accrued under the HCA Retirement Plan, the HCA 401(k) Plan and any other tax-qualified plan maintained by us or one of our subsidiaries, the income/loss adjusted amount distributed to the participant under any of these plans, the account credit and the income/loss adjusted amount distributed to the participant under the Restoration Plan and any other nonqualified retirement plans sponsored by us or one of our subsidiaries.

The "actuarial factors" include (a) interest at the long term Applicable Federal Rate under Section 1274(d) of the Internal Revenue Code, as amended (the "Code") or any successor thereto as of the first day of November preceding the plan year in or for which a benefit amount is calculated, and (b) mortality based on the prevailing commissioner's standard table (as described in Code section 807(d)(5)(A)) used in determining reserves for group annuity contracts.

Credited service does not include any amount other than service with us or one of our subsidiaries.

Assumptions

The Present Value of Accumulated Benefit is based on a measurement date of December 31, 2006. The measurement date for valuing plan liabilities on our balance sheet is September 30, 2006, but the measurement date will be changed in Fiscal 2008 in accordance with the requirements of Statement of Financial Accounting Standards No. 158. Using a December 31 measurement date will produce consistent results year to year, reflect the change in control which occurred as a result of the Merger more accurately, and make sure the most up-to-date pay information is included.

Benefits are valued assuming a 50% probability of electing a lump sum and a 50% probability of electing an annuity which is consistent with the valuation of liabilities in this annual report. However, actual benefit elections were collected after the measurement date of September 30, 2006. All named executive officers elected a lump sum payment at retirement, with the exception of Mr. Bovender. Mr. Bovender elected an annuity. Reflecting actual elections would change the present value of accumulated benefit in column (d) by decreasing Mr. Bovender's present value by $1,485,860, and increasing Messrs. Bracken's, Johnson's, Hazen's, Rutledge's and Evans's present value by $559,186, $137,733, $180,068, $163,664 and $332,117, respectively.

The assumption is made that there is no probability of pre-retirement death or termination. Retirement age is assumed to be the Normal Retirement Age as defined in the SERP for all named executive officers, as adjusted by the provisions relating to change in control, or age 60. Age 60 also represents the earliest date the named executive officers are eligible to receive an unreduced benefit.

All other assumptions used in the calculations are the same as those used for the valuation of the plan liabilities in this annual report.

Supplemental Information

In the event any participant terminates with good reason or is terminated without cause within six months of a change in control, an additional three years of credited service are granted, subject to a maximum of twenty five years of total credited service. This provision would enhance the accumulated benefit value for Messrs. Johnson and Hazen by $324,516 and $171,591, respectively. Messrs. Bovender, Bracken and Rutledge are each already credited with 25 years of service, and Mr. Evans has elected to retire.

In the event a participant renders service to another health care organization within five years following retirement or termination of employment, he or she forfeits his rights to any further payment, and must repay any benefits already paid. This noncompetition provision is subject to waiver by the Compensation Committee with respect to the named executive officers.

Nonqualified Deferred Compensation

Amounts shown in the table are attributable to the HCA Restoration Plan, an unfunded, nonqualified defined contribution plan designed to restore benefits under the HCA Retirement Plan based on compensation in excess of Code Section 401(a)(17) compensation limit ($220,000 in 2006).

Name	Executive Contributions in Last Fiscal Year	Registrant Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year
Jack O. Bovender, Jr.	$ 0	$ 856,424	$ 178,899	$ 0	$ 2,696,069
Richard M. Bracken	$ 0	$ 409,933	$ 96,222	$ 0	$ 1,403,673
R. Milton Johnson	$ 0	$ 212,109	$ 32,249	$ 0	$ 549,363
Samuel N. Hazen	$ 0	$ 247,060	$ 49,129	$ 0	$ 757,286
W. Paul Rutledge	$ 0	$ 172,696	$ 21,858	$ 0	$ 404,137
Charles R. Evans	$ 0	$ 181,516	$ 26,378	$ 0	$ 464,014

All of the amounts in the column titled “Registrant Contributions in Last Fiscal Year” above were also included in the column titled “All Other Compensation” of the Summary Compensation Table. The following amounts from the column titled “Aggregate Balance at Last Fiscal Year” have been reported in the Summary Compensation Tables in prior years:

	Restoration Contribution				
Name	2001	2002	2003	2004	2005
Jack O. Bovender, Jr.	$ 187,193	$ 268,523	$ 289,899	$ 363,481	$ 295,062
Richard M. Bracken	$ 87,924	$ 146,549	$ 162,344	$ 192,858	$ 172,571
R. Milton Johnson	—	—	—	—	$ 71,441
Samuel N. Hazen	—	—	$ 79,510	$ 101,488	$ 97,331

Neither Mr. Rutledge nor Mr. Evans have appeared in the Summary Compensation table in prior years.

Plan Provisions

Hypothetical accounts for each participant are credited each year with the following percentages of eligible compensation in excess of the pay limit established by the Internal Revenue Service (the “IRS”), based on years of service. Eligible compensation is based on the same definition as the HCA Retirement Plan, without regard to the IRS compensation limit. No employee deferrals are allowed under this or any other nonqualified deferred compensation plan.

Service	Contribution Credit
0 to 4 years	4.5%
5 to 9 years	6.0%
10 to 14 years	8.0%
15 to 19 years	10.0%
20 or more years	11.0%

Messrs. Bovender, Bracken, Johnson, Hazen, Rutledge and Evans have 27 years of service, 25 years of service, 23 years of service, 24 years of service, 25 years of service and 17 years of service, respectively. Hypothetical account balances are increased or decreased with investment earnings based on the actual investment return in the underlying qualified retirement plan trust (the HCA Retirement Plan).

Eligible employees make a one time election prior to participation (or prior to December 31, 2007, if later) regarding the form of distribution of the benefit. Participants choose between a lump sum and five or ten installments. Distributions are paid (or begin) during the July following the year of termination of

employment or retirement. All balances not exceeding $500,000 are automatically paid as a lump sum. If no election is made, the benefit is paid in a lump sum.

Supplemental Information

In the event a participant renders service to another health care organization within five years following retirement or termination of employment, he or she forfeits the rights to any further payment, and must repay any payments already made. This noncompetition provision is subject to waiver by the Committee with respect to the named executive officers.

Potential Payments Upon Termination or Change in Control

The following tables show the estimated amount of potential cash severance payable to each of the named executive officers, as well as the estimated value of continuing benefits, based on compensation and benefit levels in effect on December 31, 2006, assuming the executive's employment terminates effective December 31, 2006. Due to the numerous factors involved in estimating these amounts, the actual value of benefits and amounts to be paid can only be determined upon an executive's termination of employment.

Jack O. Bovender, Jr.

	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Termination Without Cause	Termination for Cause	Voluntary Termination for Good Reason	Disability	Death
Cash Severance(1)	—	—	—	$ 16,131,834	—	$ 16,131,834	—	—
Unvested Stock Options(2)	—	—	—	—	—	—	—	—
SERP(3)	$ 18,392,005	$ 18,392,005	$ 18,392,005	$ 18,392,005	$ 18,392,005	$ 18,392,005	$ 18,392,005	$ 15,715,068
Retirement Plans(4)	$ 2,927,127	$ 2,927,127	$ 2,927,127	$ 2,927,127	$ 2,927,127	$ 2,927,127	$ 2,927,127	$ 2,927,127
Health and Welfare Benefits(5)	—	—	—	$ 40,162	—	—	—	—
Disability Income(6)	—	—	—	—	—	—	$ 1,346,299	—
Life Insurance Benefits(7)	—	—	—	—	—	—	—	$ 2,021,000
Accrued Vacation Pay	$ 224,339	$ 224,339	$ 224,339	$ 224,339	$ 224,339	$ 224,339	$ 224,339	$ 224,339

(1) Represents amounts Mr. Bovender would be entitled to receive pursuant to his employment agreement. See "Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements."

(2) As a result of the Merger, all outstanding options vested so that Mr. Bovender had no unvested options as of December 31, 2006.

(3) Reflects the present value of the stream of payments from the SERP. Does not reflect changes to the SERP effective for terminations on or after January 1, 2007, including the addition of a lump sum option and revision of the actuarial factors.

(4) Reflects the estimated lump sum present value of qualified and nonqualified retirement plans to which Mr. Bovender would be entitled. The value includes $196,650 from the HCA Retirement Plan, $34,408 from the HCA 401(k) Plan (which represents the value of the Company's matching contributions), and $2,696,069 from the HCA Restoration Plan.

(5) Reflects the present value of the medical premiums for Mr. Bovender and his spouse from termination to age 65 as required pursuant to Mr. Bovender's employment agreement. See "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements."

(6) Reflects the estimated lump sum present value of all future payments which Mr. Bovender would be entitled to receive under our disability program, including five months of salary continuation, monthly long term disability benefits of $10,000 per month payable until age 65, and monthly benefits of $10,000 per month from our Super Supplemental Insurance Program payable for 42 months after the six-month elimination period.

(7) No post-retirement or post-termination life insurance or death benefits are provided to Mr. Bovender. Mr. Bovender's payment upon death while actively employed includes $1,621,000 of Company-paid life insurance and $400,000 from the Executive Death Benefit Plan.

Richard M. Bracken

	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Termination Without Cause	Termination for Cause	Voluntary Termination for Good Reason	Disability	Death
Cash Severance(1)	—	—	—	$ 7,795,101	—	$ 7,795,101	—	—
Unvested Stock Options(2)	—	—	—	—	—	—	—	—
SERP(3)	$ 9,083,224	—	—	$ 9,083,224	$ 9,083,224	$ 9,083,224	$ 9,083,224	$ 8,230,949
Retirement Plans(4)	$ 2,555,631	$ 2,555,631	$ 2,555,631	$ 2,555,631	$ 2,555,631	$ 2,555,631	$ 2,555,631	$ 2,555,631
Health and Welfare Benefits	—	—	—	—	—	—	—	—
Disability Income(5)	—	—	—	—	—	—	$ 1,937,132	—
Life Insurance Benefits(6)	—	—	—	—	—	—	—	$ 1,136,000
Accrued Vacation Pay	$ 146,890	$ 146,890	$ 146,890	$ 146,890	$ 146,890	$ 146,890	$ 146,890	$ 146,890

(1) Represents amounts Mr. Bracken would be entitled to receive pursuant to his employment agreement. See “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements.”

(2) As a result of the Merger, all outstanding options vested so that Mr. Bracken had no unvested options as of December 31, 2006.

(3) Reflects the present value of the stream of payments from the SERP. Does not reflect changes to the SERP effective for terminations on or after January 1, 2007, including the addition of a lump sum option and revision of the actuarial factors. Mr. Bracken was not eligible for early or normal retirement under the SERP at December 31, 2006.

(4) Reflects the estimated lump sum present value of qualified and nonqualified retirement plans to which Mr. Bracken would be entitled. The value includes $763,321 from the HCA Retirement Plan, $388,636 from the HCA 401(k) Plan (which represents the value of the Company’s matching contributions), and $1,403,674 from the HCA Restoration Plan.

(5) Reflects the estimated lump sum present value of all future payments which Mr. Bracken would be entitled to receive under our disability program, including five months of salary continuation, monthly long term disability benefits of $10,000 per month payable until age 65, and monthly benefits of $10,000 per month from our Super Supplemental Insurance Program payable to age 65.

(6) No post-retirement or post-termination life insurance or death benefits are provided to Mr. Bracken. Mr. Bracken’s payment upon death while actively employed includes $1,061,000 of Company-paid life insurance and $75,000 from the Executive Death Benefit Plan.

R. Milton Johnson

	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Termination Without Cause	Termination for Cause	Voluntary Termination for Good Reason	Disability	Death
Cash Severance(1)	—	—	—	$ 4,426,149	—	$ 4,426,149	—	—
Unvested Stock Options(2)	—	—	—	—	—	—	—	—
SERP(3)	$ 2,254,672	—	—	$ 2,627,200	$ 2,254,672	$ 2,627,200	$ 2,254,672	$ 1,958,523
Retirement Plans(4)	$ 1,554,747	$ 1,554,747	$ 1,554,747	$ 1,554,747	$ 1,554,747	$ 1,554,747	$ 1,554,747	$ 1,554,747
Health and Welfare Benefits	—	—	—	—	—	—	—	—
Disability Income(5)	—	—	—	—	—	—	$ 2,162,557	—
Life Insurance Benefits(6)	—	—	—	—	—	—	—	$ 751,000
Accrued Vacation Pay	$ 103,899	$ 103,899	$ 103,899	$ 103,899	$ 103,899	$ 103,899	$ 103,899	$ 103,899

(1) Represents amounts Mr. Johnson would be entitled to receive pursuant to his employment agreement. See "Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements."

(2) As a result of the Merger, all outstanding options vested so that Mr. Johnson had no unvested options as of December 31, 2006.

(3) Reflects the present value of the stream of payments from the SERP. Does not reflect changes to the SERP effective for terminations on or after January 1, 2007, including the addition of a lump sum option and revision of the actuarial factors. Mr. Johnson was not eligible for early or normal retirement under the SERP at December 31, 2006.

(4) Reflects the estimated lump sum present value of qualified and nonqualified retirement plans to which Mr. Johnson would be entitled. The value includes $241,186 from the HCA Retirement Plan, $764,199 from the HCA 401(k) Plan (which represents the value of the Company's matching contributions), and $549,362 from the HCA Restoration Plan.

(5) Reflects the estimated lump sum present value of all future payments which Mr. Johnson would be entitled to receive under our disability program, including five months of salary continuation, monthly long term disability benefits of $10,000 per month payable until age 65, and monthly benefits of $10,000 per month from our Super Supplemental Insurance Program payable to age 65.

(6) No post-retirement or post-termination life insurance or death benefits are provided to Mr. Johnson. Mr. Johnson's payment upon death while actively employed includes $751,000 of Company-paid life insurance.

Samuel N. Hazen

	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Termination Without Cause	Termination for Cause	Voluntary Termination for Good Reason	Disability	Death
Cash Severance(1)	—	—	—	$ 3,406,149	—	$ 3,406,149	—	—
Unvested Stock Options(2)	—	—	—	—	—	—	—	—
SERP(3)	$ 2,935,987	—	—	$ 3,132,967	$ 2,935,987	$ 3,132,967	$ 2,935,987	$ 2,427,649
Retirement Plans(4)	$ 1,272,753	$ 1,272,753	$ 1,272,753	$ 1,272,753	$ 1,272,753	$ 1,272,753	$ 1,272,753	$ 1,272,753
Health and Welfare Benefits	—	—	—	—	—	—	—	—
Disability Income(5)	—	—	—	—	—	—	$ 2,418,906	—
Life Insurance Benefits(6)	—	—	—	—	—	—	—	$ 789,000
Accrued Vacation Pay	$ 109,201	$ 109,201	$ 109,201	$ 109,201	$ 109,201	$ 109,201	$ 109,201	$ 109,201

(1) Represents amounts Mr. Hazen would be entitled to receive pursuant to his employment agreement. See "Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements."

(2) As a result of the Merger, all outstanding options vested so that Mr. Hazen had no unvested options as of December 31, 2006.

(3) Reflects the present value of the stream of payments from the SERP. Does not reflect changes to the SERP effective for terminations on or after January 1, 2007, including the addition of a lump sum option and revision of the actuarial factors. Mr. Hazen was not eligible for early or normal retirement under the SERP at December 31, 2006.

(4) Reflects the estimated lump sum present value of qualified and nonqualified retirement plans to which Mr. Hazen would be entitled. The value includes $275,223 from the HCA Retirement Plan, $240,244 from the HCA 401(k) Plan (which represents the value of the Company's matching contributions), and $757,286 from the HCA Restoration Plan.

(5) Reflects the estimated lump sum present value of all future payments which Mr. Hazen would be entitled to receive under our disability program, including five months of salary continuation, monthly long term disability benefits of $10,000 per month payable until age 65, and monthly benefits of $10,000 per month from our Super Supplemental Insurance Program payable to age 65.

(6) No post-retirement or post-termination life insurance or death benefits are provided to Mr. Hazen. Mr. Hazen's payment upon death while actively employed with the Company includes $789,000 of the Company-paid life insurance.

W. Paul Rutledge

	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Termination Without Cause	Termination for Cause	Voluntary Termination for Good Reason	Disability	Death
Cash Severance(1)	—	—	—	$ 1,745,299	—	$ 1,745,299	—	—
Unvested Stock Options(2)	—	—	—	—	—	—	—	—
SERP(3)	$ 2,667,902	—	—	$ 2,667,902	$ 2,667,902	$ 2,667,902	$ 2,667,902	$ 2,388,808
Retirement Plans(4)	$ 1,261,470	$ 1,261,470	$ 1,261,470	$ 1,261,470	$ 1,261,470	$ 1,261,470	$ 1,261,470	$ 1,261,470
Health and Welfare Benefits	—	—	—	—	—	—	—	—
Disability Income(5)	—	—	—	—	—	—	$ 1,973,470	—
Life Insurance Benefits(6)	—	—	—	—	—	—	—	$ 725,000
Accrued Vacation Pay	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000

(1) Represents amounts Mr. Rutledge would be entitled to receive pursuant to his employment agreement. See “Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table — Employment Agreements.”

(2) As a result of the Merger, all outstanding options vested so that Mr. Rutledge had no unvested options as of December 31, 2006.

(3) Reflects the present value of the stream of payments from the SERP. Does not reflect changes to the SERP effective for terminations on or after January 1, 2007, including the addition of a lump sum option and revision of the actuarial factors. Mr. Rutledge was not eligible for early or normal retirement under the SERP at December 31, 2006.

(4) Reflects the estimated lump sum present value of qualified and nonqualified retirement plans to which Mr. Rutledge would be entitled. The value includes $588,732 from the HCA Retirement Plan, $268,601 from the HCA 401(k) Plan (which represents the value of the Company’s matching contributions), and $404,137 from the HCA Restoration Plan.

(5) Reflects the estimated lump sum present value of all future payments which Mr. Rutledge would be entitled to receive under our disability program, including five months of salary continuation, monthly long term disability benefits of $10,000 per month payable until age 65, and monthly benefits of $10,000 per month from our Super Supplemental Insurance Program payable to age 65.

(6) No post-retirement or post-termination life insurance or death benefits are provided to Mr. Rutledge. Mr. Rutledge’s payment upon death while actively employed includes $650,000 of Company-paid life insurance and $75,000 from the Executive Death Benefit Plan.

Charles R. Evans

	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Termination Without Cause	Termination for Cause	Voluntary Termination for Good Reason	Disability	Death
Cash Severance(1)	—	—	—	$ 362,261	—	$ 362,261	—	—
Unvested Stock Options(2)	—	—	—	—	—	—	—	—
SERP(3)	$ 4,229,867	$ 4,229,867	—	$ 4,985,027	$ 4,229,867	$ 4,985,027	$ 4,229,867	$ 3,743,767
Retirement Plans(4)	$ 698,925	$ 698,925	$ 698,925	$ 698,925	$ 698,925	$ 698,925	$ 698,925	$ 698,925
Health and Welfare Benefits	—	—	—	—	—	—	—	—
Disability Income(5)	—	—	—	—	—	—	$ 1,094,130	—
Life Insurance Benefits(6)	—	—	—	—	—	—	—	$ 725,000
Accrued Vacation Pay	$ 100,318	$ 100,318	$ 100,318	$ 100,318	$ 100,318	$ 100,318	$ 100,318	$ 100,318

(1) Represents amounts owing to Mr. Evans pursuant to our severance policy applicable to all employees, which provides that an employee who is involuntarily terminated for reasons other than a reduction in force or cause will receive a lump sum equal to 50% of the employee's base compensation that would have been payable over a certain period of time. The period of time for which payment is due is determined based upon the employee's salary level and the duration of his or her employment with the Company at the time of termination. Based upon his length of service and pay level, Mr. Evans would receive a lump sum equal to 50% of his base salary that would have been due for one year. In lieu of paying Mr. Evans a lump sum, we have agreed that he will continue to receive base salary and benefits for a period of six months which ends June 30, 2007.

(2) As a result of the Merger, all outstanding options vested so that Mr. Evans had no unvested options as of December 31, 2006

(3) Reflects the present value of the stream of payments from the SERP. Does not reflect changes to the SERP effective for terminations on or after January 1, 2007, including the addition of a lump sum option and revision of the actuarial factors. Mr. Evans was not eligible for normal retirement under the SERP as of December 31, 2006.

(4) Reflects the estimated lump sum present value of qualified and nonqualified retirement plans to which Mr. Evans would be entitled. The value includes $197,919 from the HCA Retirement Plan, $36,992 from the HCA 401(k) Plan (which represents the value of the Company's matching contributions), and $464,014 from the HCA Restoration Plan.

(5) Reflects the estimated lump sum present value of all future payments which Mr. Evans would be entitled to receive under our disability program, including five months of salary continuation, monthly long term disability benefits of $10,000 per month payable until age 65, and monthly benefits of $8,159 per month from our Super Supplemental Insurance Program payable to age 65.

(6) No post-retirement or post-termination life insurance or death benefits are provided to Mr. Evans. Mr. Evans payment upon death while actively employed with the Company includes $725,000 of Company-paid life insurance.

Director Compensation

The following table provides compensation information for the year ended December 31, 2006 for each of our non-employee directors prior to the consummation of the Merger. Employee directors are not eligible for any additional compensation for service on the Board or its committees.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	All Other Compensation ($)(4)	Total ($)
C. Michael Armstrong	$ 21,500	$ 245,144	$ 183,803	$ 16,514	$ 466,961
Magdalena H. Averhoff, M.D.	$ 34,000	$ 126,295	$ 189,384	$ 5,104	$ 354,783
Jack O. Bovender, Jr.	—	—	—	—	—
Richard M. Bracken	—	—	—	—	—
Martin Feldstein	$ 38,500	$ 159,973	$ 189,384	$ 20,537	$ 408,394
Thomas F. Frist, Jr., M.D.	$ 11,500	$ 186,911	$ 157,221	$ 6,473	$ 362,105
Frederick W. Gluck	$ 145,500	$ 177,974	$ 189,384	$ 39,740	$ 552,598
Glenda A. Hatchett	$ 88,000	$ 172,580	$ 189,384	$ 29,968	$ 479,932
Charles O. Holliday, Jr.	$ 107,375	$ 152,317	$ 156,738	$ 22,129	$ 438,559
T. Michael Long	$ 89,000	$ 163,840	$ 189,384	$ 34,962	$ 477,186
John H. McArthur	$ 87,000	$ 90,049	$ 189,384	$ 33,725	$ 400,158
Kent C. Nelson	$ 99,500	$ 159,973	$ 189,384	$ 19,573	$ 468,430
Frank S. Royal, M.D.	$ 28,500	$ 163,839	$ 189,384	$ 23,188	$ 404,911
Harold T. Shapiro	$ 41,000	$ 182,944	$ 171,455	$ 36,393	$ 431,792

(1) Amounts include portions of annual Board and committee retainers which directors elected to receive in cash and meeting fees. With respect to Mr. Gluck, amounts also include $100,000 paid as a retainer for service as Chair of the Special Committee appointed for purposes of evaluating the Merger. With respect to Messrs. Holliday, Long and Nelson and Ms. Hatchett, amounts include $60,000 paid as a retainer for service on the Special Committee.

(2) Amounts include restricted shares and restricted share units that directors received as all or a portion of their annual retainer in lieu of cash, and restricted shares units that all directors received as part of their long term incentive awards in 2006. The terms of the restricted share and restricted share unit awards granted in 2006 are described in more detail under “Narrative to Director Compensation Table.” As a result of the Merger, all outstanding equity awards vested and therefore all compensation expense associated with such awards was recognized in 2006 in accordance with SFAS 123(R).

(3) Amounts include stock options granted as part of the directors’ long term incentive awards. The terms of the option awards granted in 2006 are described in more detail under “Narrative to Director Compensation Table.” As a result of the Merger, all outstanding equity awards vested and therefore all compensation expense associated with such awards was recognized in 2006 in accordance with SFAS 123(R).

(4) Amounts consist of:

- Dividends on restricted shares and restricted share units. On March 1, 2006, June 1, 2006 and September 1, 2006, we paid dividends of $0.15 per share, $0.17 per share and $0.17 per share for each issued and outstanding share of common stock of HCA, including restricted shares. Additionally, we accrued dividends with respect to certain restricted share units held by the directors. As a result of the Merger, all accrued but previously unpaid dividends on restricted share units were paid in 2006.

- Personal use of corporate aircraft. In 2006, Dr. Frist and Dr. Shapiro were allowed personal travel on our airplane with an incremental cost of approximately $2,793 and $1,939, respectively, to us. The aggregate incremental cost of Drs. Frist and Shapiro’s travel on the plane was calculated based on the same methodology used to determine the cost of the named executive officers’ personal airplane usage,

which is described in footnote (6) to the "Summary Compensation Table." We grossed up the income attributed to Dr. Frist with respect to one trip he made on the Company airplane, which amount is also included.

- Amounts paid by The HCA Foundation in 2006 to charities of the directors' selection through our matching charitable contribution program.

Narrative to Director Compensation Table

In 2006, non-management directors received an annual retainer of $55,000, which they could elect to receive in the form of cash, restricted shares or restricted share units. A director received a 25% premium over the annual retainer amount with respect to any retainer amount he or she elected to receive in the form of restricted shares or restricted share units. Awards were made pursuant to the 2005 Plan. Non-management directors also received long term incentive awards under the 2005 Plan having a value of $100,000. The long term incentive awards were paid 50% in the form of stock options having a Black-Scholes value of approximately $50,000 on the date of grant. Twenty percent of the options were to vest on the date of grant, with an additional 20% of the options granted vesting on the first, second, third and fourth anniversaries of the date of grant. The remaining 50% of the long term incentive award was paid in the form of restricted share units having a value of $50,000 on the date of grant (based on the close price of our common stock of $43.49 per share on the New York Stock Exchange on May 25, 2006, the date of grant). The awards were to vest on the second anniversary of the date of grant. The awards were made pursuant to the 2005 Plan. In 2006, in addition to the annual retainer, the Board meeting fee was $2,000 per meeting for non-management directors.

Non-management director committee members received an annual committee retainer of $3,000 and committee chairpersons, other than the audit committee chairperson, received a $10,000 annual committee retainer in 2006. The audit committee chairperson received an annual committee retainer of $20,000 in 2006. The presiding director also received an annual retainer of $10,000 in 2006. These retainers were payable in cash, restricted shares or restricted share units. As was the case with the annual retainer, a director received a 25% premium with respect to any committee-related retainer amounts he or she elected to receive in the form of restricted shares or restricted share units. Committee members received a meeting fee of $1,500 per committee meeting. We also reimbursed directors for expenses incurred relating to attendance at Board and committee meetings.

We have occasionally asked a director, as part of his or her service as a director, to participate in a business related meeting or in meetings which we believe will further his or her education as a director of a public company. In such event, we reimburse the director for reasonable travel expenses and pay the director an additional fee equal to the Board meeting fee. We paid Dr. Averhoff $2,000 in 2006 with respect to her attendance at an HCA division meeting.

The HCA Foundation matches charitable contributions by directors up to an aggregate $15,000 annually for each director.

In connection with its consideration of the Merger, in 2006 the Board appointed a Special Committee consisting of Messrs. Gluck, Holliday, Long and Nelson and Ms. Hatchett. Mr. Gluck served as chairman of the Special Committee. As compensation for their service on the Special Committee, the chairman received a retainer of $100,000 and the Committee members received retainers of $60,000. Committee members did not receive meeting fees with respect to Special Committee meetings. All amounts paid with respect to service on the Special Committee were paid in cash.

In 2006, as a publicly held company, we maintained ownership guidelines requiring directors to own shares of our common stock equal in value to five times the annual retainer for service on our Board. However, because we are now a privately held company, we no longer maintain stock ownership guidelines.

In accordance with our Restated Certificate of Incorporation (prior to the Merger) and the laws of the State of Delaware, we advanced payments for legal fees and expenses to certain of our directors for retention of legal counsel in connection with matters relating to their actions as a director of the Company. Currently,

certain of our directors have been named in various lawsuits, and we are cooperating with certain investigations being conducted by the United States Attorney for the Southern District of New York and the SEC. The proceedings and investigations are described in greater detail in Item 3, "Legal Proceedings." In accordance with our Restated Certificate of Incorporation and Delaware law, any director who is advanced legal fees will reimburse us for such amounts in the event it is ultimately determined that the individual is not entitled to indemnification under such provisions. In 2006, we advanced legal fees in the amount of approximately $116,000 to Dr. Frist.

In addition, in connection with the Merger, we paid substantial legal fees which included fees for counsel retained by Dr. Frist and his affiliates with respect to the negotiation of certain agreements and other matters related to the Merger. We paid legal fees of approximately $1.1 million with respect to such representation in connection with the Merger.

Currently, none of our directors receive compensation for their service as a member of our Board. They are reimbursed for any expenses incurred in connection with their service.

Compensation Committee Interlocks and Insider Participation

During 2006, prior to the closing of the Merger, the Compensation Committee of the Board of Directors was composed of C. Michael Armstrong, Martin Feldstein, Frederick W. Gluck and Charles O. Holliday, Jr. None of these persons has at any time been an officer or employee of HCA or any of its subsidiaries. In addition, there were no relationships among our executive officers, members of the Compensation Committee or entities whose executives served on the Compensation Committee that required disclosure under applicable SEC rules and regulations.

Item 12. ***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 February 28, 2007 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 93,003,950 shares of our common stock, par value $0.01 per share, outstanding as of February 28, 2007. 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 February 28, 2007 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	90,666,870(1)	97.5%
Christopher J. Birosak	(1)	—
George A. Bitar	(1)	—
Jack O. Bovender, Jr.	482,276(2)	*
Richard M. Bracken	234,276(3)	*
John P. Connaughton	(1)	—
Charles R. Evans	—	—
Thomas F. Frist, Jr., M.D.	(1)	—
Thomas F. Frist III	(1)	—
Christopher R. Gordon	(1)	—
Samuel N. Hazen	137,120(4)	*
R. Milton Johnson	156,869(5)	*
Michael W. Michelson	(1)	—
James C. Momtazee	(1)	—
Stephen G. Pagliuca	(1)	—
W. Paul Rutledge	67,753(6)	*
Peter M. Stavros	(1)	—
Nathan C. Thorne	(1)	—
All directors and executive officers as a group (34 persons)	1,936,942(7)	2.0

* Less than one percent.

(1) Hercules Holding holds 90,666,870 shares, or 97.5%, 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. LLC ("KKR") and Merrill Lynch Global Private Equity ("MLGPE"), and affiliates of HCA founder Dr. Thomas F. Frist, Jr., who is a director of the Company, including Mr. Thomas F. Frist III, who also serves as a director. Messrs. Connaughton, Gordon and Pagliuca are affiliated with Bain, which indirectly holds 22,980,392 shares, or 24.7%, of our outstanding common stock through the interests of certain of its affiliated funds in Hercules Holding. Messrs. Michelson, Momtazee and Stavros are affiliated with KKR, which indirectly holds 22,980,392 shares, or 24.7%, of our outstanding common stock through the interests of certain of its affiliated funds in Hercules Holding. Messrs. Birosak, Bitar and Thorne are affiliated with MLGPE, which indirectly holds 22,980,392 shares, or 24.7%, of our outstanding common stock through the interests of certain of its affiliated funds in Hercules Holding. Dr. Frist may be deemed to indirectly beneficially hold 17,804,125 shares, or 19.1%, of our outstanding common stock through his interests in Hercules Holding; and Mr. Frist may be deemed to indirectly beneficially hold 8,130,780 shares, or 9.0%, of our outstanding common stock through his interests in Hercules Holding. The principal office addresses of Hercules Holding are c/o Bain Capital Partners, LLC, 111 Huntington Avenue, Boston, MA 02199, c/o Kohlberg Kravis Roberts & Co. L.P., 2800 Sand Hill Road, Suite 200, Menlo Park, CA 94025 and c/o Merrill Lynch Global Private Equity, Four World Financial Center, Floor 23, New York, NY 10080. The telephone number at each of the principal offices is (617) 516-2000, (650) 233-6560 and (212) 449-1000, respectively.

(2) Includes 360,494 shares issuable upon exercise of options.

(3) Includes 152,793 shares issuable upon exercise of options.

(4) Includes 117,120 shares issuable upon exercise of options.

(5) Includes 156,869 shares issuable upon exercise of options.

(6) Includes 35,003 shares issuable upon exercise of options.

(7) Includes 1,506,946 shares issuable upon exercise of options.

This table provides certain information as of December 31, 2006 with respect to our equity compensation plans (shares in thousands):

EQUITY COMPENSATION PLAN INFORMATION

	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
Equity compensation plans approved by security holders	2,285	$ 12.50	10,656
Equity compensation plans not approved by security holders	—	—	—
Total	2,285	$ 12.50	10,656

* For additional information concerning our equity compensation plans, see the discussion in Note 3 — Share-Based Compensation in the notes to the consolidated financial statements.

Item 13. ***Certain Relationships and Related Transactions***

In accordance with its charter, our Audit and Compliance Committee reviews and approves all material related party transactions. Prior to its approval of any material related party transaction, the Audit and Compliance Committee will discuss the proposed transaction with management and our independent auditor. In addition, our Code of Conduct requires that all of our employees, including our executive officers, remain free of conflicts of interest in the performance of their responsibilities to the Company. An executive officer who wishes to enter into a transaction in which their interests might conflict with ours must first receive the approval of the Audit and Compliance Committee. The Amended and Restated Limited Liability Company Agreement of Hercules Holding II, LLC generally requires that an Investor must obtain the prior written consent of each other Investor before it or any of its affiliates (including our directors) enter into any transaction with us.

Stockholder Agreements

In connection with the Merger, Hercules Holding offered certain members of management, including our executive officers, the opportunity (i) to exchange unrestricted shares of our common stock outstanding prior to the Merger for shares of common stock in the surviving company ("Rollover Stock"), (ii) to purchase shares of our common stock after the Merger ("Purchased Stock" and, together with the Rollover Stock, "Stock"), and (iii) to exchange a portion of their outstanding options to purchase our common stock prior to the Merger for fully exercisable options to purchase shares of the surviving company (referred to herein as the Rollover Options). In addition, on January 30, 2007, our Board of Directors awarded to members of management and certain key employees new options to purchase shares of our common stock ("New Options" and, together with the Rollover Options, "Options") pursuant to the 2006 Plan. In connection with their equity ownership in the surviving company, the participants were required to enter into an Exchange and Purchase Agreement, an Option Rollover Agreement, a Management Stockholder's Agreement, a Sale Participation Agreement, and an Option Agreement with respect to the new options. Below are brief summaries of the principal terms of the Management Stockholder's Agreement, the Sale Participation Agreement, the Option Rollover Agreement and the Exchange and Purchase Agreement, each of which are qualified in their entirety by reference to the agreements themselves, forms of which are attached hereto as Exhibits 10.12, 10.13, 10.14 and 10.15 respectively. The terms of the Option Agreement with respect to New Options and the 2006 Plan are described in more detail in Item 11, "Executive Compensation — Compensation Discussion and Analysis — 2007 Compensation."

Exchange and Purchase Agreement. The Exchange and Purchase Agreement provided for the exchange of shares of our common stock outstanding prior to the Merger for shares of common stock in the recapitalized company by (i) transferring such shares to Hercules Holding in exchange for membership interests in Hercules Holding immediately prior to the Merger and (ii) immediately after the Merger receiving from Hercules Holding, in liquidation of such membership interests, shares of common stock in the surviving company equal to the value of the shares contributed. The Exchange and Purchase Agreement also provided for the purchase by Hercules Holding of any shares of a participant's common stock which were not rolled over.

Option Rollover Agreement. Participants who rolled over their options to purchase shares of our common stock prior to the Merger into Rollover Options entered into an Option Rollover Agreement, which provides that all Rollover Options will remain outstanding in accordance with the terms set forth in the stock incentive plan and grant agreement pursuant to which the options were originally granted. The Option Rollover Agreement also provided that the Rollover Options retain the same "spread value" (as defined below) as the outstanding options held by the participant immediately prior to the Merger, but required the number of shares of our common stock subject to such Rollover Options following the Merger to be adjusted such that the per share exercise price for all Rollover Options be $12.75. The term "spread value" means the difference between (x) the aggregate fair market value immediately prior to the Merger of the common stock (determined using the Merger consideration of $51.00 per share) subject to the outstanding options a participant rolled over and (y) the aggregate exercise price of those options.

Management Stockholder's Agreement. The Management Stockholder's Agreement imposes significant restrictions on transfers of shares of our common stock. Generally, shares will be nontransferable by any means at any time prior to the earlier of a "Change in Control" (as defined in the Management Stockholder's Agreement) or the fifth anniversary of the closing date of the Merger, except (i) sales pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act") filed by the Company in accordance with the Management Stockholder's Agreement, (ii) a sale pursuant to the Sale Participation Agreement (described below), (iii) a sale to certain "Permitted Transferees" (as defined in the Management Stockholder's Agreement), or (iv) as otherwise permitted by our Board of Directors or pursuant to a waiver of the restrictions on transfers given by unanimous agreement of the Sponsors. On and after such fifth anniversary through the earlier of a Change in Control or the eighth anniversary of the closing date of the Merger, a management stockholder will be able to transfer shares of our common stock, but only to the extent that, on a cumulative basis, the management stockholders in the aggregate do not transfer a greater percentage of their equity than the percentage of equity sold or otherwise disposed of by the Sponsors.

In the event that a management stockholder wishes to sell their stock at any time following the fifth anniversary of the closing date of the Merger but prior to an initial public offering of our common stock, the Management Stockholder's Agreement provides the Company with a right of first offer on those shares upon the same terms and conditions pursuant to which the management stockholder would sell them to a third party. In the event that a registration statement is filed with respect to our common stock in the future, the Management Stockholder's Agreement prohibits management stockholders from selling shares not included in the registration statement from the time of receipt of notice until 180 days (in the case of an initial public offering) or 90 days (in the case of any other public offering) of the date of the registration statement. The Management Stockholder's Agreement also provides for the management stockholder's ability to cause us to repurchase their outstanding stock and options in the event of the management stockholder's death or disability, and for our ability to cause the management stockholder to sell their stock or options back to the Company upon certain termination events.

The Management Stockholder's Agreement provides that, in the event we propose to sell shares to the Sponsors, certain members of senior management, including the executive officers (the "Senior Management Stockholders") have a preemptive right to purchase shares in the offering. The maximum shares a Senior Management Stockholder may purchase is a proportionate number of the shares offered to the percentage of shares owned by the Senior Management Stockholder prior to the offering. Additionally, following the initial public offering of our common stock, the Senior Management Stockholders will have limited "piggyback" registration rights with respect to their shares of common stock. The maximum number of shares of Common

Stock which a Senior Management Stockholder may register is generally proportionate with the percentage of common stock being sold by the Sponsors (relative to their holdings thereof).

Sale Participation Agreement. The Sale Participation Agreement grants the Senior Management Stockholders the right to participate in any private direct or indirect sale of shares of common stock by the Sponsors (such right being referred to herein as the "Tag-Along Right"), and requires all management stockholders to participate in any such private sale if so elected by the Sponsors in the event that the Sponsors are proposing to sell at least 50% of the outstanding common stock held by the Sponsors, whether directly or through their interests in Hercules Holding (such right being referred to herein as the "Drag-Along Right"). The number of shares of common stock which would be required to be sold by a management stockholder pursuant to the exercise of the Drag-Along Right will be the sum of the number of shares of common stock then owned by the management stockholder and his affiliates plus all shares of common stock the management stockholder is entitled to acquire under any unexercised Options (to the extent such Options are exercisable or would become exercisable as a result of the consummation of the proposed sale), multiplied by a fraction (x) the numerator of which shall be the aggregate number of shares of common stock proposed to be transferred by the Sponsors in the proposed sale and (y) the denominator of which shall be the total number of shares of common stock owned by the sponsors entitled to participate in the proposed sale. Management stockholders will bear their pro rata share of any fees, commissions, adjustments to purchase price, expenses or indemnities in connection with any sale under the Sale Participation Agreement.

Amended and Restated Limited Liability Company Agreement of Hercules Holding II, LLC

The Investors and certain other investment funds who agreed to co-invest with them through a vehicle jointly controlled by the Investors to provide equity financing for the Recapitalization entered into a limited liability company operating agreement in respect of Hercules Holding (the "LLC Agreement"). The LLC Agreement contains agreements among the parties with respect to the election of our directors, restrictions on the issuance or transfer of interests in us, including a right of first offer, tag-along rights and drag-along rights, and other corporate governance provisions (including the right to approve various corporate actions).

Pursuant to the LLC Agreement, Hercules Holding and its members are required to take necessary action to ensure that each manager on the board of Hercules Holding also serves on our Board of Directors. Each of the Sponsors has the right to appoint three managers to Hercules Holding's board, the Frist family has the right to appoint two managers to the board, and the remaining two managers on the board are to come from our management team (currently Messrs. Bovender and Bracken). The rights of the Sponsors and the Frist family to designate managers are subject to their ownership percentages in Hercules Holding remaining above a specified percentage of the outstanding ownership interests in Hercules Holding.

The LLC Agreement also requires that, in addition to a majority of the total number of managers being present to constitute a quorum for the transaction of business at any board or committee meeting, at least one manager designated by each of the Investors must be present, unless waived by that Investor. The LLC Agreement further provides that, for so long as at least two Sponsors are entitled to designate managers to Hercules Holding's board, at least one manager from each of two Sponsors must consent to any board or committee action in order for it to be valid. The LLC Agreement requires that our organizational and governing documents contain provisions similar to those described in this paragraph.

Registration Rights Agreement

Hercules Holding and the Investors entered into a registration rights agreement with us upon completion of the Recapitalization. Pursuant to this agreement, the Investors can cause us to register shares of our common stock held by Hercules Holding under the Securities Act and, if requested, to maintain a shelf registration statement effective with respect to such shares. The Investors are also entitled to participate on a pro rata basis in any registration of our common stock under the Securities Act that we may undertake.

Sponsor Management Agreement

In connection with the Merger, we entered into a management agreement with affiliates of each of the Sponsors and certain members of the Frist family, including Thomas F. Frist, Jr., M.D. and Thomas F. Frist III, pursuant to which such entities or their affiliates will provide management services to us. Pursuant to the agreement, we paid aggregate transaction fees of approximately $175 million in connection with services provided by such entities in connection with the Merger and related transactions. In addition, we will pay an aggregate annual management fee of $15 million, which amount increases annually beginning in 2008 at a rate equal to the percentage increase of Adjusted EBITDA (as defined in the Management Agreement) in the applicable year compared to the preceding year, and will reimburse out-of-pocket expenses incurred in connection with the provision of services pursuant to the agreement. The agreement also provides that we will pay a one percent fee in connection with certain subsequent financing, acquisition, disposition and change of control transactions, as well as a termination fee based on the net present value of future payment obligations under the management agreement, in the event of an initial public offering or under certain other circumstances. The agreement includes customary exculpation and indemnification provisions in favor of the Sponsors and their affiliates and the Frists.

Other Relationships

On February 6, 2006, we issued $1.0 billion of 6.500% notes due 2016. Merrill Lynch & Co., along with other institutions, served as joint book-running manager in connection with the issuance of those notes. The institutions involved in the underwriting of the notes received an aggregate underwriting discount of 1.125%, or $11,250,000, in consideration of their services in that capacity, of which $400,000 was paid to Merrill Lynch & Co.

On May 25, 2006, the Company entered into a Credit Agreement with the several banks and other financial institutions from time to time parties thereto, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, as sole lead arranger and sole bookrunner (“MLPFS”), and Merrill Lynch Capital Corporation, as administrative agent (“MLCC”). The Credit Agreement was for an aggregate principal amount of $400 million, had a one year term and contained terms and conditions similar to our previous credit agreements. MLPFS received a commitment fee of $400,000 with respect to the Credit Agreement. In connection with the Merger, on November 17, 2006, the Company repaid in full all amounts outstanding under the Credit Agreement. No penalties were due in connection with such repayments.

Effective July 1, 2006, we sold four hospitals (three in West Virginia and one in Virginia) to LifePoint Hospitals, Inc. for consideration of $256 million. Merrill Lynch & Co. acted as our financial advisor in respect of the transaction and, upon closing of the sale, we paid a fee of $2.1 million in respect of those services.

In connection with the Merger, on November 17, 2006, we issued $5.7 billion of senior secured notes due 2016. Merrill Lynch & Co., along with other institutions, served as joint book-running manager in connection with the issuance of those notes. The institutions involved in the underwriting of the notes received an aggregate underwriting discount of 2.0%, or $114 million, in consideration of their services in that capacity, of which $13.3 million was paid to Merrill Lynch & Co.

Also in connection with the Merger, on November 17, 2006, we entered into (i) a $2.0 billion senior secured asset-based revolving loan agreement, and (ii) a new senior secured credit agreement, consisting of a $2.0 billion revolving credit facility, a $2.75 billion term loan A, a $8.8 billion term loan B and a €1.0 billion term loan. Obligations under the senior secured credit facilities are guaranteed by all of our material, unrestricted wholly-owned U.S. subsidiaries. In addition, borrowings under the €1.0 billion term loan are guaranteed by all of our material, wholly-owned European subsidiaries. MLPFS, along with other institutions, served as joint lead arranger and joint bookrunner and MLCC served as documentation agent with respect to the senior secured credit facilities. We paid a commitment fee of 1.5% with respect to the senior secured credit facilities, or approximately $252 million in the aggregate, of which MLPFS received $36.4 million.

Merrill Lynch & Co., MLPFS and MLCC are affiliates of certain funds which hold substantial interests in Hercules Holding and of Christopher J. Birosak, George A. Bitar and Nathan C. Thorne, who serve on our Board of Directors.

In 2006, we paid approximately $24.4 million to Health Care Property Investors, Inc. ("HCPI"), representing the aggregate annual lease payments for certain medical office buildings leased by the Company. Charles A. Elcan is an executive officer of HCPI and is the son-in-law and brother-in-law of Dr. Thomas F. Frist, Jr. and Thomas F. Frist, III, respectively, who are members of our Board of Directors.

In 2006, two hospitals owned and operated by affiliates of HCA were party to a professional medical services agreement with Commonwealth Perinatal Associates, P.C. ("Commonwealth Perinatal"). The total fees paid to Commonwealth Perinatal by HCA pursuant to the agreement in consideration of services provided in 2006 totaled $300,000. Dr. Rodrick Love is employed by Commonwealth Perinatal and is the son-in-law of Dr. Frank S. Royal, one of our former directors prior to the consummation of the Merger.

Christopher S. George serves as the chief executive officer of an HCA-affiliated hospital, and in 2006, Mr. George received total compensation in respect of base salary and bonus of approximately $400,000 for his services. Mr. George also received certain other benefits, including awards of equity, customary to similar positions within the Company. Mr. George's father, V. Carl George, is an executive officer of HCA.

Director Independence

Our Board of Directors is composed of Jack O. Bovender, Jr., Chairman, Christopher J. Birosak, George A. Bitar, Richard M. Bracken, John P. Connaughton, Thomas F. Frist, Jr., M.D., Thomas F. Frist III, Christopher R. Gordon, Michael W. Michelson, James C. Momtazee, Stephen G. Pagliuca, Peter M. Stavros and Nathan C. Thorne. 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	**Chair**			
George A. Bitar		X		
Jack O. Bovender, Jr.*			**Chair**	
Richard M. Bracken*				
John P. Connaughton		X		
Thomas F. Frist, Jr., M.D.		X	X	
Thomas F. Frist III	X			
Christopher R. Gordon	X			
Michael W. Michelson		**Chair**	X	
James C. Momtazee	X			
Stephen G. Pagliuca			X	**Chair**
Peter M. Stavros				X
Nathan C. Thorne			X	X

* Indicates management director.

Though not formally considered by our Board because our common stock is no longer registered with the SEC or traded on any national securities exchange, based upon the listing standards of 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 owns

approximately 97.5% 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 or Rule 10A-1 of the Exchange Act or the NYSE's audit committee independence requirements, or that Messrs. Michelson, Bitar, Connaughton or Frist, the members of our Compensation Committee, would meet the NYSE's independence requirements. We do not have a nominating/corporate governance committee, or a committee that serves a similar purpose.

Item 14. ***Principal Accountant Fees and Services***

The Audit and Compliance Committee has appointed Ernst & Young LLP as our independent registered public accounting firm. The independent registered public accounting firm will audit our consolidated financial statements for 2007 and management's assessment as to whether the Company maintained effective controls over financial reporting as of December 31, 2007.

Audit Fees. The aggregate audit fees billed by Ernst & Young LLP for professional services rendered for the audit of our annual consolidated financial statements, for the reviews of the condensed consolidated financial statements included in our quarterly reports on Form 10-Q, for the audit of management's report on the effectiveness of the Company's internal control over financial reporting, under the Sarbanes-Oxley Act of 2002, and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings totaled $9.0 million for 2006 and $8.8 million for 2005.

Audit-Related Fees. The aggregate fees billed by Ernst & Young LLP for assurance and related services not described above under "Audit Fees" were $1.5 million for both 2006 and 2005. Audit-related services principally include audits of certain of our subsidiaries and benefit plans.

Tax Fees. The aggregate fees billed by Ernst & Young LLP for professional services rendered for tax compliance, tax advice and tax planning were $1.6 million for 2006 and $2.1 million for 2005.

All Other Fees. The aggregate fees billed by Ernst & Young LLP for products or services other than those described above were $79,000 for 2006 and $227,000 for 2005.

The Board of Directors has adopted an Audit and Compliance Committee Charter which, among other things, requires the Audit and Compliance Committee to preapprove all audit and permitted nonaudit services (including the fees and terms thereof) to be performed for us by our independent registered public accounting firm.

All services performed for us by Ernst & Young LLP in 2006 were preapproved by the Audit and Compliance Committee. The Audit and Compliance Committee concluded that the provision of audit-related services, tax services and other services by Ernst & Young LLP was compatible with the maintenance of the firm's independence in the conduct of its auditing functions. Our preapproval policy provides that the Audit and Compliance Committee shall preapprove nonaudit services and audit-related services. Any decisions to preapprove any services shall be presented to the Audit and Compliance Committee at its next scheduled meeting.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) *Documents filed as part of the report:*

1. *Financial Statements.* The accompanying Index to Consolidated Financial Statements on page F-1 of this Annual Report on Form 10-K is provided in response to this item.

2. *List of Financial Statement Schedules.* All schedules are omitted because the required information is either not present, not present in material amounts or presented within the consolidated financial statements.

3. *List of Exhibits*

2.1	—	Agreement and Plan of Merger, dated July 24, 2006, by and among HCA Inc., Hercules Holding II, LLC and Hercules Acquisition Corporation (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed July 25, 2006, and incorporated herein by reference).
3.1	—	Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
3.2	—	Amended and Restated Bylaws of the Company.
4.1	—	Specimen Certificate for shares of Common Stock, par value $0.01 per share, of the Company (filed as Exhibit 3 to the Company's Form 8-A/A, Amendment No. 2, dated March 11, 2004, and incorporated herein by reference).
4.2	—	Indenture, dated November 17, 2006, among HCA Inc., the guarantors party thereto and The Bank of New York, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.3	—	Security Agreement, dated as of November 17, 2006, among HCA Inc., the subsidiary grantors party thereto and The Bank of New York, as collateral agent (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.4	—	Pledge Agreement, dated as of November 17, 2006, among HCA Inc., the subsidiary pledgors party thereto and The Bank of New York, as collateral agent (filed as Exhibit 4.3 to the Company's Current Report of Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.5	—	Registration Rights Agreement, dated as of November 17, 2006, among HCA Inc., the subsidiary guarantors party thereto and the Initial Purchasers (filed as Exhibit 4.4 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.6(a)	—	Form of $9\frac{1}{8}$% Senior Secured Notes due 2014 (included in Exhibit 4.2).
4.6(b)	—	Form of $9\frac{5}{4}$% Senior Secured Notes due 2016 (included in Exhibit 4.2).
4.6(c)	—	Form of $9\frac{3}{8}$%/$10\frac{3}{8}$% Senior Secured Toggle Notes due 1016 (included in Exhibit 4.2).
4.7(a)	—	$13,550,000,000 — €1,000,000,000 Credit Agreement, dated as of November 17, 2006, among HCA Inc., HCA UK Capital Limited, the lending institutions from time to time parties thereto, Banc of America Securities LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers and joint bookrunners, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citicorp North America, Inc., as co-syndication agents and Merrill Lynch Capital Corporation, as documentation agent (filed as Exhibit 4.8 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).

4.7(b)	—	Amendment No. 1 to the Credit Agreement, dated as of February 16, 2007, among HCA Inc., HCA UK Capital Limited, the lending institutions from time to time parties thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A., and Citicorp North America, Inc., as Co-Syndication Agents, Banc of America Securities, LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Lead Arrangers and Bookrunners, Deutsche Bank Securities and Wachovia Capital Markets LLC, as Joint Bookrunners and Merrill Lynch Capital Corporation, as Documentation Agent.
4.8	—	U.S. Guarantee, dated November 17, 2006, among HCA Inc., the subsidiary guarantors party thereto and Bank of America, N.A., as administrative agent (filed as Exhibit 4.9 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.9	—	Security Agreement, dated November 17, 2006, among HCA Inc., the subsidiary grantors party thereto and Bank of America, N.A., as collateral agent (filed as Exhibit 4.10 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.10	—	Pledge Agreement, dated November 17, 2006, among HCA Inc., the subsidiary pledgors party thereto and Bank of America, N.A., as collateral agent (filed as Exhibit 4.11 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.11	—	$2,000,000,000 Credit Agreement, dated as of November 17, 2006, among HCA Inc., the subsidiary borrowers parties thereto, the lending institutions from time to time parties thereto, Banc of America Securities LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers and joint bookrunners, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citicorp North America, Inc., as co-syndication agents and Merrill Lynch Capital Corporation, as documentation agent (filed as Exhibit 4.12 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.12	—	Security Agreement, dated as of November 17, 2006, among HCA Inc., the subsidiary borrowers party thereto and Bank of America, N.A., as collateral agent (filed as Exhibit 4.13 to the Company's Current Report on Form 8-K filed November 24, 2006, and incorporated herein by reference).
4.13	—	Registration Rights Agreement, dated as of November 17, 2006, among HCA Inc., Hercules Holding II, LLC and certain other parties thereto.
4.14	—	Registration Rights Agreement, dated as of March 16, 1989, by and among HCA-Hospital Corporation of America and the persons listed on the signature pages thereto (filed as Exhibit (g)(24) to Amendment No. 3 to the Schedule 13E-3 filed by HCA-Hospital Corporation of America, Hospital Corporation of America and The HCA Profit Sharing Plan on March 22, 1989, and incorporated herein by reference).
4.15	—	Assignment and Assumption Agreement, dated as of February 10, 1994, between HCA-Hospital Corporation of America and the Company relating to the Registration Rights Agreement, as amended (filed as Exhibit 4.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference).
4.16(a)	—	Indenture, dated as of December 16, 1993 between the Company and The First National Bank of Chicago, as Trustee (filed as Exhibit 4.11 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference).
4.16(b)	—	First Supplemental Indenture, dated as of May 25, 2000 between the Company and Bank One Trust Company, N.A., as Trustee (filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, and incorporated herein by reference).
4.16(c)	—	Second Supplemental Indenture, dated as of July 1, 2001 between the Company and Bank One Trust Company, N.A., as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, and incorporated herein by reference).
4.16(d)	—	Third Supplemental Indenture, dated as of December 5, 2001 between the Company and The Bank of New York, as Trustee (filed as Exhibit 4.5(d) to the Company's Annual Report of Form 10-K for the fiscal year ended December 31, 2001, and incorporated herein by reference).

4.16(e)	—	Fourth Supplemental Indenture, dated as of November 14, 2006, between the Company and The Bank of New York, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed November 16, 2006, and incorporated herein by reference).
4.17	—	Form of 7.5% Debentures due 2023 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated December 15, 1993, and incorporated herein by reference).
4.18	—	Form of 8.36% Debenture due 2024 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 20, 1994, and incorporated herein by reference).
4.19	—	Form of Fixed Rate Global Medium Term Note (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 11, 1994, and incorporated herein by reference).
4.20	—	Form of Floating Rate Global Medium Term Note (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated July 11, 1994, and incorporated herein by reference).
4.21	—	Form of 7.69% Note due 2025 (filed as Exhibit 4.10 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, and incorporated herein by reference).
4.22	—	Form of 7.19% Debenture due 2015 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 20, 1995, and incorporated herein by reference).
4.23	—	Form of 7.50% Debenture due 2095 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 20, 1995, and incorporated herein by reference).
4.24	—	Form of 7.05% Debenture due 2027 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 5, 1995, and incorporated herein by reference).
4.25	—	Form of Fixed Rate Global Medium Term Note (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 2, 1996, and incorporated herein by reference).
4.26(a)	—	8.750% Note in the principal amount of $400,000,000 due 2010 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 23, 2000, and incorporated herein by reference).
4.26(b)	—	8.750% Note in the principal amount of $350,000,000 due 2010 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated August 23, 2000, and incorporated herein by reference).
4.27	—	8.75% Note due 2010 in the principal amount of £150,000,000 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 25, 2000, and incorporated herein by reference).
4.28(a)	—	7 7/8% Note in the principal amount of $100,000,000 due 2011 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated January 23, 2001, and incorporated herein by reference).
4.28(b)	—	7 7/8% Note in the principal amount of $400,000,000 due 2011 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated January 23, 2001, and incorporated herein by reference).
4.29(a)	—	6.95% Note due 2012 in the principal amount of $400,000,000. (filed as Exhibit 4.5 to the Company's Current Report on Form 8-K dated April 23, 2002, and incorporated herein by reference).
4.29(b)	—	6.95% Note due 2012 in the principal amount of $100,000,000. (filed as Exhibit 4.6 to the Company's Current Report on Form 8-K dated April 23, 2002, and incorporated herein by reference).
4.30(a)	—	6.30% Note due 2012 in the principal amount of $400,000,000. (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 18, 2002, and incorporated herein by reference).
4.30(b)	—	6.30% Note due 2012 in the principal amount of $100,000,000. (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated September 18, 2002, and incorporated herein by reference).
4.31(a)	—	6.25% Note due 2013 in the principal amount of $400,000,000 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 5, 2003, and incorporated herein by reference).

4.31(b)	—	6.25% Note due 2013 in the principal amount of $100,000,000 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated February 5, 2003, and incorporated herein by reference).
4.32(a)	—	6 3/4% Note due 2013 in the principal amount of $400,000,000 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 23, 2003, and incorporated herein by reference).
4.32(b)	—	6 3/4% Note due 2013 in the principal amount of $100,000,000 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated July 23, 2003, and incorporated herein by reference).
4.33	—	7.50% Note due 2033 in the principal amount of $250,000,000 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 6, 2003, and incorporated herein by reference).
4.34	—	5.75% Note due 2014 in the principal amount of $500,000,000 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 8, 2004, and incorporated herein by reference).
4.35	—	5.500% Note due 2009 in the principal amount of $500,000,000 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 16, 2004, and incorporated herein by reference).
4.36(a)	—	6.375% Note due 2015 in the principal amount of $500,000,000 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 16, 2004, and incorporated herein by reference).
4.36(b)	—	6.375% Note due 2015 in the principal amount of $250,000,000 (filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated November 16, 2004, and incorporated herein by reference).
4.37(a)	—	6.500% Note due 2016 in the principal amount of $500,000,000 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 8, 2006, and incorporated herein by reference).
4.37(b)	—	6.500% Note due 2016 in the principal amount of $500,000,000 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 8, 2006, and incorporated herein by reference).
10.1(a)	—	Amended and Restated Columbia/ HCA Healthcare Corporation 1992 Stock and Incentive Plan (filed as Exhibit 10.7(b) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, and incorporated herein by reference).*
10.1(b)	—	First Amendment to Amended and Restated Columbia/ HCA Healthcare Corporation 1992 Stock and Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999, and incorporated herein by reference).*
10.2	—	HCA-Hospital Corporation of America Nonqualified Initial Option Plan (filed as Exhibit 4.6 to the Company's Registration Statement on Form S-3 (File No. 33-52379), and incorporated herein by reference).*
10.3	—	Form of Indemnity Agreement with certain officers and directors (filed as Exhibit 10(kk) to Galen Health Care, Inc.'s Registration Statement on Form 10, as amended, and incorporated herein by reference).
10.4	—	Form of Galen Health Care, Inc. 1993 Adjustment Plan (filed as Exhibit 4.15 to the Company's Registration Statement on Form S-8 (File No. 33-50147), and incorporated herein by reference).*
10.5	—	HCA-Hospital Corporation of America 1992 Stock Compensation Plan (filed as Exhibit 10(t) to HCA-Hospital Corporation of America's Registration Statement on Form S-1 (File No. 33-44906), and incorporated herein by reference).*
10.6	—	Columbia/HCA Healthcare Corporation 2000 Equity Incentive Plan (filed as Exhibit A to the Company's Proxy Statement for the Annual Meeting of Stockholders on May 25, 2000, and incorporated herein by reference).*

10.7	—	Form of Non-Qualified Stock Option Award Agreement (Officers) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated February 2, 2005, and incorporated herein by reference).*
10.8	—	HCA 2005 Equity Incentive Plan (filed as Exhibit B to the Company's Proxy Statement for the Annual Meeting of Shareholders on May 26, 2005, and incorporated herein by reference);.*
10.9	—	Form of 2005 Non-Qualified Stock Option Agreement (Officers) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated October 6, 2005, and incorporated herein by reference).*
10.10	—	Form of 2006 Non-Qualified Stock Option Award Agreement (Officers) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 1, 2006, and incorporated herein by reference).*
10.11	—	2006 Stock Incentive Plan for Key Employees of HCA Inc. and its Affiliates.*
10.12	—	Management Stockholder's Agreement dated November 17, 2006.
10.13	—	Sale Participation Agreement dated November 17, 2006.
10.14	—	Form of Option Rollover Agreement.*
10.15	—	Form of Option Agreement (2007).*
10.16	—	Exchange and Purchase Agreement.
10.17	—	Civil and Administrative Settlement Agreement, dated December 14, 2000 between the Company, the United States Department of Justice and others (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated December 20, 2000, and incorporated herein by reference).
10.18	—	Plea Agreement, dated December 14, 2000 between the Company, Columbia Homecare Group, Inc., Columbia Management Companies, Inc. and the United States Department of Justice (filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated December 20, 2000, and incorporated herein by reference).
10.19	—	Corporate Integrity Agreement, dated December 14, 2000 between the Company and the Office of Inspector General of the United States Department of Health and Human Services (filed as Exhibit 99.4 to the Company's Current Report on Form 8-K dated December 20, 2000, and incorporated herein by reference).
10.20	—	Management Agreement, dated November 17, 2006, among HCA Inc., Bain Capital Partners, LLC, Kohlberg Kravis Roberts & Co. L.P., Dr. Thomas F. Frist Jr., Patricia F. Elcan, William R. Frist and Thomas F. Frist, III, and Merrill Lynch Global Partners, Inc.
10.21	—	Retirement Agreement between the Company and Thomas F. Frist, Jr., M.D. dated as of January 1, 2002 (filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, and incorporated herein by reference).*
10.22(a)	—	HCA Supplemental Executive Retirement Plan dated as of July 1, 2001 (filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, and incorporated herein by reference).*
10.22(b)	—	First Amendment to the HCA Supplemental Executive Retirement Plan (filed as Exhibit 10.21(b) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, and incorporated herein by reference).*
10.22(c)	—	Second Amendment to Supplemental Executive Retirement Plan dated November 16, 2006.*
10.23	—	HCA Restoration Plan dated as of January 1, 2001 (filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, and incorporated herein by reference).*
10.24	—	HCA Inc. 2005 Senior Officer Performance Excellence Program (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 30, 2005, and incorporated herein by reference).*
10.25	—	HCA Inc. 2006 Senior Officer Performance Excellence Program (filed as Exhibit 10.3 to the Company's Current Report on 8-K filed February 1, 2006, and incorporated herein by reference).*
10.26	—	HCA Inc. 2007 Senior Officer Performance Excellence Program.*

10.27(a)	—	Employment Agreement dated November 16, 2006 (Jack O. Bovender Jr.).*
10.27(b)	—	Employment Agreement dated November 16, 2006 (Richard M. Bracken).*
10.27(c)	—	Employment Agreement dated November 16, 2006 (R. Milton Johnson).*
10.27(d)	—	Employment Agreement dated November 16, 2006 (Samuel N. Hazen).*
10.27(e)	—	Employment Agreement dated November 16, 2006 (W. Paul Rutledge).*
10.28	—	Administrative Settlement Agreement dated June 25, 2003 by and between the United States Department of Health and Human Services, acting through the Centers for Medicare and Medicaid Services, and the Company (filed as Exhibit 10.1 to the Company's Quarterly Report of Form 10-Q for the quarter ended June 30, 2003, and incorporated herein by reference).
10.29	—	Civil Settlement Agreement by and among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General of the Department of Health and Human Services, the TRICARE Management Activity (filed as Exhibit 10.2 to the Company's Quarterly Report of Form 10-Q for the quarter ended June 30, 2003, and incorporated herein by reference).
10.30(a)	—	$2.5 billion Credit Agreement, dated November 9, 2004, by and among the Company, the several banks and other financial institutions from time to time parties hereto, J.P. Morgan Securities Inc., as Sole Advisor, Lead Arranger and Bookrunner, certain other agents and arrangers and JPMorgan Chase Bank, as Administrative Agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 10, 2004, and incorporated herein by reference).
10.30(b)	—	First Amendment to $2.5 billion Credit Agreement, dated November 3, 2005 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 3, 2005, and incorporated herein by reference).
10.31	—	$1.0 billion Credit Agreement, dated November 3, 2005, by and among the Company, the Several banks and other financial institutions from time to time parties thereto, J.P. Morgan Securities Inc., Merrill Lynch & Co., and Merrill Lynch, Pierce, Fenner & Smith, incorporated, as Joint Lead Arrangers & Joint Bookrunners, Merrill Lynch Capital Corporation, as Syndication Agent, and J.P. Morgan Chase Bank, as Administrative Agent (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 3, 2005, and incorporated herein by reference).
12	—	Statement re Computation of Ratio of Earnings to Fixed Charges.
21	—	List of Subsidiaries.
23	—	Consent of Ernst & Young LLP.
31.1	—	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	—	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	—	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Management compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HCA INC.

By: /s/ JACK O. BOVENDER, JR.

Jack O. Bovender, Jr.
Chief Executive Officer

Dated: March 27, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JACK O. BOVENDER, JR. Jack O. Bovender, Jr.	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 27, 2007
/s/ RICHARD M. BRACKEN Richard M. Bracken	President, Chief Operating Officer and Director	March 27, 2007
/s/ R. MILTON JOHNSON R. Milton Johnson	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 27, 2007
/s/ CHRISTOPHER J. BIROSAK Christopher J. Birosak	Director	March 27, 2007
/s/ GEORGE A. BITAR George A. Bitar	Director	March 27, 2007
/s/ JOHN P. CONNAUGHTON John P. Connaughton	Director	March 27, 2007
/s/ THOMAS F. FRIST, JR., M.D. Thomas F. Frist, Jr., M.D.	Director	March 27, 2007
/s/ THOMAS F. FRIST, III Thomas F. Frist, III	Director	March 27, 2007
/s/ CHRISTOPHER R. GORDON Christopher R. Gordon	Director	March 27, 2007
/s/ MICHAEL W. MICHELSON Michael W. Michelson	Director	March 27, 2007
/s/ JAMES C. MOMTAZEE James C. Momtazee	Director	March 27, 2007

Signature	Title	Date
/s/ STEPHEN G. PAGLIUCA Stephen G. Pagliuca	Director	March 27, 2007
/s/ PETER M. STAVROS Peter M. Stavros	Director	March 27, 2007
/s/ NATHAN C. THORNE Nathan C. Thorne	Director	March 27, 2007

HCA INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
HCA Inc.

We have audited the accompanying consolidated balance sheets of HCA Inc. as of December 31, 2006 and 2005, and the related consolidated statements of income, stockholders' (deficit) equity, and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of HCA Inc. at December 31, 2006 and 2005, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Company adopted the provisions of FASB Staff Position No. 45-3, "Application of FASB Interpretation No. 45 to Minimum Revenue Guarantees Granted to a Business or its Owners" and FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)" on January 1, 2006. Also, as discussed in Note 3 to the consolidated financial statements, effective January 1, 2006 the Company adopted the provisions of FASB Statement No. 123(R), "Share-Based Payment."

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of HCA Inc.'s internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 22, 2007 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
March 22, 2007

HCA INC.
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Dollars in millions)

	2006	2005	2004
Revenues	**$ 25,477**	$ 24,455	$ 23,502
Salaries and benefits	**10,409**	9,928	9,419
Supplies	**4,322**	4,126	3,901
Other operating expenses	**4,057**	4,039	3,797
Provision for doubtful accounts	**2,660**	2,358	2,669
Gains on investments	**(243)**	(53)	(56)
Equity in earnings of affiliates	**(197)**	(221)	(194)
Depreciation and amortization	**1,391**	1,374	1,250
Interest expense	**955**	655	563
Gains on sales of facilities	**(205)**	(78)	—
Transaction costs	**442**	—	—
Impairment of long-lived assets	**24**	—	12
	23,615	22,128	21,361
Income before minority interests and income taxes	**1,862**	2,327	2,141
Minority interests in earnings of consolidated entities	**201**	178	168
Income before income taxes	**1,661**	2,149	1,973
Provision for income taxes	**625**	725	727
Net income	**$ 1,036**	$ 1,424	$ 1,246

The accompanying notes are an integral part of the consolidated financial statements.

HCA INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2006 AND 2005
(Dollars in millions)

	2006	2005
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 634**	$ 336
Accounts receivable, less allowance for doubtful accounts of $3,428 and $2,897	**3,705**	3,332
Inventories	**669**	616
Deferred income taxes	**476**	372
Other	**594**	559
	6,078	5,215
Property and equipment, at cost:		
Land	**1,238**	1,212
Buildings	**8,178**	8,063
Equipment	**11,170**	10,594
Construction in progress	**1,321**	949
	21,907	20,818
Accumulated depreciation	**(10,238)**	(9,439)
	11,669	11,379
Investments of insurance subsidiary	**1,886**	2,134
Investments in and advances to affiliates	**679**	627
Goodwill	**2,601**	2,626
Deferred loan costs	**614**	85
Other	**148**	159
	$ 23,675	$ 22,225
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable	**$ 1,415**	$ 1,484
Accrued salaries	**675**	561
Other accrued expenses	**1,193**	1,264
Long-term debt due within one year	**293**	586
	3,576	3,895
Long-term debt	**28,115**	9,889
Professional liability risks	**1,309**	1,336
Deferred income taxes and other liabilities	**1,017**	1,414
Minority interests in equity of consolidated entities	**907**	828
Equity securities with contingent redemption rights	**125**	—
Stockholders' (deficit) equity:		
Common stock $0.01 par; authorized 125,000,000 shares — 2006 and 1,650,000,000 — 2005; outstanding 92,217,800 shares — 2006 and 417,512,700 shares — 2005	**1**	4
Accumulated other comprehensive income	**16**	130
Retained (deficit) earnings	**(11,391)**	4,729
	(11,374)	4,863
	$ 23,675	$ 22,225

The accompanying notes are an integral part of the consolidated financial statements.

HCA INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Dollars in millions)

	Common Stock		Capital in Excess of Par Value	Other	Accumulated Other Comprehensive Income	Retained Earnings (Deficit)	Total
	Shares (000)	Par Value					
Balances, December 31, 2003	490,718	$ 5	$ —	$ 5	$ 168	$ 6,031	$ 6,209
Comprehensive income:							
Net income						1,246	1,246
Other comprehensive income:							
Change in net unrealized gains on investment securities					10		10
Foreign currency translation adjustments					21		21
Defined benefit plans					(6)		(6)
Total comprehensive income					25	1,246	1,271
Cash dividends declared						(251)	(251)
Stock repurchases	(77,382)	(1)	(292)			(2,816)	(3,109)
Stock options exercised	7,032		224	(5)			219
Employee benefit plan issuances	2,274		68				68
Balances, December 31, 2004	422,642	4	—	—	193	4,210	4,407
Comprehensive income:							
Net income						1,424	1,424
Other comprehensive income:							
Change in net unrealized gains on investment securities					(30)		(30)
Foreign currency translation adjustments					(37)		(37)
Defined benefit plans					4		4
Total comprehensive income					(63)	1,424	1,361
Cash dividends declared						(257)	(257)
Stock repurchases	(36,692)		(1,208)			(648)	(1,856)
Stock options exercised	27,034		1,106				1,106
Employee benefit plan issuances	4,529		102				102
Balances, December 31, 2005	417,513	4	—	—	130	4,729	4,863
Comprehensive income:							
Net income						1,036	1,036
Other comprehensive income:							
Change in net unrealized gains on investment securities					(102)		(102)
Foreign currency translation adjustments					19		19
Defined benefit plans					(49)		(49)
Change in fair value of derivative instruments					18		18
Total comprehensive income					(114)	1,036	922
Recapitalization — repurchase of common stock	(411,957)	(4)	(5,005)			(16,364)	(21,373)
Recapitalization — equity contribution	92,218	1	4,476				4,477
Cash dividends declared						(139)	(139)
Stock repurchases	(13,057)					(653)	(653)
Stock options exercised	3,970		163				163
Employee benefit plan issuances	3,531		366				366
Balances, December 31, 2006	92,218	$ 1	$ —	$ —	$ 16	$ (11,391)	$ (11,374)

The accompanying notes are an integral part of the consolidated financial statements.

HCA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Dollars in millions)

	2006	2005	2004
Cash flows from operating activities:			
Net income	**$ 1,036**	$ 1,424	$ 1,246
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for doubtful accounts	**2,660**	2,358	2,669
Depreciation and amortization	**1,391**	1,374	1,250
Income taxes	**(552)**	162	333
Gains on sales of facilities	**(205)**	(78)	—
Impairment of long-lived assets	**24**	—	12
Increase (decrease) in cash from operating assets and liabilities:			
Accounts receivable	**(3,043)**	(2,649)	(2,648)
Inventories and other assets	**(12)**	28	(179)
Accounts payable and accrued expenses	**115**	343	157
Share-based compensation	**324**	30	5
Change in minority interests	**58**	(13)	109
Other	**49**	(8)	—
Net cash provided by operating activities	**1,845**	2,971	2,954
Cash flows from investing activities:			
Purchase of property and equipment	**(1,865)**	(1,592)	(1,513)
Acquisition of hospitals and health care entities	**(112)**	(126)	(44)
Disposal of hospitals and health care entities	**651**	320	48
Change in investments	**26**	(311)	(178)
Other	**(7)**	28	(1)
Net cash used in investing activities	**(1,307)**	(1,681)	(1,688)
Cash flows from financing activities:			
Issuances of long-term debt	**21,758**	858	2,500
Net change in revolving bank credit facility	**(435)**	(225)	190
Repayment of long-term debt	**(3,728)**	(739)	(912)
Repurchases of common stock	**(653)**	(1,856)	(3,109)
Recapitalization-repurchase of common stock	**(20,364)**	—	—
Recapitalization-equity contributions	**3,782**	—	—
Payment of debt issuance costs	**(586)**	—	—
Issuances of common stock	**108**	1,009	224
Payment of cash dividends	**(201)**	(258)	(199)
Other	**79**	(1)	(41)
Net cash used in financing activities	**(240)**	(1,212)	(1,347)
Change in cash and cash equivalents	**298**	78	(81)
Cash and cash equivalents at beginning of period	**336**	258	339
Cash and cash equivalents at end of period	**$ 634**	$ 336	$ 258
Interest payments	**$ 893**	$ 624	$ 533
Income tax payments, net of refunds	**$ 1,087**	$ 563	$ 394

The accompanying notes are an integral part of the consolidated financial statements.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ACCOUNTING POLICIES

Merger, Recapitalization and Reporting Entity

On November 17, 2006 HCA Inc. (the "Company") completed its merger (the "Merger") with Hercules Acquisition Corporation (the "Merger Sub") pursuant to which the Company was acquired by a private investor group, including affiliates of Bain Capital, Kohlberg Kravis Roberts & Co., Merrill Lynch Global Private Equity (each a "Sponsor"), entities associated with HCA founder, Dr. Thomas F. Frist Jr., (the "Frist Entities," and together with the Sponsors, the "Investors") and certain members of management. The Merger, the financing transactions related to the Merger and other related transactions are collectively referred to in this annual report as the "Recapitalization." The Merger has been accounted for as a recapitalization in HCA's financial statements, with no adjustments to the historical basis of HCA's 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. Our common stock is no longer registered with the Securities and Exchange Commission (the "SEC") and is no longer traded on a national securities exchange.

HCA Inc. is a holding company whose affiliates own and operate hospitals and related health care entities. The term "affiliates" includes direct and indirect subsidiaries of HCA Inc. and partnerships and joint ventures in which such subsidiaries are partners. At December 31, 2006, these affiliates owned and operated 166 hospitals, 98 freestanding surgery centers and provided extensive outpatient and ancillary services. Affiliates of HCA are also partners in joint ventures that own and operate seven hospitals and nine freestanding surgery centers, which are accounted for using the equity method. The Company's facilities are located in 20 states, England and Switzerland. The terms "HCA," "Company," "we," "our" or "us," as used in this annual report on Form 10-K, refer to HCA Inc. and its affiliates unless otherwise stated or indicated by context.

Basis of Presentation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

The consolidated financial statements include all subsidiaries and entities controlled by HCA. We generally define "control" as ownership of a majority of the voting interest of an entity. The consolidated financial statements include entities in which we absorb a majority of the entity's expected losses, receive a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity. Significant intercompany transactions have been eliminated. Investments in entities that we do not control, but in which we have a substantial ownership interest and can exercise significant influence, are accounted for using the equity method.

We have completed various acquisitions and joint venture transactions. The accounts of these entities have been included in our consolidated financial statements for periods subsequent to our acquisition of controlling interests. The majority of our expenses are "cost of revenue" items. Costs that could be classified as general and administrative include the corporate office costs, which were $187 million, $185 million and $162 million for the years ended December 31, 2006, 2005 and 2004, respectively.

Revenues

Revenues consist primarily of net patient service revenues that are recorded based upon established billing rates less allowances for contractual adjustments. Revenues are recorded during the period the health care services are provided, based upon the estimated amounts due from the patients and third-party payers. Third-party payers include federal and state agencies (under the Medicare and Medicaid programs), managed

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1 — ACCOUNTING POLICIES (Continued)

Revenues (Continued)

care health plans, commercial insurance companies and employers. Estimates of contractual allowances under managed care health plans are based upon the payment terms specified in the related contractual agreements. Contractual payment terms in managed care agreements are generally based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount. The estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined (in relation to certain government programs, primarily Medicare, this is generally referred to as the "cost report" filing and settlement process). The adjustments to estimated reimbursement amounts, which resulted in net increases to revenues, related to cost reports filed during the respective year were $55 million, $49 million and $44 million in 2006, 2005 and 2004, respectively. The adjustments to estimated reimbursement amounts, which resulted in net increases to revenues, related to cost reports filed during previous years were $62 million, $36 million and $26 million in 2006, 2005 and 2004, respectively.

The Emergency Medical Treatment and Active Labor Act ("EMTALA") requires any hospital that participates in the Medicare program to conduct an appropriate medical screening examination of every person who presents to the hospital's emergency room for treatment and, if the individual is suffering from an emergency medical condition, to either stabilize that condition or make an appropriate transfer of the individual to a facility that can handle the condition. The obligation to screen and stabilize emergency medical conditions exists regardless of an individual's ability to pay for treatment. Federal and state laws and regulations, including but not limited to EMTALA, require, and our commitment to providing quality patient care encourages, us to provide services to patients who are financially unable to pay for the health care services they receive. Because we do not pursue collection of amounts determined to qualify as charity care, they are not reported in revenues. Patients treated at hospitals for nonelective care, who have income at or below 200% of the federal poverty level, are eligible for charity care. The federal poverty level is established by the federal government and is based on income and family size. On January 1, 2005, we modified our policies to provide a discount to uninsured patients who do not qualify for Medicaid or charity care. These discounts are similar to those provided to many local managed care plans. In implementing the discount policy, we first attempt to qualify uninsured patients for Medicaid, other federal or state assistance or charity care. If an uninsured patient does not qualify for these programs, the uninsured discount is applied.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less when purchased. Our insurance subsidiary's cash equivalent investments in excess of the amounts required to pay estimated professional liability claims during the next twelve months are not included in cash and cash equivalents as these funds are not available for general corporate purposes. Carrying values of cash and cash equivalents approximate fair value due to the short-term nature of these instruments.

Our cash management system provides for daily investment of available balances and the funding of outstanding checks when presented for payment. Outstanding, but unpresented, checks totaling $429 million and $493 million at December 31, 2006 and 2005, respectively, have been included in accounts payable in the consolidated balance sheets. Upon presentation for payment, these checks are funded through available cash balances or our credit facility.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1 — ACCOUNTING POLICIES (Continued)

Accounts Receivable

We receive payments for services rendered from federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, employers and patients. During the years ended December 31, 2006, 2005 and 2004, approximately 26%, 27% and 28%, respectively, of our revenues related to patients participating in the Medicare program. We recognize that revenues and receivables from government agencies are significant to our operations, but do not believe there are significant credit risks associated with these government agencies. We do not believe there are any other significant concentrations of revenues from any particular payer that would subject us to any significant credit risks in the collection of our accounts receivable.

Additions to the allowance for doubtful accounts are made by means of the provision for doubtful accounts. Accounts written off as uncollectable are deducted from the allowance for doubtful accounts and subsequent recoveries are added. The amount of the provision for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. The provision for doubtful accounts and the allowance for doubtful accounts relate primarily to "uninsured" amounts (including copayment and deductible amounts from patients who have health care coverage) due directly from patients. Accounts are written off when all reasonable internal and external collection efforts have been performed. We consider the return of an account from the primary external collection agency to be the culmination of our reasonable collection efforts and the timing basis for writing off the account balance. Writeoffs are based upon specific identification and the writeoff process requires a writeoff adjustment entry to the patient accounting system. Management relies on the results of detailed reviews of historical writeoffs and recoveries at facilities that represent a majority of our revenues and accounts receivable (the "hindsight analysis") as a primary source of information to utilize in estimating the collectability of our accounts receivable. We perform the hindsight analysis quarterly, utilizing rolling twelve-months accounts receivable collection and writeoff data. At December 31, 2006, our allowance for doubtful accounts represented approximately 86% of the $3.972 billion patient due accounts receivable balance, including accounts, net of estimated contractual discounts, related to patients for which eligibility for Medicaid coverage was being evaluated ("pending Medicaid accounts"). At December 31, 2005, our allowance for doubtful accounts represented approximately 85% of the $3.404 billion patient due accounts receivable balance, including net pending Medicaid accounts. Revenue days in accounts receivable were 53 days, 50 days and 48 days at December 31, 2006, 2005 and 2004, respectively. Adverse changes in general economic conditions, patient accounting service center operations, payer mix, or trends in federal or state governmental health care coverage could affect our collection of accounts receivable, cash flows and results of operations.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market.

Property and Equipment and Amortizable Intangibles

Depreciation expense, computed using the straight-line method, was $1.384 billion in 2006, $1.371 billion in 2005, and $1.248 billion in 2004. Buildings and improvements are depreciated over estimated useful lives ranging generally from 10 to 40 years. Estimated useful lives of equipment vary generally from four to 10 years.

Debt issuance costs are amortized based upon the terms of the respective debt obligations. The gross carrying amount of deferred loan costs at December 31, 2006 and 2005 was $668 million and $138 million, respectively, and accumulated amortization was $54 million and $53 million at December 31, 2006 and 2005,

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1 — ACCOUNTING POLICIES (Continued)

Property and Equipment and Amortizable Intangibles (Continued)

respectively. Amortization of deferred loan costs is included in interest expense and was $18 million, $14 million and $14 million for 2006, 2005 and 2004, respectively.

When events, circumstances or operating results indicate that the carrying values of certain long-lived assets and related identifiable intangible assets (excluding goodwill) that are expected to be held and used, might be impaired, we prepare projections of the undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the projections indicate that the recorded amounts are not expected to be recoverable, such amounts are reduced to estimated fair value. Fair value may be estimated based upon internal evaluations that include quantitative analyses of revenues and cash flows, reviews of recent sales of similar facilities and independent appraisals.

Long-lived assets to be disposed of are reported at the lower of their carrying amounts or fair value less costs to sell or close. The estimates of fair value are usually based upon recent sales of similar assets and market responses based upon discussions with and offers received from potential buyers.

Investments of Insurance Subsidiary

At December 31, 2006 and 2005, the investments of our wholly-owned insurance subsidiary were classified as “available-for-sale” as defined in Statement of Financial Accounting Standards No. 115, “Accounting for Certain Investments in Debt and Equity Securities” and are recorded at fair value. The investment securities are held for the purpose of providing the funding source to pay professional liability claims covered by the insurance subsidiary. Management performs a quarterly assessment of individual investment securities to determine whether declines in market value are temporary or other-than-temporary. Management’s investment securities evaluation process involves multiple subjective judgments, often involves estimating the outcome of future events, and requires a significant level of professional judgment in determining whether an impairment has occurred. We evaluate, among other things, the financial position and near term prospects of the issuer, conditions in the issuer’s industry, liquidity of the investment, changes in the amount or timing of expected future cash flows from the investment, and recent downgrades of the issuer by a rating agency, to determine if, and when, a decline in the fair value of an investment below amortized cost is considered other-than-temporary. The length of time and extent to which the fair value of the investment is less than amortized cost and our ability and intent to retain the investment, to allow for any anticipated recovery of the investment’s fair value, are important components of management’s investment securities evaluation process.

Goodwill

Goodwill is not amortized, but is subject to annual impairment tests. In addition to the annual impairment reviews, impairment reviews are performed whenever circumstances indicate a possible impairment may exist. Impairment testing for goodwill is done at the reporting unit level. Reporting units are one level below the business segment level, and our impairment testing is performed at the operating division or market level. We compare the fair value of the reporting unit assets to the carrying amount, on at least an annual basis, to determine if there is potential impairment. If the fair value of the reporting unit assets is less than their carrying value, we compare the fair value of the goodwill to its carrying value. If the fair value of the goodwill is less than its carrying value, an impairment loss is recognized. Fair value of goodwill is estimated based upon internal evaluations of the related long-lived assets for each reporting unit that include quantitative analyses of revenues and cash flows and reviews of recent sales of similar facilities. No goodwill impairment losses were recognized during 2006, 2005 or 2004.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1 — ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

During 2006, goodwill increased by $38 million related to acquisitions, decreased by $86 million related to facility sales and increased by $23 million related to foreign currency translation and other adjustments. During 2005, goodwill increased by $129 million related to acquisitions, decreased by $35 million related to facility sales and decreased by $8 million related to foreign currency translation and other adjustments.

Physician Recruiting Agreements

In order to recruit physicians to meet the needs of our hospitals and the communities they serve, we enter into minimum revenue guarantee arrangements to assist the recruited physicians during the period they are relocating and establishing their practices. In November 2005, the Financial Accounting Standards Board (the "FASB") issued FASB Staff Position No. 45-3, "Application of FASB Interpretation No. 45 to Minimum Revenue Guarantees Granted to a Business or Its Owners" ("FSP FIN 45-3"). Under FSP FIN 45-3, a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the stand-ready obligation undertaken in issuing the guarantee.

FSP FIN 45-3 is effective for minimum revenue guarantees issued or modified on or after January 1, 2006. For periods before January 1, 2006, we expensed physician recruitment agreement amounts as the expenses to be reimbursed were incurred by the recruited physicians, which was generally over a 12 month period. For 2006 minimum revenue guarantees, we have expensed the total estimated guarantee liability amount at the time the physician recruiting agreement becomes effective. We determined that expensing the total estimated liability amount at the agreement effective date was the proper accounting treatment as we could not justify recording a contract-based asset based upon our analysis of the related control, regulatory and legal considerations.

The physician recruiting liability of $14 million at December 31, 2006 represents the amount of expense recognized in excess of estimated payments made through December 31, 2006. At December 31, 2006 the maximum amount of all effective, post January 1, 2006 minimum revenue guarantees that could be paid prospectively was $51 million.

Professional Liability Claims

A substantial portion of our professional liability risks is insured through a wholly-owned insurance subsidiary. Reserves for professional liability risks were $1.584 billion and $1.621 billion at December 31, 2006 and 2005, respectively. The current portion of the reserves, $275 million and $285 million at December 31, 2006 and 2005, respectively, is included in "other accrued expenses" in the consolidated balance sheet. Provisions for losses related to professional liability risks were $217 million, $298 million and $291 million for the years ended December 31, 2006, 2005 and 2004, respectively, and are included in "other operating expenses" in our consolidated income statement. Provisions for losses related to professional liability risks are based upon actuarially determined estimates. Loss and loss expense reserves represent the estimated ultimate net cost of all reported and unreported losses incurred through the respective consolidated balance sheet dates. The reserves for unpaid losses and loss expenses are estimated using individual case-basis valuations and actuarial analyses. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are continually reviewed and adjustments are recorded as experience develops or new information becomes known. Adjustments to the estimated reserve amounts are included in current operating results. The provision for losses for 2006, 2005 and 2004 include reductions of $136 million, $83 million and $59 million, respectively, to our estimated professional liability reserves. The amounts of the changes to the estimated professional liability reserves were determined based upon the semiannual, independent actuarial analyses,

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1 — ACCOUNTING POLICIES (Continued)

Professional Liability Claims (Continued)

which recognized declining frequency and moderating severity claims trends at our facilities. We believe these favorable trends are primarily attributable to tort reforms enacted in key states, particularly Texas, and our risk management and patient safety initiatives, particularly in the areas of obstetrics and emergency services. The reserves for professional liability risks cover approximately 3,000 and 3,300 individual claims at December 31, 2006 and 2005, respectively, and estimates for unreported potential claims. The time period required to resolve these claims can vary depending upon the jurisdiction and whether the claim is settled or litigated. During 2006 and 2005, $253 million and $242 million, respectively, of payments (net of reinsurance recoveries of $5 million and $12 million, respectively) were made for professional and general liability claims. The estimation of the timing of payments beyond a year can vary significantly. Although considerable variability is inherent in professional liability reserve estimates, management believes that the reserves for losses and loss expenses are adequate; however, there can be no assurance that the ultimate liability will not exceed management's estimates.

Our facilities are insured by our wholly-owned insurance subsidiary for losses up to $50 million per occurrence. The insurance subsidiary has obtained reinsurance for professional liability risks generally above a retention level of $15 million per occurrence. We also maintain professional liability insurance with unrelated commercial carriers for losses in excess of amounts insured by our insurance subsidiary. Effective January 1, 2007, our facilities will generally be self-insured for the first $5 million of per occurrence losses.

The obligations covered by reinsurance contracts are included in the reserves for professional liability risks, as the subsidiary remains liable to the extent that the reinsurers do not meet their obligations under the reinsurance contracts. The amounts receivable under the reinsurance contracts of $42 million and $43 million at December 31, 2006 and 2005, respectively, are included in other assets (including $10 million and $25 million December 31, 2006 and 2005, respectively, included in other current assets). A return of premiums relating to reinsurance contracts resulted in a net increase to the reserves for professional liability risks of $8 million during 2005.

Financial Instruments

Derivative financial instruments are employed to manage risks, including foreign currency and interest rate exposures, and are not used for trading or speculative purposes. We recognize derivative instruments, such as interest rate swap agreements and foreign exchange contracts, in the consolidated balance sheets at fair value. Changes in the fair value of derivatives are recognized periodically either in earnings or in stockholders' equity, as a component of other comprehensive income, depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or a cash flow hedge. Generally, changes in fair values of derivatives accounted for as fair value hedges are recorded in earnings, along with the changes in the fair value of the hedged items that relate to the hedged risk. Gains and losses on derivatives designated as cash flow hedges, to the extent they are effective, are recorded in other comprehensive income, and subsequently reclassified to earnings to offset the impact of the hedged items when they occur. In the event the forecasted transaction to which a cash flow hedge relates is no longer likely, the amount in other comprehensive income is recognized in earnings and generally the derivative is terminated. Changes in the fair value of derivatives used as hedges of the net investment in foreign operations are reported in other comprehensive income. Changes in the fair value of derivatives not qualifying as hedges, and for any portion of a hedge that is ineffective, are reported in earnings.

The net interest paid or received on interest rate swaps is recognized as interest expense. Gains and losses resulting from the early termination of interest rate swap agreements are deferred and amortized as

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1 — ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

adjustments to interest expense over the remaining period of the debt originally covered by the terminated swap.

Minority Interests in Consolidated Entities

The consolidated financial statements include all assets, liabilities, revenues and expenses of less than 100% owned entities that we control. Accordingly, we have recorded minority interests in the earnings and equity of such entities.

Recent Pronouncements

In July 2006, the FASB issued the final Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 creates a single model to address uncertainty in income tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 applies to all tax positions related to income taxes subject to FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 requires expanded disclosures, which include a tabular rollforward of the beginning and ending aggregate unrecognized tax benefits, as well as specific detail related to tax uncertainties for which it is reasonably possible the amount of unrecognized tax benefit will significantly increase or decrease within twelve months. These disclosures will be required at each annual reporting period unless a significant change occurs in an interim period. FIN 48 is effective for fiscal years beginning after December 15, 2006. Differences between the amounts recognized in the statements of financial position prior to the adoption of FIN 48 and the amounts recognized after adoption will be accounted for as a cumulative effect adjustment recorded to the beginning balance of retained earnings. We are currently evaluating the impact of adopting FIN 48.

During September 2006, the FASB issued Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)" ("SFAS 158"). SFAS 158 represents the completion of the first phase in the FASB's postretirement benefits accounting project and requires an entity to: recognize in its balance sheet an asset for a defined benefit postretirement plan's overfunded status or a liability for a plan's underfunded status; measure a defined benefit postretirement plan's assets and obligations that determine its funded status as of the end of the employer's fiscal year; and recognize changes in the funded status of a defined benefit postretirement plan in comprehensive income in the year in which the changes occur. SFAS 158 does not change the amount of net periodic benefit cost included in results of operations. On December 31, 2006, we adopted the recognition and disclosure provisions of SFAS 158. The effect of adopting SFAS 158 on financial condition at December 31, 2006 has been included in the accompanying consolidated financial statements. SFAS 158 did not have an effect on our consolidated financial condition at December 31, 2005 or for prior periods.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 2006 presentation.

NOTE 2 — MERGER AND RECAPITALIZATION

On July 24, 2006, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Hercules Holding II, LLC, a Delaware limited liability company ("Hercules Holding"), and Hercules

NOTE 2 — MERGER AND RECAPITALIZATION (Continued)

Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Hercules Holding. Our board of directors approved the Merger Agreement on the unanimous recommendation of a special committee comprised entirely of disinterested directors. The Merger was approved by a majority of HCA's shareholders at a special meeting of shareholders held on November 16, 2006.

On November 17, 2006, pursuant to the terms of the Merger Agreement, the Investors consummated the acquisition of the Company through the merger of Merger Sub with and into the Company. The Company was the surviving corporation in the Merger. Approximately 98% of our common stock is owned directly by Hercules Holding, with the remainder being owned by certain members of management of the Company. Affiliates of each of the Sponsors indirectly own approximately 25% of the common stock of the Company through their ownership in Hercules Holding, and affiliates of the Frist Entities and certain coinvestors directly and indirectly own approximately 20% of the common stock of the Company through direct ownership and through their ownership in Hercules Holding. On the effective date of the Merger, each outstanding share of HCA common stock, other than shares contributed by the rollover shareholders or shares owned by HCA, Merger Sub or any shareholders who were entitled to appraisal rights, were cancelled and converted into the right to receive $51.00 in cash. The aggregate purchase price paid for all of the equity securities of the Company was $20.364 billion, which purchase price was funded by $3.782 billion of equity contributions from the Investors, certain members of management and certain other coinvestors and by incurring $19.964 billion of indebtedness through bank credit facilities and the issuance of debt securities.

The Recapitalization transactions included retaining $7.750 billion of the Company's existing indebtedness, the retirement of $3.182 billion of the Company's existing indebtedness and the payment of $745 million of Recapitalization related fees and expenses.

Rollover and Stockholder Agreements And Equity Securities with Contingent Redemption Rights

In connection with the Merger, the Frist Entities and certain members of our management entered into agreements with the Company and/or Hercules Holding, pursuant to which they elected to invest in the Company, as the surviving corporation in the Merger, through a rollover of employee stock options, a rollover of shares of common stock of the Company, or a combination thereof. Pursuant to the rollover agreements the Frist Entities and management team made rollover investments of $885 million and $125 million, respectively.

The stockholder agreements, among other things, contain agreements among the parties with respect to restrictions on the transfer of shares, including tag along rights and drag along rights, registration rights (including customary indemnification provisions) and other rights. Pursuant to the management stockholder agreements, the applicable employees can elect to have the Company redeem their common stock and vested stock options in the events of death or permanent disability, prior to the consummation of the initial public offering of common stock by the Company. At December 31, 2006, 727,600 common shares and 2,285,200 vested stock options were subject to these contingent redemption terms.

Management Agreement

Affiliates of the Investors entered into a management agreement with us pursuant to which such affiliates will provide us with management services. Under the management agreement, the affiliates of the Investors are entitled to receive an aggregate annual management fee of $15 million, which amount will increase annually beginning in 2008 at a rate equal to the percentage increase in our "EBITDA" in the applicable year compared to the preceding year, and reimbursement of out-of-pocket expenses incurred in connection with the provision of services pursuant to the agreement. The management agreement has an initial term expiring on December 31, 2016, provided that the term will be extended annually for one additional year unless we or the Investors provide notice to the other of their desire not to automatically extend the term. The management

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 2 — MERGER AND RECAPITALIZATION (Continued)

Management Agreement (Continued)

agreement provided that affiliates of the Investors receive aggregate transaction fees of $175 million in connection with certain services provided in connection with the Merger and related transactions. In addition, the management agreement provides that the affiliates of the Investors will be entitled to receive a fee equal to 1% of the gross transaction value in connection with certain subsequent financing, acquisition, disposition, and change of control transactions, as well as a termination fee based on the net present value of future payment obligations under the management agreement in the event of an initial public offering or under certain other circumstances. The agreement also contains customary exculpation and indemnification provisions in favor of the Investors and their affiliates.

Recapitalization Transaction Costs

For the year ended December 31, 2006, our results of operations include the following charges related to the Recapitalization (dollars in millions):

Compensation expense related to accelerated vesting of stock options and restricted stock, and other employee benefits	$ 258
Consulting, legal, accounting and other transaction costs	131
Loss on extinguishment of debt	53
Total	$ 442

In addition to these amounts, approximately $77 million of transaction costs were recorded directly to shareholders' deficit, and an additional $568 million of transaction costs were capitalized as deferred loan costs.

NOTE 3 — SHARE-BASED COMPENSATION

Effective January 1, 2006, we adopted Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment" ("SFAS 123(R)"), using the modified prospective application transition method. Under this method, compensation cost is recognized, beginning January 1, 2006, based on the requirements of SFAS 123(R) for all share-based awards granted after the effective date, and based on Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), for all awards granted to employees prior to January 1, 2006 that were unvested on the effective date. Prior to January 1, 2006, we applied Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations in accounting for our employee stock benefit plans. Accordingly, no compensation cost was recognized for stock options granted under the plans because the exercise prices for options granted were equal to the quoted market prices on the option grant dates and all option grants were to employees or directors. Results for periods prior to January 1, 2006 have not been restated.

As a result of adopting SFAS 123(R), income before taxes for the year ended December 31, 2006 was lower by $78 million ($48 million after tax), than if we had continued to account for share-based compensation under APB 25. Upon consummation of the Merger, all outstanding stock options (other than certain options held by certain rollover shareholders) became fully vested, were cancelled and converted into the right to receive a cash payment equal to the number of shares underlying the options multiplied by the amount (if any) by which $51.00 exceeded the option exercise price. The acceleration of vesting of stock options resulted in the recognition of $42 million of additional share-based compensation expense for the year ended December 31, 2006. Certain management holders of outstanding HCA stock options were permitted to retain certain of their stock options (the "Rollover Options") in lieu of receiving the merger consideration

NOTE 3 — SHARE-BASED COMPENSATION (Continued)

(the amount, if any, by which $51.00 exceeded the option exercise price). The Rollover Options remain outstanding in accordance with the terms of the governing stock incentive plans and grant agreements pursuant to which the holder originally received the stock option grants. However, immediately after the Recapitalization, the exercise price and number of shares subject to the rollover option agreement were adjusted so that the aggregate intrinsic value for each applicable option holder was maintained and the exercise price for substantially all the options was adjusted to $12.75 per option. Pursuant to the rollover option agreement, 10,967,500 prerecapitalization HCA stock options were converted into 2,285,200 Rollover Options.

SFAS 123(R) requires that the benefits of tax deductions in excess of amounts recognized as compensation cost be reported as a financing cash flow, rather than an operating cash flow, as required under prior accounting guidance. Tax benefits of $97 million from tax deductions in excess of amounts recognized as compensation cost were reported as financing cash flows in the year ended December 31, 2006 compared to $163 million and $50 million being reported as operating cash flows for the years ended December 31, 2005 and 2004, respectively.

For periods prior to the adoption of SFAS 123(R), SFAS 123 required us to determine pro forma net income as if compensation cost for our employee stock option and stock purchase plans had been determined based upon fair values at the grant dates. These pro forma amounts for the years ended December 31, 2005 and 2004 are as follows (dollars in millions):

	2005	2004
Net income:		
As reported	$ 1,424	$ 1,246
Share-based employee compensation expense determined under a fair value method, net of income taxes	23	191(a)
Pro forma	$ 1,401	$ 1,055

(a) In December 2004, we accelerated the vesting of all unvested stock options awarded to employees and officers which had exercise prices greater than the closing price at December 14, 2004 of $40.89 per share. Options to purchase approximately 19.1 million shares became exercisable immediately as a result of the vesting acceleration. The effect of accelerating the vesting for the 19.1 million shares was an increase to the pro forma share-based compensation expense for the year ended December 31, 2004 of $112 million after-tax. The decision to accelerate vesting of the identified stock options resulted in us not being required to recognize share-based compensation expense, net of taxes, of approximately $57 million in 2006. The elimination of the requirement to recognize compensation expense in future periods related to the unvested stock options was management's basis for the decision to accelerate the vesting.

During the year ended December 31, 2006, we had the following share-based compensation plans:

2006 Stock Incentive Plan

In connection with the Recapitalization, the 2006 Stock Incentive Plan for Key Employees of HCA Inc. and its Affiliates (the "2006 Plan") was established. The 2006 Plan is designed to promote the long term financial interests and growth of the Company and its subsidiaries by attracting and retaining management and other personnel and key service providers with the training, experience and ability to enable them to make a substantial contribution to the success of business, motivate management personnel by means of growth-related incentives to achieve long range goals and further the alignment of interests of participants with those of our stockholders through opportunities for increased stock, or stock-based ownership in the Company. The

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 3 — SHARE-BASED COMPENSATION (Continued)

2006 Stock Incentive Plan (Continued)

2006 Plan permits the granting of awards covering 10% of our fully diluted equity immediately after consummation of the Recapitalization. A portion of the options under the 2006 Plan will vest solely based upon continued employment over a specific period of time, and a portion of the options will vest based both upon continued employment over a specific period of time and upon the achievement of predetermined performance targets over time. At December 31, 2006, no options had been granted, and there were 10,656,100 shares available for future grants under the 2006 Plan.

2005 Equity Incentive Plan

Prior to the Recapitalization, the HCA 2005 Equity Incentive Plan was the primary plan under which stock options and restricted stock were granted to officers, employees and directors. Prior to 2005, we primarily utilized stock option grants for equity compensation purposes. During 2005, an increasing equity compensation emphasis was placed on restricted share grants. The restricted shares granted in 2005 were originally subject to back-end vesting provisions, with no shares vesting in the first two years after grant and then a third of the shares vesting in each of the third, fourth and fifth years. The restricted shares granted in 2006 were originally scheduled to vest in equal annual increments over a five-year period. Upon consummation of the Recapitalization, all shares of restricted stock became fully vested, were cancelled and converted into the right to receive a cash payment of $51.00 per restricted share. During the years ended December 31, 2006, 2005, and 2004 we recognized $247 million, $30 million and $5 million, respectively, of compensation costs related to restricted share grants. The acceleration of vesting of restricted stock resulted in the recognition of $201 million of the total compensation expense related to restricted stock for the year ended December 31, 2006.

The fair value of each stock option award is estimated on the grant date, using the Black-Scholes option valuation model with the weighted average assumptions indicated in the following table. Generally, awards are subject to graded vesting. Each grant is valued as a single award with an expected term equal to the average expected term of the component vesting tranches. We use historical option exercise behavior data and other factors to estimate the expected term of the options. The expected term of the option is limited by the contractual term, and employee post-vesting termination behavior is incorporated in the historical option exercise behavior data. Compensation cost is recognized on the straight-line attribution method. The straight-line attribution method requires that total compensation expense recognized must at least equal the vested portion of the grant-date fair value. The expected volatility is derived using weekly, historical data for periods preceding the date of grant. The risk-free interest rate is the approximate yield on United States Treasury Strips having a life equal to the expected option life on the date of grant. The expected life is an estimate of the number of years an option will be held before it is exercised. The valuation model was not adjusted for nontransferability, risk of forfeiture or the vesting restrictions of the options, all of which would reduce the value if factored into the calculation.

	2006	2005	2004
Risk-free interest rate	4.70%	3.99%	2.56%
Expected volatility	24%	33%	35%
Expected life, in years	5	5	4
Expected dividend yield	1.09%	1.27%	1.18%

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 3 — SHARE-BASED COMPENSATION (Continued)

2005 Equity Incentive Plan (Continued)

Information regarding stock option activity during 2006, 2005 and 2004 is summarized below (share amounts in thousands):

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (dollars in millions)
Options outstanding, December 31, 2003	51,681	$ 31.64		
Granted	9,306	45.62		
Exercised	(7,208)	23.79		
Cancelled	(1,517)	41.11		
Options outstanding, December 31, 2004	52,262	34.94		
Granted	2,644	49.25		
Exercised	(27,034)	34.87		
Cancelled	(66)	42.54		
Options outstanding, December 31, 2005	27,806	36.35		
Granted	2,566	48.64		
Exercised	(5,220)	26.24		
Cancelled	(1,008)	49.76		
Settled in Recapitalization	(13,177)	36.22		
Rolled over in Recapitalization — existing	(10,967)	42.98		
Rolled over in Recapitalization — new	2,285	12.50		
Options outstanding, December 31, 2006	2,285	12.50	5.3	$ 88
Options exercisable, December 31, 2006	2,285	$ 12.50	5.3	$ 88

The weighted average fair values of stock options granted during the years ended December 31, 2006, 2005 and 2004 were $10.76, $15.53 and $12.90 per share, respectively. The total intrinsic value of stock options exercised in the year ended December 31, 2006 was $123 million.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 3 — SHARE-BASED COMPENSATION (Continued)

2005 Equity Incentive Plan (Continued)

A summary of restricted share activity during 2006, 2005 and 2004 follows (share amounts in thousands):

	Number of Shares	Weighted Average Grant Date Fair Value
Restricted shares, December 31, 2003	1,739	$ 39.96
Granted	880	42.13
Vested	(1,003)	41.17
Cancelled	(96)	39.65
Restricted shares, December 31, 2004	1,520	40.43
Granted	3,277	44.45
Vested	(908)	42.20
Cancelled	(141)	43.07
Restricted shares, December 31, 2005	3,748	43.42
Granted	2,979	49.11
Vested	(494)	41.40
Cancelled	(232)	45.98
Settled in Recapitalization	(6,001)	46.31
Restricted shares, December 31, 2006	—	—

Employee Stock Purchase Plan (“ESPP”)

Prior to the Recapitalization, our ESPP provided an opportunity to purchase shares of HCA common stock at a discount (through payroll deductions over six-month periods) to substantially all employees. During the years ended December 31, 2006, 2005 and 2004, ESPP purchases of 931,000, 1,662,400 and 1,805,500 shares, respectively were made. Due to the Recapitalization, the second six month ESPP purchase for 2006 was cash settled. The fair value of the right to purchase ESPP shares was estimated using a valuation model with the weighted average assumptions indicated in the following table.

	2006	2005	2004
Risk-free interest rate	4.58%	2.78%	1.32%
Expected volatility	14%	23%	20%
Expected life, in years	0.5	0.5	0.5
Expected dividend yield	0.79%	1.20%	1.26%
Grant date fair value	$ 9.38	$ 9.98	$ 8.48

Management Stock Purchase Plan (“MSPP”)

Prior to the Recapitalization, our MSPP allowed eligible employees to defer an elected percentage (not to exceed 25%) of their base salaries through the purchase of restricted stock at a 25% discount from the average market price. Purchases of restricted shares were made twice a year and the shares vested after three years. During the years ended December 31, 2006, 2005 and 2004, MSPP purchases of 156,600 shares, 145,600 shares and 158,900 shares, respectively, were made at weighted average purchase date discounted (25% discount) fair values of $35.77 per share, $33.22 per share and $29.64 per share, respectively. For the

NOTE 3 — SHARE-BASED COMPENSATION (Continued)

Management Stock Purchase Plan ("MSPP") (Continued)

plan period July 1, 2006 through November 17, 2006, the MSPP was cash settled due to the Recapitalization. The purchase date discounted price for this period would have been $36.79.

NOTE 4 — ACQUISITIONS AND DISPOSITIONS

During 2006, we received proceeds of $560 million and recognized a net pretax gain of $176 million ($85 million after tax) on the sales of nine hospitals. We also received proceeds of $91 million and recognized a pretax gain of $29 million ($18 million after tax) on the sales of real estate investments and our equity investment in a hospital joint venture. During 2005, we received proceeds of $260 million and recognized a net pretax gain of $49 million ($19 million after-tax) on the sales of five hospitals, and we received proceeds of $60 million and recognized a pretax gain of $29 million ($17 million after tax) related to the sales of real estate investments. During 2004, we opened one hospital, sold one hospital, and closed two hospitals. During 2006, 2005 and 2004, the proceeds from the sales were used to repay bank borrowings.

During 2006, we paid $63 million to acquire three hospitals and $49 million to acquire other health care entities. During 2005 and 2004, we did not acquire any hospitals, but paid $126 million and $44 million, respectively, for other health care entities. Purchase price amounts have been allocated to the related assets acquired and liabilities assumed based upon their respective fair values. The consolidated financial statements include the accounts and operations of the acquired entities subsequent to the respective acquisition dates. The pro forma effects of the acquired entities on our results of operations for periods prior to the respective acquisition dates were not significant.

The purchase price paid in excess of the fair value of identifiable net assets of acquired entities aggregated $38 million, $129 million and $38 million in 2006, 2005 and 2004, respectively. In 2004, goodwill increased $15 million related to adjustments to 2003 acquisitions.

NOTE 5 — IMPAIRMENTS OF LONG-LIVED ASSETS

The carrying value for a hospital closed during 2006 was reduced to fair value of $5 million, based upon estimates of sales value, resulting in a pretax charge of $16 million that affected our Eastern Group. During 2006 we also decided to terminate a construction project and incurred a pretax charge of $8 million that affected our Corporate and Other Group.

The carrying value for a hospital we closed during 2004 was reduced to fair value of $39 million, based upon estimates of sales value, resulting in a pretax charge of $12 million that affected our Western Group.

The asset impairment charges did not have a significant impact on our operations or cash flows and are not expected to significantly impact cash flows for future periods. The impairment charges affected our property and equipment asset category.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 6 — INCOME TAXES

The provision for income taxes consists of the following (dollars in millions):

	2006	2005	2004
Current:			
Federal	$ 993	$ 668	$ 466
State	62	63	63
Foreign	35	37	25
Deferred:			
Federal	(427)	(43)	132
State	(43)	3	17
Foreign	5	(3)	24
	$ 625	$ 725	$ 727

A reconciliation of the federal statutory rate to the effective income tax rate follows:

	2006	2005	2004
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	0.4	2.1	2.6
Nondeductible intangible assets	1.5	0.6	—
IRS settlement	—	(2.2)	—
Repatriation of foreign earnings	—	(1.1)	—
Other items, net	0.7	(0.6)	(0.8)
Effective income tax rate	37.6%	33.8%	36.8%

During 2005, HCA recognized tax benefits of $48 million related to a favorable tax settlement regarding the Company's divestiture of certain noncore business units in 1998 and 2001 and $24 million related to the repatriation of foreign earnings.

A summary of the items comprising the deferred tax assets and liabilities at December 31 follows (dollars in millions):

	2006		2005	
	Assets	Liabilities	Assets	Liabilities
Depreciation and fixed asset basis differences	$ —	$ 485	$ —	$ 632
Allowances for professional liability and other risks	118	—	124	—
Doubtful accounts	424	—	155	—
Compensation	129	—	185	—
Other	272	372	235	525
	$ 943	$ 857	$ 699	$ 1,157

Deferred income tax benefits of $476 million and $372 million at December 31, 2006 and 2005, respectively, are included in other current assets. Noncurrent deferred income tax liabilities totaled $390 million and $830 million at December 31, 2006 and 2005, respectively.

NOTE 6 — INCOME TAXES (Continued)

The tax benefits associated with share-based compensation increased the current tax receivable by $97 million, $163 million, and $50 million in 2006, 2005 and 2004, respectively. Such benefits were recorded as increases to stockholders' equity.

At December 31, 2006, state net operating loss carryforwards (expiring in years 2007 through 2026) available to offset future taxable income approximated $142 million. Utilization of net operating loss carryforwards in any one year may be limited and, in certain cases, result in an adjustment to intangible assets. Net deferred tax assets related to such carryforwards are not significant.

IRS Disputes

HCA is currently contesting before the Appeals Division of the Internal Revenue Service (the "IRS"), the United States Tax Court (the "Tax Court"), and the United States Court of Federal Claims, certain claimed deficiencies and adjustments proposed by the IRS in conjunction with its examinations of HCA's 1994 through 2002 federal income tax returns, Columbia Healthcare Corporation's ("CHC") 1993 and 1994 federal income tax returns, HCA-Hospital Corporation of America's ("Hospital Corporation of America") 1991 through 1993 federal income tax returns and Healthtrust, Inc. — The Hospital Company's ("Healthtrust") 1990 through 1994 federal income tax returns.

During 2003, the United States Court of Appeals for the Sixth Circuit affirmed a Tax Court decision received in 1996 related to the IRS examination of Hospital Corporation of America's 1987 through 1988 federal income tax returns, in which the IRS contested the method that Hospital Corporation of America used to calculate its tax allowance for doubtful accounts. HCA filed a petition for review by the United States Supreme Court, which was denied in October 2004. Due to the volume and complexity of calculating the tax allowance for doubtful accounts, the IRS has not determined the amount of additional tax and interest that it may claim for taxable years after 1988. In December 2004, HCA made a deposit of $109 million for additional tax and interest, based on its estimate of amounts due for taxable periods through 1998.

Other disputed items include the deductibility of a portion of the 2001 government settlement payment, the timing of recognition of certain patient service revenues in 2000 through 2002, the method for calculating the tax allowance for doubtful accounts in 2002, and the amount of insurance expense deducted in 1999 through 2002. The IRS has claimed an additional $678 million in income taxes, interest, and penalties through December 31, 2006, with respect to these issues. This amount is net of a refundable tax deposit of $177 million, and related interest, we made during 2006.

During 2006, the IRS began an examination of HCA's 2003 through 2004 federal income tax returns. The IRS has not determined the amount of any additional income tax, interest and penalties that it may claim upon completion of this examination.

Management believes that adequate provisions have been recorded to satisfy final resolution of the disputed issues. Management believes that HCA, CHC, Hospital Corporation of America and Healthtrust properly reported taxable income and paid taxes in accordance with applicable laws and agreements established with the IRS during previous examinations and that final resolution of these disputes will not have a material, adverse effect on results of operations or financial position.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 7 — INVESTMENTS OF INSURANCE SUBSIDIARY

A summary of the insurance subsidiary's investments at December 31 follows (dollars in millions):

	2006			
		Unrealized Amounts		
	Amortized Cost	Gains	Losses	Fair Value
Debt securities:				
States and municipalities	$ 1,174	$ 24	$ (3)	$ 1,195
Asset-backed securities	64	4	—	68
Corporate and other	8	—	—	8
Money market funds	858	—	—	858
	2,104	28	(3)	2,129
Equity securities:				
Preferred stocks	10	—	(1)	9
Common stocks	4	1	—	5
	14	1	(1)	14
	$ 2,118	$ 29	$ (4)	2,143
Amounts classified as current assets				(257)
Investment carrying value				$ 1,886

	2005			
		Unrealized Amounts		
	Amortized Cost	Gains	Losses	Fair Value
Debt securities:				
States and municipalities	$ 1,199	$ 27	$ (5)	$ 1,221
Asset-backed securities	41	4	—	45
Corporate and other	22	1	—	23
Money market funds	130	—	—	130
	1,392	32	(5)	1,419
Equity securities:				
Preferred stocks	10	—	—	10
Common stocks	798	161	(4)	955
	808	161	(4)	965
	$ 2,200	$ 193	$ (9)	2,384
Amounts classified as current assets				(250)
Investment carrying value				$ 2,134

At December 31, 2006 and 2005, the investments of our insurance subsidiary were classified as "available-for-sale." The fair value of investment securities is generally based on quoted market prices. Changes in temporary unrealized gains and losses are recorded as adjustments to other comprehensive

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 7 — INVESTMENTS OF INSURANCE SUBSIDIARY (Continued)

income. At December 31, 2006, $108 million of money market funds were subject to the restrictions included in insurance bond collateralization and assumed reinsurance contracts.

Scheduled maturities of investments in debt securities at December 31, 2006 were as follows (dollars in millions):

	Amortized Cost	Fair Value
Due in one year or less	$ 911	$ 912
Due after one year through five years	372	375
Due after five years through ten years	478	490
Due after ten years	279	284
	2,040	2,061
Asset-backed securities	64	68
	$ 2,104	$ 2,129

The average expected maturity of the investments in debt securities approximated 2.5 years at December 31, 2006. Expected and scheduled maturities may differ because the issuers of certain securities may have the right to call, prepay or otherwise redeem such obligations.

The cost of securities sold is based on the specific identification method. Sales of securities for the years ended December 31 are summarized below (dollars in millions):

	2006	2005	2004
Debt securities:			
Cash proceeds	$ 401	$ 173	$ 181
Gross realized gains	1	2	6
Gross realized losses	2	1	2
Equity securities:			
Cash proceeds	$ 1,509	$ 440	$ 338
Gross realized gains	256	63	62
Gross realized losses	12	9	16

NOTE 8 — FINANCIAL INSTRUMENTS

Interest Rate Swap Agreements

We have entered into interest rate swap agreements to manage our exposure to fluctuations in interest rates. These swap agreements involve the exchange of fixed and variable rate interest payments between two parties based on common notional principal amounts and maturity dates. Pay-fixed interest rate swaps effectively convert LIBOR indexed variable rate instruments to fixed interest rate obligations. The net interest payments, based on the notional amounts in these agreements, generally match the timing of the related liabilities. The notional amounts of the swap agreements represent amounts used to calculate the exchange of cash flows and are not our assets or liabilities. Our credit risk related to these agreements is considered low because the swap agreements are with creditworthy financial institutions. The interest payments under these agreements are settled on a net basis.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 8 — FINANCIAL INSTRUMENTS (Continued)

Interest Rate Swap Agreements (Continued)

The following table sets forth our interest rate swap agreements, which have been designated as cash flow hedges, at December 31, 2006 (dollars in millions):

	Notional Amount	Termination Date	Fair Value
Pay-fixed interest rate swap	$ 4,000	November 2011	$ 12
Pay-fixed interest rate swap	4,000	November 2011	35

The fair value of the interest rate swaps at December 31, 2006 represents the estimated amounts we would receive upon termination of these agreements.

Cross Currency Swaps

The Company and certain subsidiaries have incurred obligations and entered into various intercompany transactions where such obligations are denominated in a currency (Euro), other than the functional currencies (United States Dollar and Great Britain Pound) of the parties executing the trade. In order to better match the cash flows of our obligations and intercompany transactions with cash flows from operations, we entered into various cross currency swaps.

The cross currency swaps were not designated as hedges and changes in fair value are recognized in results of operations. The following table sets forth our cross currency swap agreements at December 31, 2006 (amounts in millions):

	Notional Amount	Termination Date	Fair Value
Euro — United States Dollar Currency Swap	568 Euro	December 2011	$ 22
Euro — Great Britain Pound (GBP) Currency Swap	251 GBP	December 2011	(5)

The fair value of the cross currency swaps at December 31, 2006 represents the estimated amounts we would receive or pay upon termination of these agreements.

Fair Value Information

At December 31, 2006 and 2005, the fair values of cash and cash equivalents, accounts receivable and accounts payable approximated carrying values due to the short-term nature of these instruments. The estimated fair values of other financial instruments subject to fair value disclosures are generally determined based on quoted market prices. The estimated fair values and the related carrying amounts are as follows (dollars in millions):

	2006		2005	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Investments	$ 2,143	$ 2,143	$ 2,384	$ 2,384
Interest rate swaps	47	47	—	—
Cross currency swaps	17	17	—	—
Liabilities:				
Long-term debt	$ 28,408	$ 28,096	$ 10,475	$ 10,733
Interest rate swaps	—	—	25	25

NOTE 9 — LONG-TERM DEBT

A summary of long-term debt at December 31, including related interest rates at December 31, 2006, follows (dollars in millions):

	2006	2005
Senior secured asset-based revolving credit facility (effective interest rate of 7.1%)	$ 1,830	$ —
Senior secured revolving credit facility (effective interest rate of 7.9%)	40	—
Senior secured term loan facilities (effective interest rate of 7.5%)	12,870	—
Other senior secured debt (effective interest rate of 6.7%)	445	281
First lien debt	15,185	281
Senior secured cash-pay notes (effective interest rate of 9.6%)	4,200	—
Senior secured toggle notes (effective interest rate of 10.0%)	1,500	—
Second lien debt	5,700	—
Senior unsecured notes payable through 2095 (effective interest rate of 7.3%)	7,523	8,419
Senior unsecured revolving credit facility	—	475
Senior unsecured term loan facilities	—	1,300
Total debt (average life of eight years, rates averaging 7.9%)	28,408	10,475
Less amounts due within one year	293	586
	$ 28,115	$ 9,889

Senior Secured Credit Facilities

On November 17, 2006, in connection with the Recapitalization, we entered into (i) a $2.000 billion senior secured asset-based revolving credit facility with a borrowing base of 85% of eligible accounts receivable, subject to customary reserves and eligibility criteria ($4 million available at December 31, 2006) and (ii) a new senior secured credit agreement, consisting of a $2.000 billion revolving credit facility ($1.826 billion available at December 31, 2006 after giving effect to certain outstanding letters of credit), a $2.750 billion term loan A, a $8.800 billion term loan B and a €1.0 billion term loan ($1.320 billion at December 31, 2006) under which one of our European subsidiaries is the borrower.

Borrowings under the senior secured credit facilities bear interest at a rate equal to an applicable margin plus, at our option, either (a) a base rate determined by reference to the higher of (1) the federal funds rate plus 1/2 of 1% and (2) the prime rate of Bank of America or (b) a LIBOR rate for the currency of such borrowing for the relevant interest period. The applicable margin for borrowings under the senior secured credit facilities, with the exception of term loan B where the margin is static, may be reduced subject to attaining certain leverage ratios. In addition to paying interest on outstanding principal under the senior secured credit facilities, we pay a commitment fee to the lenders under the asset-based loan facility and the revolving credit facility in respect of the unutilized commitments thereunder. The initial commitment fee rate is 0.375% per annum for the asset-based revolving loan facility and 0.50% per annum under the revolving credit facility. The commitment fee rates may be reduced subject to attaining certain leverage ratios.

Obligations under the senior secured credit facilities are guaranteed by all material, unrestricted wholly-owned U.S. subsidiaries. In addition, borrowings under the €1.0 billion term loan are guaranteed by us and all material, wholly-owned European subsidiaries.

NOTE 9 — LONG-TERM DEBT (Continued)

Senior Secured Credit Facilities (Continued)

The $2.000 billion senior secured asset-based revolving credit facility and the $2.000 billion senior secured revolving credit facility expire November 2012. We are required to repay installments on each of the term loan facilities on a quarterly basis beginning March 2007. The final payment under term loan A is in November 2012. The final payments under term loan B and the Euro term loan are in November 2013. The senior secured credit facilities contain a number of covenants that restrict, subject to certain exceptions, our (and some or all of our subsidiaries') ability to incur additional indebtedness, repay subordinated indebtedness, create liens on assets, sell assets, make investments, loans or advances, engage in certain transactions with affiliates, pay dividends and distributions, and enter into sale and leaseback transactions. In addition, we are required to satisfy and maintain a maximum total leverage ratio and, in certain situations, a minimum interest coverage ratio.

We use interest rate swap agreements to manage the floating rate exposure of our debt portfolio. In the fourth quarter of 2006, we entered into two interest rate swap agreements, in a total notional amount of $8 billion, in order to hedge a portion of our exposure to variable rate interest payments associated with the senior secured credit facility. The interest rate swaps expire in November 2011. The effect of the interest rate swaps is reflected in the effective interest rate for the senior secured credit facilities in the table above.

Senior Secured Notes

In November 2006, also in connection with the Recapitalization, we issued $4.200 billion of senior secured notes (comprised of $1.000 billion of 9 1/8% notes due 2014 and $3.200 billion of 9 1/4% notes due 2016), and $1.500 billion of 9 5/8% senior secured toggle notes (which allow us, at our option, to pay interest in-kind during the first five years) due 2016, which are subject to certain standard covenants. The notes are guaranteed by certain of our subsidiaries.

Significant Financing Activities

2006

Proceeds from the senior secured credit facilities and the senior secured notes were used in connection with the closing of the Recapitalization. Amounts owed under our previous bank credit agreements were repaid at the close of the Recapitalization. In connection with the Recapitalization, we also tendered for all amounts outstanding under the 8.85% notes due 2007, the 7.00% notes due 2007, the 7.25% notes due 2008, the 5.25% notes due 2008 and the 5.50% notes due 2009 (collectively, the "Notes"). Approximately 97% of the $1.365 billion total outstanding amount under the Notes was repurchased pursuant to the tender.

In February 2006, we issued $1.000 billion of 6.5% notes due 2016. Proceeds of $625 million were used to refinance the remaining amount outstanding under the 2005 term loan and the remaining proceeds were used to pay down amounts advanced under a prior bank revolving credit facility.

2005

In November 2005, we entered into the 2005 term loan which had a maturity of May 2006. Under this agreement, we borrowed $800 million. Proceeds from the 2005 term loan were used to partially fund the repurchase of our common stock. The 2005 term loan contained a mandatory prepayment clause which required us to prepay amounts outstanding upon receiving proceeds from the issuance of debt or equity securities or from asset sales. Proceeds of $175 million from the sale of hospitals in the fourth quarter of 2005 were used to repay a portion of the amounts outstanding under the 2005 term loan.

NOTE 9 — LONG-TERM DEBT (Continued)

General Information

Maturities of long-term debt in years 2008 through 2011 are $299 million, $393 million, $1.495 billion and $1.084 billion, respectively.

The estimated fair value of our long-term debt was $28.096 billion and $10.733 billion at December 31, 2006 and 2005, respectively, compared to carrying amounts aggregating $28.408 billion and $10.475 billion, respectively. The estimates of fair value are generally based upon the quoted market prices for the same or similar issues of long-term debt with the same maturities.

NOTE 10 — CONTINGENCIES

Significant Legal Proceedings

We operate in a highly regulated and litigious industry. As a result, various lawsuits, claims and legal and regulatory proceedings have been and can be expected to be instituted or asserted against us. The resolution of any such lawsuits, claims or legal and regulatory proceedings could have a material, adverse affect on our results of operations and financial position in a given period.

In 2005, the Company and certain of its executive officers and directors were named in various federal securities law class actions and several shareholders filed derivative lawsuits purportedly on behalf of the Company. Additionally, a former employee filed a complaint against certain of our executive officers pursuant to the Employee Retirement Income Security Act and the Company has been served with a shareholder demand letter addressed to our Board of Directors. We cannot predict the results of the investigations or any related lawsuits, or the effect that findings in such investigations or lawsuits may have on the Company.

In connection with the Merger, we are aware of eight asserted class action lawsuits related to the Merger filed against us, certain of our executive officers, our directors and the Sponsors, and one lawsuit filed against us and one of our affiliates seeking enforcement of contractual obligations allegedly arising from the Merger. Certain of these lawsuits, though not all, are the subject of an agreement in principle to settle. Additional lawsuits pertaining to the Merger could be filed in the future.

General Liability Claims

We are subject to claims and suits arising in the ordinary course of business, including claims for personal injuries or wrongful restriction of, or interference with, physicians' staff privileges. In certain of these actions the claimants may seek punitive damages against us which may not be covered by insurance. It is management's opinion that the ultimate resolution of these pending claims and legal proceedings will not have a material, adverse effect on our results of operations or financial position.

Investigations

In January 2001, we entered into an eight-year Corporate Integrity Agreement ("CIA") with the Office of Inspector General of the Department of Health and Human Services. Violation or breach of the CIA, or violation of federal or state laws relating to Medicare, Medicaid or similar programs, could subject us to substantial monetary fines, civil and criminal penalties and/or exclusion from participation in the Medicare and Medicaid programs. Alleged violations may be pursued by the government or through private *qui tam* actions. Sanctions imposed against us as a result of such actions could have a material, adverse effect on our results of operations or financial position.

In September 2005, we received a subpoena from the Office of the United States Attorney for the Southern District of New York seeking the production of documents. Also in September 2005, we were

NOTE 10 — CONTINGENCIES (Continued)

Investigations (Continued)

informed that the SEC had issued a formal order of investigation. Both the subpoena and the formal order of investigation relate to trading in the Company's securities. We are cooperating fully with these investigations.

NOTE 11 — CAPITAL STOCK AND STOCK REPURCHASES

Capital Stock

In connection with the Recapitalization, the Company's certificate of incorporation and by-laws were amended and restated, effective November 17, 2006, so that they read, in their entirety, as the certificate of incorporation and by-laws of Merger Sub read immediately prior to the effective time of the Merger. Among other things, the restated certificate of incorporation reduced the number of shares of common stock the Company is authorized to issue from 1,650,000,000 shares to 125,000,000 shares and the amended and restated by-laws set the number of directors constituting the board of directors of the Company at not less than one nor more than 15.

Stock Repurchase Programs

In October 2005, we announced the authorization of a modified "Dutch" auction tender offer to purchase up to $2.500 billion of our common stock. In November 2005, we closed the tender offer and repurchased 28.7 million shares of our common stock for $1.437 billion ($50.00 per share). The shares repurchased represented approximately 6% of our outstanding shares at the time of the tender offer. During 2005, we also repurchased 8.0 million shares of our common stock for $412 million, through open market purchases. During 2006, we repurchased 13.0 million shares of our common stock for $651 million, through open market purchases, which completed this authorization.

In October 2004, we announced the authorization of a modified "Dutch" auction tender offer to purchase up to $2.501 billion of our common stock. In November 2004, we closed the tender offer and repurchased 62 million shares of our common stock for $2.466 billion ($39.75 per share). The shares repurchased represented approximately 13% of our outstanding shares at the time of the tender offer. We also repurchased 0.9 million shares of our common stock for $35 million, through open market purchases, which completed this $2.501 billion share repurchase authorization.

  In April 2003, we announced an authorization to repurchase $1.500 billion of our common stock through open market purchases or privately negotiated transactions. During 2003, we repurchased under this authorization 25.3 million shares of our common stock for $900 million, through open market purchases. During 2004, we repurchased 14.5 million shares of our common stock for $600 million, through open market purchases, which completed this authorization.

During 2006, 2005 and 2004, the share repurchase transactions reduced stockholders' equity by $653 million, $1.856 billion and $3.109 billion, respectively.

NOTE 12 — EMPLOYEE BENEFIT PLANS

We maintain noncontributory, defined contribution retirement plans covering substantially all employees. Benefits are determined as a percentage of a participant's salary and vest over specified periods of employee service. Retirement plan expense was $190 million for 2006, $210 million for 2005 and $185 million for 2004. Amounts approximately equal to retirement plan expense are funded annually.

We maintain contributory, defined contribution benefit plans that are available to employees who meet certain minimum requirements. Certain of the plans require that we match specified percentages of

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 12 — EMPLOYEE BENEFIT PLANS (Continued)

participant contributions up to certain maximum levels (generally 50% of the first 3% of compensation deferred by participants). The cost of these plans totaled $71 million for 2006, $60 million for 2005 and $57 million for 2004. Our contributions are funded periodically during each year.

We maintain a Supplemental Executive Retirement Plan ("SERP") for certain executives. The plan is designed to ensure that upon retirement the participant receives a prescribed life annuity from the combination of the SERP and our other benefit plans. Compensation expense under the plan was $15 million for 2006, $9 million for 2005 and $8 million for 2004. Accrued benefits liabilities under this plan totaled $107 million at December 31, 2006 and $42 million at December 31, 2005.

We maintain defined benefit pension plans which resulted from certain hospital acquisitions in prior years. Compensation expense under these plans was $31 million for 2006, $29 million for 2005, and $26 million for 2004. Accrued benefits liabilities under these plans totaled $79 million at December 31, 2006 and $56 million at December 31, 2005.

Adoption of Statement 158

On December 31, 2006, we adopted the recognition and disclosure provisions of SFAS 158. SFAS 158 required us to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of our defined benefit plans in the December 31, 2006 consolidated balance sheet, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The adjustment to accumulated other comprehensive income at adoption represents the unrecognized actuarial losses and unrecognized prior service costs. These amounts will be subsequently recognized as components of net periodic pension cost pursuant to our policy for amortizing such amounts. Actuarial gains and losses and prior service costs or credits that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods, will be recognized as a component of other comprehensive income and will then be recognized as a component of net periodic pension cost in subsequent periods.

The incremental effects of adopting the provisions of SFAS 158 in our consolidated balance sheet at December 31, 2006 are presented in the following table. The adoption of SFAS 158 had no effect on our consolidated income statement for the year ended December 31, 2006, or for any prior period presented, and it will not effect our operating results in future periods.

	At December 31, 2006		
	Prior to Adopting SFAS 158	Effect of Adopting SFAS 158	As Reported
Intangible pension asset	$ 31	$ (31)	$ —
Accrued pension liability	128	71	199
Deferred income taxes	6	36	42
Accumulated other comprehensive income	(15)	(94)	(109)

NOTE 13 — SEGMENT AND GEOGRAPHIC INFORMATION

We operate in one line of business, which is operating hospitals and related health care entities. During the three years ended December 31, 2006, 2005 and 2004, approximately 26%, 27% and 28%, respectively, of our revenues related to patients participating in the Medicare program.

Our operations are structured into three geographically organized groups: the Eastern Group includes 53 consolidating hospitals located in the Eastern United States, the Central Group includes 51 consolidating hospitals located in the Central United States and the Western Group includes 54 consolidating hospitals located in the Western United States. We also operate eight consolidating hospitals in England and Switzerland and these facilities are included in the Corporate and other group.

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 13 — SEGMENT AND GEOGRAPHIC INFORMATION (Continued)

Adjusted segment EBITDA is defined as income before depreciation and amortization, interest expense, gains on sales of facilities, transaction costs, impairment of long-lived assets, minority interests and income taxes. We use adjusted segment EBITDA as an analytical indicator for purposes of allocating resources to geographic areas and assessing their performance. Adjusted segment EBITDA is commonly used as an analytical indicator within the health care industry, and also serves as a measure of leverage capacity and debt service ability. Adjusted segment EBITDA should not be considered as a measure of financial performance under generally accepted accounting principles, and the items excluded from adjusted segment EBITDA are significant components in understanding and assessing financial performance. Because adjusted segment EBITDA is not a measurement determined in accordance with generally accepted accounting principles and is thus susceptible to varying calculations, adjusted segment EBITDA, as presented, may not be comparable to other similarly titled measures of other companies. The geographic distributions of our revenues, equity in earnings of affiliates, adjusted segment EBITDA, depreciation and amortization, assets and goodwill are summarized in the following table (dollars in millions):

	For the Years Ended December 31,		
	2006	2005	2004
Revenues:			
Eastern Group	$ 8,609	$ 8,225	$ 7,854
Central Group	5,514	5,489	5,304
Western Group	10,495	9,733	9,382
Corporate and other	859	1,008	962
	$ 25,477	$ 24,455	$ 23,502
Equity in earnings of affiliates:			
Eastern Group	$ (4)	$ (4)	$ (6)
Central Group	(5)	(6)	—
Western Group	(187)	(210)	(192)
Corporate and other	(1)	(1)	4
	$ (197)	$ (221)	$ (194)
Adjusted segment EBITDA:			
Eastern Group	$ 1,329	$ 1,435	$ 1,368
Central Group	854	917	856
Western Group	2,088	1,994	1,831
Corporate and other	198	(68)	(89)
	$ 4,469	$ 4,278	$ 3,966
Depreciation and amortization:			
Eastern Group	$ 423	$ 413	$ 359
Central Group	309	308	281
Western Group	492	480	435
Corporate and other	167	173	175
	$ 1,391	$ 1,374	$ 1,250
Adjusted segment EBITDA	$ 4,469	$ 4,278	$ 3,966
Depreciation and amortization	1,391	1,374	1,250
Interest expense	955	655	563
Gains on sales of facilities	(205)	(78)	—
Transaction costs	442	—	—
Impairment of long-lived assets	24	—	12
Income before minority interests and income taxes	$ 1,862	$ 2,327	$ 2,141

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 13 — SEGMENT AND GEOGRAPHIC INFORMATION (Continued)

	As of December 31,	
	2006	2005
Assets:		
Eastern Group	$ 5,270	$ 5,292
Central Group	4,504	4,592
Western Group	7,714	7,096
Corporate and other	6,187	5,245
	$ 23,675	$ 22,225

	Eastern Group	Central Group	Western Group	Corporate and Other	Total
Goodwill:					
Balance at December 31, 2005	$ 701	$ 974	$ 698	$ 253	$ 2,626
Acquisitions	2	—	36	—	38
Sales	(57)	(26)	—	(3)	(86)
Foreign currency translation and other	(10)	2	1	30	23
Balance at December 31, 2006	$ 636	$ 950	$ 735	$ 280	$ 2,601

HCA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 14 — OTHER COMPREHENSIVE INCOME

The components of accumulated other comprehensive income are as follows (dollars in millions):

	Unrealized Gains on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Benefit Plans	Change in Fair Value of Derivative Instruments	Total
Balances at December 31, 2003	$ 138	$ 46	$ (16)	$ —	$ 168
Unrealized gains on available-for-sale securities, net of $27 of income taxes	46	—	—	—	46
Gains reclassified into earnings from other comprehensive income, net of $20 of income taxes	(36)	—	—	—	(36)
Foreign currency translation adjustments, net of $11 of income taxes	—	21	—	—	21
Defined benefit plans, net of $4 income tax benefit	—	—	(6)	—	(6)
Balances at December 31, 2004	148	67	(22)	—	193
Unrealized gains on available-for-sale securities, net of $3 of income taxes	3	—	—	—	3
Gains reclassified into earnings from other comprehensive income, net of $20 of income taxes	(33)	—	—	—	(33)
Foreign currency translation adjustments, net of $19 income tax benefit	—	(37)	—	—	(37)
Defined benefit plans, net of $2 of income taxes	—	—	4	—	4
Balances at December 31, 2005	118	30	(18)	—	130
Unrealized gains on available-for-sale securities, net of $30 of income taxes	53	—	—	—	53
Gains reclassified into earnings from other comprehensive income, net of $88 of income taxes	(155)	—	—	—	(155)
Foreign currency translation adjustments, net of $10 of income taxes	—	19	—	—	19
Defined benefit plans, net of $30 of income tax benefit	—	—	(49)	—	(49)
Change in fair value of derivative instruments, net of $10 of income taxes	—	—	—	18	18
Balances at December 31, 2006	$ 16	$ 49	$ (67)	$ 18	$ 16

NOTE 15 — ACCRUED EXPENSES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

A summary of other accrued expenses at December 31 follows (dollars in millions):

	2006	2005
Employee benefit plans	$ 208	$ 203
Taxes other than income	168	166
Professional liability risks	275	285
Interest	228	149
Dividends	—	62
Other	314	399
	$ 1,193	$ 1,264

A summary of activity for the allowance of doubtful accounts follows (dollars in millions):

	Balance at Beginning of Year	Provision for Doubtful Accounts	Accounts Written off, Net of Recoveries	Balance at End of Year
Allowance for doubtful accounts:				
Year ended December 31, 2004	$ 2,649	$ 2,669	$ (2,376)	$ 2,942
Year ended December 31, 2005	2,942	2,358	(2,403)	2,897
Year ended December 31, 2006	2,897	2,660	(2,129)	3,428

HCA INC.
QUARTERLY CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)
(Dollars in millions)

	2006			
	First	Second	Third	Fourth
Revenues	$ 6,415	$ 6,360	$ 6,213	$ 6,489
Net income	$ 379	$ 295(a)	$ 240(b)	$ 122(c)
Cash dividends declared per common share	$ 0.17	$ 0.17	$ —	$ —

	2005			
	First	First	First	First
Revenues	$ 6,182	$ 6,070	$ 6,025	$ 6,178
Net income	$ 414	$ 405(d)	$ 280(e)	$ 325(f)
Cash dividends declared per common share	$ 0.15	$ 0.15	$ 0.15	$ 0.15

(a) Second quarter results include $4 million of gains on sales of facilities (See NOTE 4 of the notes to consolidated financial statements).

(b) Third quarter results include $25 million of gains on sales of facilities (See NOTE 4 of the notes to consolidated financial statements) and $6 million of transaction costs related to the recapitalization (See NOTE 2 of the notes to consolidated financial statements).

(c) Fourth quarter results include $74 million of gains on sales of facilities (See NOTE 4 of the notes to consolidated financial statements), $303 million of transaction costs related to the recapitalization (See NOTE 2 of the notes to consolidated financial statements) and $15 million of costs related to the impairment of long-lived assets (See NOTE 5 of the notes to consolidated financial statements).

(d) Second quarter results include $18 million related to the recognition of a previously deferred gain on the sale of medical office buildings (See NOTE 4 of the notes to consolidated financial statements) and $48 million related to a favorable tax settlement (See NOTE 6 of the notes to consolidated financial statements).

(e) Third quarter results include $22 million related to the repatriation of foreign earnings (See NOTE 6 of the notes to consolidated financial statements).

(f) Fourth quarter results include $19 million of gains on sales of facilities (See NOTE 4 of the notes to consolidated financial statements) and tax benefit of $2 million from the repatriation of foreign earnings (See NOTE 6 of the notes to consolidated financial statements).

Exhibit 3.2

HCA INC.

AMENDED AND RESTATED BY-LAWS

ARTICLE I

MEETING OF STOCKHOLDERS

Section 1. Place of Meeting and Notice. Meetings of the stockholders of the Corporation shall be held at such place either within or without the State of Delaware as the Board of Directors may determine.

Section 2. Annual and Special Meetings. Annual meetings of stockholders shall be held, at a date, time and place fixed by the Board of Directors and stated in the notice of meeting, to elect a Board of Directors and to transact such other business as may properly come before the meeting. Special meetings of the stockholders may be called by the President for any purpose and shall be called by the President or Secretary if directed by the Board of Directors or requested in writing by the holders of not less than 25% of the capital stock of the Corporation. Each such stockholder request shall state the purpose of the proposed meeting.

Section 3. Notice. Except as otherwise provided by law, at least 10 and not more than 60 days before each meeting of stockholders, written notice of the time, date and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder.

Section 4. Quorum. At any meeting of stockholders, the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

Section 5. Voting. Except as otherwise provided by law, all matters submitted to a meeting of stockholders shall be decided by vote of the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock.

ARTICLE II

DIRECTORS

Section 1. Number, Election and Removal of Directors. The number of Directors that shall constitute the Board of Directors shall be not less than one nor more than fifteen. The number of Directors shall be determined by the Board of Directors or by the stockholders. The Directors shall be elected by the stockholders at their annual meeting. Vacancies and newly created directorships resulting from any increase in the number of Directors may be filled by a majority of the Directors then in office, although

less than a quorum, or by the sole remaining Director or by the stockholders. A Director may be removed with or without cause by the stockholders.

Section 2. Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may from time to time be fixed by the Board of Directors or as may be specified in a notice of meeting. Special meetings of the Board of Directors may be held at any time upon the call of the President and shall be called by the President or Secretary if directed by the Board of Directors. Telegraphic, facsimile or written notice of each special meeting of the Board of Directors shall be sent to each Director not less than two hours before such meeting. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of the stockholders. Notice need not be given of regular meetings of the Board of Directors.

Section 3. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees, including without limitation an Executive Committee, to have and exercise such power and authority as the Board of Directors shall specify. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he/she or they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of any such absent or disqualified member.

Section 4. Quorum and Acts of the Board and Committees. At all duly called meetings of the Board or committees thereof, a majority of the total number of Board or committee members (including at least one designee of each Investor Group (as defined below) that is entitled at that time to designate, and has designated, a Director, unless such requirement is waived by a designee of the applicable Investor Group), shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board or a committee, the Board or committee members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present; provided, however, that for any such reconvened meeting, a majority of the total number of Board or committee members (without regard to whether at least one designee of each Investor Group that is entitled at that time to designate, and has designated, a Director, is present) shall constitute a quorum for the transaction of business; provided further, however, that notice for any reconvened meeting shall have been given in accordance with Section 2 of this Article II. No action may be taken by the Board or any committee thereof under this Agreement without the consent of a majority of the Directors that are members of such body (including, for so long as there are at least two Sponsor Groups (as defined below) entitled to designate Directors to the Board, the consent of a Director designated by each of at least two Sponsor Groups and if there is only one Sponsor Group, such Sponsor Group) (the “Requisite Directors”). Each Board or committee member shall be entitled to one vote; provided, that, except to the extent prohibited by law, any Director shall be entitled to vote on behalf of another Director if such other Director is not present at a meeting of the Board or a committee and has given a proxy to vote at the applicable meeting to the attending Director. Any instrument or writing executed on behalf of the Corporation by any one or more of the members of the Board shall be valid and binding

upon the Corporation when authorized by the Board in accordance with this Section 2 of Article II.

For purposes of this Section, the following terms shall have the meanings set forth below:

"Family Group" means, as of any date, any of the individuals or entities identified in Exhibit A to the Limited Liability Company Agreement of Hercules Holding II, LLC and their respective permitted transferees that from time to time hold any interest in the Hercules Holding II, LLC ("Parent") or the Corporation.

"Investor Group" means any Sponsor Group or the Family Group.

"Sponsor Group" means, as applicable, (i) Bain Capital Integral Investors 2006, LLC, BCIP TCV, LLC and Bain Capital Hercules Investors, LLC and their permitted transferees, in each case that from time to time hold any interest in Parent and its affiliates (the "Bain Group"), (ii) KKR Millennium Fund L.P., KKR PEI Investments, L.P., KKR 2006 Fund L.P., KKR Partners III, L.P., OPERF Co-Investment LLC and their respective permitted transferees, in each case, that from time to time hold any interest in Parent and its affiliates (the "KKR Group"); and (iii) ML Global Private Equity Fund, L.P., Merrill Lynch Ventures L.P. 2001 and their respective permitted transferees, in each case, that from time to time hold any interest in Parent and its affiliates (the "ML Group").

ARTICLE III

OFFICERS

The officers of the Corporation shall consist of a Chairman, a Chief Executive Officer, a President, a Chief Operating Officer, one or more Vice Presidents, a Secretary, a Treasurer, and such other additional officers with such titles as the Board of Directors shall determine, all of whom shall be chosen by and shall serve at the pleasure of the Board of Directors. Any officer may have more than one title. Such officers shall have the usual powers and shall perform all the usual duties incident to their respective offices. All officers shall be subject to the supervision and direction of the Board of Directors. The authority, duties or responsibilities of any officer of the Corporation may be suspended by the Chief Executive Officer or President with or without cause. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

ARTICLE IV

INDEMNIFICATION

INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 1. Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or

may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 3, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors of the Corporation.

Section 2. Prepayment of Expenses. The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article IV or otherwise.

Section 3. Claims. If a claim for indemnification (following the final disposition of such action, suit or proceeding) or advancement of expenses under this Article IV is not paid in full within thirty days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 4. Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article IV shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article IV shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 7. Other Indemnification and Prepayment of Expenses. This Article IV shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE V

GENERAL PROVISIONS

Section 1. Notices. Whenever any statute, the Certificate of Incorporation or these By-Laws require notice to be given to any Director or stockholder, such notice may be given in writing by mail, addressed to such Director or stockholder at his address as it appears on the records of the Corporation, with postage thereon prepaid. Such notice shall be deemed to have been given when it is deposited in the United States mail. Notice to Directors may also be given by facsimile or telegram.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be January 1 through December 31.

Exhibit 4.7(b)

AMENDMENT No. 1, dated as of February 16, 2007 (this "Amendment"), to the Credit Agreement, dated as of November 17, 2006 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among HCA Inc. (the "Company" or the "Parent Borrower"), HCA UK Capital Limited (the "European Subsidiary Borrower" and, collectively with the Parent Borrower, the "Borrowers"), the lending institutions from time to time parties thereto (each a "Lender" and, collectively, the "Lenders"), Bank of America, N.A., as Administrative Agent, Swingline Lender and Letter of Credit Issuer, JPMorgan Chase Bank, N.A. and Citicorp North America, Inc., as Co-Syndication Agents, Banc of America Securities LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Lead Arrangers and Bookrunners, Deutsche Bank Securities Inc. and Wachovia Capital Markets LLC, as Joint Bookrunners, and Merrill Lynch Capital Corporation, as Documentation Agent. Capitalized terms used but not defined herein having the meaning provided in the Credit Agreement (as amended hereby).

WHEREAS, Section 14.1 of the Credit Agreement permits amendment with the written consent of the Administrative Agent, the affected Borrowers and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing of all outstanding Term Loans of any Class ("Refinanced Term Loans") with a replacement term loan tranche ("Replacement Term Loans") thereunder;

WHEREAS, the Borrowers desire to create a new tranche of term loans consisting of Tranche A-1 Term Loans (as defined in Section 1) pursuant to amendments authorized by Section 14.1 of the Credit Agreement which Tranche A-1 Term Loans shall, except with respect to the definitions of "Applicable ABR Margin" and "Applicable LIBOR Margin", have identical terms as the Tranche A Term Loans and shall be in a like principal amount as the outstanding Tranche A Term Loans and the proceeds of which would be used to refinance all of the Tranche A Term Loans all as more fully set forth in Section 1;

WHEREAS, the Borrowers desire to create a new tranche of term loans consisting of Tranche B-1 Term Loans (as defined in Section 1) pursuant to amendments authorized by Section 14.1 of the Credit Agreement which Tranche B-1 Term Loans shall, except with respect to the definitions of "Applicable ABR Margin" and "Applicable LIBOR Margin", have identical terms as the Tranche B Term Loans and shall be in a like principal amount as the outstanding Tranche B Term Loans and the proceeds of which would be used to refinance all of the Tranche B Term Loans all as more fully set forth in Section 1;

WHEREAS, the Borrowers desire to create a new tranche of term loans consisting of European-1 Tranche Term Loans (as defined in Section 1) pursuant to amendments authorized by Section 14.1 of the Credit Agreement which European-1 Tranche Term Loans shall, except with respect to the definition of "Applicable LIBOR Margin", have identical terms as the European Tranche Term Loans and shall be in a like principal amount as the outstanding European Tranche Term Loans and the proceeds of which would be used to refinance all of the European Tranche Term Loans all as more fully set forth in Section 1;

WHEREAS, upon the effectiveness of this Amendment, each Tranche A Term Loan Lender that shall have executed and delivered a signature page to this Amendment as a Tranche A-1 Term Loan Lender shall be deemed to have exchanged its Tranche A Term Loans (which Tranche A Term Loans shall thereafter no longer be deemed to be outstanding) for Tranche A-1 Term Loans in the same aggregate principal amount as such Tranche A Term Loan Lender's Tranche A Term Loans, and such Tranche A Term Loan Lender shall thereafter become a Tranche A-1 Term Loan Lender;

WHEREAS, upon the effectiveness of this Amendment, each Tranche B Term Loan Lender that shall have executed and delivered a signature page to this Amendment as a Tranche B-1 Term Loan Lender shall be deemed to have exchanged its Tranche B Term Loans (which Tranche B Term Loans shall thereafter no longer be deemed to be outstanding) for Tranche B-1 Term Loans in the same aggregate principal amount as such Tranche B Term Loan Lender's Tranche B Term Loans, and such Tranche B Term Loan Lender shall thereafter become a Tranche B-1 Term Loan Lender;

WHEREAS, upon the effectiveness of this Amendment, each European Tranche Term Loan Lender that shall have executed and delivered a signature page to this Amendment as a European-1 Tranche Term Loan Lender shall be deemed to have exchanged its European Tranche Term Loans (which European Tranche Term Loans shall thereafter no longer be deemed to be outstanding) for European-1 Tranche Term Loans in the same aggregate principal amount as such European Tranche Term Loan Lender's European Tranche Term Loans, and such European Tranche Term Loan Lender shall thereafter become a European -1 Tranche Term Loan Lender;

WHEREAS, upon the effectiveness of this Amendment, each Person who executes and delivers a signature page to this Amendment as an Additional Tranche A-1 Term Loan Lender (as defined in Section 1) will make Tranche A-1 Term Loans to the Parent Borrower in Dollars, the proceeds of which will be used by the Parent Borrower to repay in full the outstanding principal amount of Tranche A Term Loans that are not exchanged for Tranche A-1 Term Loans and the Parent Borrower shall pay to each Tranche A Term Loan Lender all accrued and unpaid interest on the Tranche A Term Loans to, but not including, the date of effectiveness of the Amendment;

WHEREAS, upon the effectiveness of this Amendment, each Person who executes and delivers a signature page to this Amendment as an Additional Tranche B-1 Term Loan Lender (as defined in Section 1) will make Tranche B-1 Term Loans to the Parent Borrower in Dollars, the proceeds of which will be used by the Parent Borrower to repay in full the outstanding principal amount of Tranche B Term Loans that are not exchanged for Tranche B-1 Term Loans and the Parent Borrower shall pay to each Tranche B Term Loan Lender all accrued and unpaid interest on the Tranche B Term Loans to, but not including, the date of effectiveness of the Amendment;

WHEREAS, upon the effectiveness of this Amendment, each Person who executes and delivers a signature page to this Amendment as an Additional European-1 Tranche Term Loan Lender (as defined in Section 1) will make European-1 Tranche Term Loans to the European Subsidiary Borrower in Euro, the proceeds of which will be used by the European Subsidiary Borrower to repay in full the outstanding principal amount of European Tranche Term Loans that are not exchanged for European-1 Tranche Term Loans and the European Subsidiary Borrower shall pay to each European Tranche Term Loan Lender all accrued and unpaid interest on the European-1 Tranche Term Loans to, but not including, the date of effectiveness of the Amendment;

WHEREAS, Banc of America Securities LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are joint lead arrangers and joint bookrunners for the Tranche A-1 Term Loans, the Tranche B-1 Term Loans and the European-1 Tranche Term Loans; and

WHEREAS, the Agents under the Credit Agreement shall continue in their respective roles as Agents under the Credit Agreement as amended by this Amendment;

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. **Amendments**. The Credit Agreement is hereby amended effective as of the Amendment No. 1 Effective Date as follows:

(a) The following defined terms shall be added to Section 1.1 of the Credit Agreement:

"Additional European-1 Tranche Term Loan" shall mean a Loan in Euro that is made pursuant to Section 2.1(g) on the Amendment No. 1 Effective Date.

"Additional European-1 Tranche Term Loan Commitment" shall mean, with respect to an Additional European-1 Tranche Term Loan Lender, the commitment of such Additional European-1 Tranche Term Loan Lender to make Additional European-1 Tranche Term Loans on the Amendment No. 1 Effective Date, in an amount set forth on Schedule I to Amendment No. 1. The aggregate amount of the Additional European-1 Tranche Term Loan Commitments shall equal the outstanding principal amount of European Tranche Term Loans of Non-Consenting European Tranche Term Loan Lenders.

"Additional European-1 Tranche Term Loan Lender" shall mean a Person with an Additional European-1 Tranche Term Loan Commitment on the Amendment No. 1 Effective Date.

"Additional Tranche A-1 Term Loan" shall mean a Loan in Dollars that is made pursuant to Section 2.1(e) on the Amendment No. 1 Effective Date.

"Additional Tranche A-1 Term Loan Commitment" shall mean, with respect to an Additional Tranche A-1 Term Loan Lender, the commitment of such Additional Tranche A-1 Term Loan Lender to make Additional Tranche A-1 Term Loans on the Amendment No. 1 Effective Date, in an amount set forth on Schedule I to Amendment No. 1. The aggregate amount of the Additional Tranche A-1 Term Loan Commitments shall equal the outstanding principal amount of Tranche A Term Loans of Non-Consenting Tranche A Term Loan Lenders.

"Additional Tranche A-1 Term Loan Lender" shall mean a Person with an Additional Tranche A-1 Term Loan Commitment on the Amendment No. 1 Effective Date.

"Additional Tranche B-1 Term Loan" shall mean a Loan in Dollars that is made pursuant to Section 2.1(f) on the Amendment No. 1 Effective Date.

"Additional Tranche B-1 Term Loan Commitment" shall mean, with respect to an Additional Tranche B-1 Term Loan Lender, the commitment of such Additional Tranche B-1 Term Loan Lender to make Additional Tranche B-1 Term Loans on the Amendment No. 1 Effective Date, in an amount set forth on Schedule I to Amendment No. 1. The aggregate amount of the Additional Tranche B-1 Term Loan Commitments shall equal the outstanding principal amount of Tranche B Term Loans of Non-Consenting Tranche B Term Loan Lenders.

"Additional Tranche B-1 Term Loan Lender" shall mean a Person with an Additional Tranche B-1 Term Loan Commitment on the Amendment No. 1 Effective Date.

"Amendment No. 1" shall mean Amendment No. 1 to this Agreement dated as of February 16, 2007.

"Amendment No. 1 Effective Date" shall mean February 16, 2007, the first Business Day on which all conditions precedent set forth in Section 3 of Amendment No. 1 are satisfied.

"European-1 Tranche Term Loan" shall mean, collectively, (i) a Loan in Euro made pursuant to Section 2.1(g) on the Amendment No. 1 Effective Date and (ii) each Additional European-1 Tranche Term Loan.

"European-1 Tranche Term Loan Commitment" shall mean, with respect to a European Tranche Term Loan Lender, the agreement of such European Tranche Term Loan Lender to exchange its European Tranche Term Loans for an equal aggregate principal amount of European-1 Tranche Term Loans on the Amendment No. 1 Effective

Date, as evidenced by such European Tranche Term Loan Lender executing and delivering Amendment No. 1.

"European-1 Tranche Term Loan Facility" shall mean the Credit Facility consisting of the European-1 Tranche Term Loan Commitments and the European-1 Tranche Term Loans.

"European-1 Tranche Term Loan Lender" shall mean, collectively, (i) each European Tranche Term Loan Lender that executes and delivers Amendment No. 1 on or prior to the Amendment No. 1 Effective Date and (ii) each Additional European-1 Tranche Term Loan Lender.

"Non-Consenting European Tranche Term Loan Lender" shall mean each European Tranche Term Loan Lender that did not execute and deliver a counterpart of Amendment No. 1 on or prior to the Amendment No. 1 Effective Date.

"Non-Consenting Tranche A Term Loan Lender" shall mean each Tranche A Term Loan Lender that did not execute and deliver a counterpart of Amendment No. 1 on or prior to the Amendment No. 1 Effective Date.

"Non-Consenting Tranche B Term Loan Lender" shall mean each Tranche B Term Loan Lender that did not execute and deliver a counterpart of Amendment No. 1 on or prior to the Amendment No. 1 Effective Date.

"Tranche A-1 Term Loan" shall mean, collectively, (i) a Loan in Dollars made pursuant to Section 2.1(e) on the Amendment No. 1 Effective Date and (ii) each Additional Tranche A-1 Term Loan.

"Tranche A-1 Term Loan Commitment" shall mean, with respect to a Tranche A Term Loan Lender, the agreement of such Tranche A Term Loan Lender to exchange its Tranche A Term Loans for an equal aggregate principal amount of Tranche A-1 Term Loans on the Amendment No. 1 Effective Date, as evidenced by such Tranche A Term Loan Lender executing and delivering Amendment No. 1.

"Tranche A-1 Term Loan Facility" shall mean the Credit Facility consisting of the Tranche A-1 Term Loan Commitments and the Tranche A-1 Term Loans.

"Tranche A-1 Term Loan Lender" shall mean, collectively, (i) each Tranche A Term Loan Lender that executes and delivers Amendment No. 1 on or prior to the Amendment No. 1 Effective Date and (ii) each Additional Tranche A-1 Term Loan Lender.

"Tranche B-1 Term Loan" shall mean, collectively, (i) a Loan in Dollars made pursuant to Section 2.1(f) on the Amendment No. 1 Effective Date and (ii) each Additional Tranche B-1 Term Loan.

"Tranche B-1 Term Loan Commitment" shall mean, with respect to a Tranche B Term Loan Lender, the agreement of such Tranche B Term Loan Lender to exchange its Tranche B Term Loans for an equal aggregate principal amount of Tranche B-1 Term Loans on the Amendment No. 1 Effective Date, as evidenced by such Tranche B Term Loan Lender executing and delivering Amendment No. 1.

"Tranche B-1 Term Loan Facility" shall mean the Credit Facility consisting of the Tranche B-1 Term Loan Commitments and the Tranche B-1 Term Loans.

"Tranche B-1 Term Loan Lender" shall mean, collectively, (i) each Tranche B Term Loan Lender that executes and delivers Amendment No. 1 on or prior to the Amendment No. 1 Effective Date and (ii) each Additional Tranche B-1 Term Loan Lender.

(b) Section 1.1 of the Credit Agreement is hereby amended by deleting the definition of "Applicable ABR Margin" contained therein and replacing it with the following:

" "Applicable ABR Margin" shall mean at any date, with respect to each ABR Loan that is a Tranche A-1 Term Loan, Tranche B-1 Term Loan, Revolving Credit Loan or Swingline Loan, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable ABR Margin for:		
	Tranche A-1 Term Loans	Tranche B-1 Term Loans	Revolving Credit and Swingline Loans
Level I Status	1.25%	1.25%	1.50%
Level II Status	1.00%	1.25%	1.25%
Level III Status	0.75%	1.25%	1.00%
Level IV Status	0.50%	1.25%	0.75%
Level V Status	0.25%	1.25%	0.50%

Notwithstanding the foregoing, Level I Status shall apply during the period from and including the Closing Date to but excluding the Trigger Date."

(c) Section 1.1 of the Credit Agreement is hereby amended by deleting the definition of "Applicable LIBOR Margin" contained therein and replacing it with the following:

" "Applicable LIBOR Margin" shall mean, at any date, with respect to each LIBOR Loan that is a Tranche A-1 Term Loan, Tranche B-1 Term Loan, European-

1 Tranche Term Loan or Revolving Credit Loan, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable LIBOR Margin for:			
	Tranche A-1 Term Loans	Tranche B-1 Term Loans	European-1 Tranche Term Loans	Revolving Credit Loans
Level I Status	2.25%	2.25%	2.25%	2.50%
Level II Status	2.00%	2.25%	2.00%	2.25%
Level III Status	1.75%	2.25%	2.00%	2.00%
Level IV Status	1.50%	2.25%	2.00%	1.75%
Level V Status	1.25%	2.25%	2.00%	1.50%

Notwithstanding the foregoing, Level I Status shall apply during the period from and including the Closing Date to but excluding the Trigger Date."

(d) Section 1.1 of the Credit Agreement is hereby amended by deleting clause (b) of the definition of "Reserve Amount" contained therein and replacing it with the following:

"(b) (A) with respect to any Tranche B-1 Term Loan for any period, zero and (B) with respect to any European-1 Tranche Term Loan for any period, (i) if Level I Status is in effect as of the beginning of such period, an amount equal to 0.25% *per annum* on the average aggregate principal amount of such Loan over such period and (ii) if Level II Status, Level III Status, Level IV Status or Level V Status is in effect as of the beginning of such period, zero;"

(e) Section 2.1 of the Credit Agreement is hereby amended by adding the following clause (e) to such Section.

"(e) (i) Subject to and upon the terms and conditions herein set forth, each Tranche A Term Loan Lender with a Tranche A Term Loan that has executed a counterpart of Amendment No. 1 as a Tranche A-1 Term Loan Lender severally agrees to exchange its Tranche A Term Loan for a like principal amount of Tranche A-1 Term Loans on the Amendment No. 1 Effective Date. Notwithstanding anything to the contrary contained herein, the Interest Period then in effect (and the LIBOR Rate thereunder) prior to any exchange of Tranche A Term Loans for Tranche A-1 Term Loans shall remain in effect following any such exchange.

(ii) Subject to and upon the terms and conditions herein set forth, each Additional Tranche A-1 Term Loan Lender severally agrees to make Additional Tranche A-1 Term Loans in Dollars to the Parent Borrower on the Amendment No. 1 Effective Date in a principal amount not to exceed its Addi-

tional Tranche A-1 Term Loan Commitment on the Amendment No. 1 Effective Date. The Parent Borrower shall prepay all Tranche A Term Loans of Non-Consenting Tranche A Term Loan Lenders with the gross proceeds of the Additional Tranche A-1 Term Loans. The Interest Period then in effect (and the LIBOR Rate thereunder) for the Tranche A Term Loans of Non-Consenting Tranche A Term Loan Lenders shall remain in effect for the Additional Tranche A-1 Term Loans following any such repayment.

(iii) The Parent Borrower shall pay all accrued and unpaid interest on the Tranche A Term Loans to the Tranche A Term Loan Lenders to, but not including, the Amendment No. 1 Effective Date on such Amendment No. 1 Effective Date.

(iv) The Tranche A-1 Term Loans shall have the same terms as the Tranche A Term Loans as set forth in the Credit Agreement and Credit Documents, except as modified by Amendment No. 1. For avoidance of doubt, the Tranche A-1 Term Loans (and all principal, interest and other amounts in respect thereof) will constitute "U.S. Obligations" under the Credit Agreement and the other Credit Documents and, except as set forth in Amendment No. 1, shall have the same rights and obligations under the Credit Agreement and Credit Documents as the Tranche A Term Loans."

(f) Section 2.1 of the Credit Agreement is hereby amended by adding the following clause (f) to such Section.

"(f) (i) Subject to and upon the terms and conditions herein set forth, each Tranche B Term Loan Lender with a Tranche B Term Loan that has executed a counterpart of Amendment No. 1 as a Tranche B-1 Term Loan Lender severally agrees to exchange its Tranche B Term Loan for a like principal amount of Tranche B-1 Term Loans on the Amendment No. 1 Effective Date. Notwithstanding anything to the contrary contained herein, the Interest Period then in effect (and the LIBOR Rate thereunder) prior to any exchange of Tranche B Term Loans for Tranche B-1 Term Loans shall remain in effect following any such exchange.

(ii) Subject to and upon the terms and conditions herein set forth, each Additional Tranche B-1 Term Loan Lender severally agrees to make Additional Tranche B-1 Term Loans in Dollars to the Parent Borrower on the Amendment No. 1 Effective Date in a principal amount not to exceed its Additional Tranche B-1 Term Loan Commitment on the Amendment No. 1 Effective Date. The Parent Borrower shall prepay all Tranche B Term Loans of Non-Consenting Tranche B Term Loan Lenders with the gross proceeds of the Additional Tranche B-1 Term Loans. The Interest Period then in effect (and the LIBOR Rate thereunder) for the Tranche B Term Loans of Non-Consenting Tranche B Term Loan

Lenders shall remain in effect for the Additional Tranche B-1 Term Loans following any such repayment.

(iii) The Parent Borrower shall pay all accrued and unpaid interest on the Tranche B Term Loans to the Tranche B Term Loan Lenders to, but not including, the Amendment No. 1 Effective Date on such Amendment No. 1 Effective Date.

(iv) The Tranche B-1 Term Loans shall have the same terms as the Tranche B Term Loans as set forth in the Credit Agreement and Credit Documents, except as modified by Amendment No. 1. For avoidance of doubt, the Tranche B-1 Term Loans (and all principal, interest and other amounts in respect thereof) will constitute "U.S. Obligations" under the Credit Agreement and the other Credit Documents and, except as set forth in Amendment No. 1, shall have the same rights and obligations under the Credit Agreement and Credit Documents as the Tranche B Term Loans."

(g) Section 2.1 of the Credit Agreement is hereby amended by adding the following clause (g) to such Section.

"(g) (i) Subject to and upon the terms and conditions herein set forth, each European Tranche Term Loan Lender with a European Tranche Term Loan that has executed a counterpart of Amendment No. 1 as a European-1 Tranche Term Loan Lender severally agrees to exchange its European Tranche Term Loan for a like principal amount of European-1 Tranche Term Loans on the Amendment No. 1 Effective Date. Notwithstanding anything to the contrary contained herein, the Interest Period then in effect (and the LIBOR Rate thereunder) prior to any exchange of European Tranche Term Loans for European-1 Tranche Term Loans shall remain in effect following any such exchange.

(ii) Subject to and upon the terms and conditions herein set forth, each Additional European-1 Tranche Term Loan Lender severally agrees to make Additional European-1 Tranche Term Loans in Euro to the European Subsidiary Borrower on the Amendment No. 1 Effective Date in a principal amount not to exceed its Additional European Tranche Term Loan Commitment on the Amendment No. 1 Effective Date. The European Subsidiary Borrower shall prepay all European Tranche Term Loans of Non-Consenting European Tranche Term Loan Lenders with the gross proceeds of the Additional European-1 Tranche Term Loans. The Interest Period then in effect (and the LIBOR Rate thereunder) for the European Tranche Term Loans of Non-Consenting European Tranche Term Loan Lenders shall remain in effect for the Additional European-1 Tranche Term Loans following any such repayment.

(iii) The European Subsidiary Borrower shall pay all accrued and unpaid interest on the European Tranche Term Loans to the European Tranche Term Loan Lenders to, but not including, the Amendment No. 1 Effective Date on such Amendment No. 1 Effective Date.

(iv) The European-1 Tranche Term Loans shall have the same terms as the European Tranche Term Loans as set forth in the Credit Agreement and Credit Documents, except as modified by Amendment No. 1. For avoidance of doubt, the European-1 Tranche Term Loans (and all principal, interest and other amounts in respect thereof) will constitute "European Obligations" under the Credit Agreement and the other Credit Documents and, except as set forth in Amendment No. 1, shall have the same rights and obligations under the Credit Agreement and Credit Documents as the European Tranche Term Loans."

(h) Section 5.1 of the Credit Agreement is hereby amended by deleting the section in its entirety and replacing it with the following:

"(a) Each Borrower shall have the right to prepay its Term Loans, Revolving Credit Loans and Swingline Loans, in each case, without premium or penalty (except as set forth in clause (b) of this Section 5.1), in whole or in part from time to time on the following terms and conditions: (a) such Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice (or telephonic notice promptly confirmed in writing) of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by such Borrower no later than 12:00 noon (New York City time) (i) in the case of LIBOR Loans denominated in Dollars, three Business Days prior to, (ii) in the case of Loans denominated in an Alternative Currency, four Business Days prior to, (iii) in the case of ABR Loans (other than Swingline Loans), one Business Day prior to or (iv) in the case of Swingline Loans, on, the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders or the Swingline Lender, as the case may be; (b) each partial prepayment of (i) any Borrowing of LIBOR Loans denominated in Dollars shall be in a minimum amount of $10,000,000 and in multiples of $1,000,000 in excess thereof, (ii) any ABR Loans (other than Swingline Loans) shall be in a minimum amount of $1,000,000 and in multiples of $1,000,000 in excess thereof, (iii) any Loans denominated in Euro shall be in a minimum amount of €10,000,000 and in multiples of €1,000,000 in excess thereof, (iv) any Loans denominated in Sterling shall be in a minimum amount of £5,000,000 and in multiples of £1,000,000 in excess thereof and (v) Swingline Loans shall be in a minimum amount of $500,000 and in multiples of $100,000 in excess thereof, provided that no partial prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding LIBOR Loans made pursuant to such Borrowing to an amount less than the appli-

cable Minimum Borrowing Amount for such LIBOR Loans and (c) any prepayment of LIBOR Loans pursuant to this Section 5.1(a) on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the Parent Borrower with the applicable provisions of Section 2.11. Each prepayment in respect of any Term Loans pursuant to this Section 5.1(a) shall be (a) applied to the Class or Classes of Term Loans as the Parent Borrower may specify and (b) applied to reduce Tranche A-1 Repayment Amounts, Tranche B-1 Repayment Amounts, European-1 Tranche Repayment Amounts and/or any New Term Loan Repayment Amounts, as the case may be, in such order as the Parent Borrower may specify. At the Parent Borrower's election in connection with any prepayment pursuant to this Section 5.1(a), such prepayment shall not be applied to any Term Loan or Revolving Credit Loan of a Defaulting Lender.

(b) Notwithstanding the foregoing, any mandatory or voluntary prepayment of the Tranche B-1 Term Loans or the European-1 Tranche Term Loans, as the case may be, that results in the prepayment of all, but not less than all, of the outstanding Tranche B-1 Term Loans or European-1 Tranche Term Loans, as the case may be, prior to the one year anniversary of the Amendment No. 1 Effective Date with the proceeds of new term loans (including without limitation any Replacement Term Loans) under this Agreement that have an applicable margin that is less than the Applicable ABR Margin or the Applicable LIBOR Margin, as the case may be, for Tranche B-1 Term Loans or the European-1 Tranche Term Loans, as the case may be, as of the Amendment No. 1 Effective Date may only be made if each Tranche B-1 Term Loan Lender and European-1 Tranche Term Loan Lender, as the case may be, is paid a prepayment premium of 1.0% of the principal amount of such Lender's Tranche B-1 Term Loans or European-1 Tranche Term Loans, as the case may be."

(i) Section 5.2 of the Credit Agreement is hereby amended by adding to the end of such Section new clause (i) as follows:

"(i) Notwithstanding anything to the contrary contained in Section 5.1 and this Section 5.2, (i) 100% of the proceeds of all Additional Tranche A-1 Term Loans shall be used to repay Tranche A Term Loans of the Non-Consenting Tranche A Term Loan Lenders, (ii) 100% of the proceeds of all Additional Tranche B-1 Term Loans shall be used to repay Tranche B Term Loans of the Non-Consenting Tranche B Term Loan Lenders and (iii) 100% of the proceeds of all Additional European-1 Tranche Term Loans shall be used to repay European Tranche Term Loans of the Non-Consenting European Tranche Term Loan Lenders."

(j) Section 14.7(b) of the Credit Agreement is hereby amended by adding to the end of such Section a new sentence as follows:

"Notwithstanding the foregoing, this Section 14.7(b) may only be utilized with respect to a Non-Consenting Lender in respect of any amendment to this Agreement after the Amendment No. 1 Effective Date and prior to the one year anniversary of the Amendment No. 1 Effective Date that has the effect of reducing the Applicable ABR Margin and the Applicable LIBOR Margin for the Tranche B-1 Term Loans or European-1 Tranche Term Loans, as the case may be, if such Non-Consenting Lender is paid a fee equal to 1.0% of the principal amount of such Lender's Tranche B-1 Term Loans or European-1 Tranche Term Loans, as the case may be, being replaced and repaid."

(k) All references to "Adjusted Total European Tranche Term Loan Commitment", "Adjusted Total Tranche A Term Loan Commitment", "Adjusted Total Tranche B Term Loan Commitment", "European Tranche Repayment Amount", "European Tranche Repayment Date", "European Tranche Term Loan", "European Tranche Term Loan Commitment", "European Tranche Term Loan Facility", "European Tranche Term Loan Lender", "European Tranche Term Loan Maturity Date", "Required European Tranche Term Loan Lenders", "Required Tranche A Term Loan Lenders", "Required Tranche B Term Loan Lenders", "Total European Tranche Term Loan Commitment", "Total Tranche A Term Loan Commitment", "Total Tranche B Term Loan Commitment", "Tranche A Repayment Amount", "Tranche A Repayment Date", "Tranche A Term Loan", "Tranche A Term Loan Commitment", "Tranche A Term Loan Facility", "Tranche A Term Loan Lender", "Tranche A Term Loan Maturity Date", "Tranche B Repayment Amount", "Tranche B Repayment Date", "Tranche B Term Loan", "Tranche B Term Loan Commitment", "Tranche B Term Loan Facility", "Tranche B Term Loan Lender" and "Tranche B Term Loan Maturity Date" (except any such references appearing in the provisions of clauses (a), (e), (f), (g) and (i) of Section 1 of this Amendment and Section 2.1(a) of the Credit Agreement) in the Credit Agreement and the Credit Documents shall be deemed to be references to "Adjusted Total European-1 Tranche Term Loan Commitment", "Adjusted Total Tranche A-1 Term Loan Commitment", "Adjusted Total Tranche B-1 Term Loan Commitment", "European-1 Tranche Repayment Amount", "European-1 Tranche Repayment Date", "European-1 Tranche Term Loan", "European-1 Tranche Term Loan Commitment", "European-1 Tranche Term Loan Facility", "European-1 Tranche Term Loan Lender", "European-1 Tranche Term Loan Maturity Date", "Required European Tranche-1 Term Loan Lenders", "Required Tranche A-1 Term Loan Lenders", "Required Tranche B-1 Term Loan Lenders", "Total European-1 Tranche Term Loan Commitment", "Total Tranche A-1 Term Loan Commitment", "Total Tranche B-1 Term Loan Commitment", "Tranche A-1 Repayment Amount", "Tranche A-1 Repayment Date", "Tranche A-1 Term Loan", "Tranche A-1 Term Loan Commitment", "Tranche A-1 Term Loan Facility", "Tranche A-1 Term Loan Lender", "Tranche A-1 Term Loan Maturity Date", "Tranche B-1 Repayment Amount", "Tranche B-1 Repayment Date", "Tranche B-1 Term Loan", "Tranche B-1 Term Loan Commitment", "Tranche B-1 Term Loan Facility", "Tranche B-1 Term Loan Lender" and "Tranche B-1 Term Loan Maturity Date," respectively.

(l) (a) The Additional European-1 Tranche Term Loan Commitments, Additional Tranche A-1 Term Loan Commitments and Additional Tranche B-1 Term Loan Commit-

ments shall not be treated as New Term Loan Commitments as such term is defined in Section 2.14(a); (b) the Additional European-1 Tranche Term Loans, Additional Tranche A-1 Term Loans and Additional Tranche B-1 Term Loans shall not be treated as New Term Loans as such term is defined in Section 2.14(c); (c) the Additional European-1 Tranche Term Loan Lenders, Additional Tranche A-1 Term Loan Lenders and Additional Tranche B-1 Term Loan Lenders shall not be treated as New Term Loan Lenders as such term is defined in Section 2.14(c); and (d) clause (k) of Section 1 of this Amendment shall not apply where the context clearly requires otherwise.

Section 2. **Representations and Warranties**. Each Borrower represents and warrants to the Lenders as of the date hereof and as of the Amendment No. 1 Effective Date that:

(a) The execution and delivery of this Amendment by the Borrowers has been duly authorized.

(b) The execution, delivery and performance by each of the Borrowers of this Amendment, will not (a) contravene any applicable provision of any material law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of any Credit Party or any of the Restricted Subsidiaries (other than Liens created under the Credit Documents or Liens subject to the Intercreditor Agreements) pursuant to, the terms of any material indenture, loan agreement, lease agreement, mortgage, deed of trust, agreement or other material instrument to which such Credit Party or any of the Restricted Subsidiaries is a party or by which it or any of its property or assets is bound or (c) violate any provision of the certificate of incorporation, by-laws or other organizational documents of such Credit Party or any of the Restricted Subsidiaries.

(c) The representations and warranties set forth in the Credit Agreement and in the other Credit Documents are true and correct in all material respects with the same effect as if made on the Amendment No. 1 Effective Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date.

(d) At the time of and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

Section 3. **Conditions to Effectiveness of Amendment**. This Amendment shall become effective on the first Business Day (the "Amendment No. 1 Effective Date") on which each of the following conditions is satisfied:

(a) The Administrative Agent shall have received (i) from each European Tranche Term Loan Lender with a European-1 Tranche Term Loan Commitment and from Additional European-1 Tranche Term Loan Lenders having Additional European-1 Tranche Term Loan Commitments equal in principal amount to the amount of European Tranche Term Loans held by Non-Consenting European Tranche Term Loan Lenders, (ii) from each Tranche A Term Loan Lender with a Tranche A-1 Term Loan Commitment and from Additional Tranche A-1 Term Loan Lenders having Additional Tranche A-1 Term Loan Commitments equal in principal amount to the amount of Tranche A Term Loans held by Non-Consenting Tranche A Term Loan Lenders, (iii) from each Tranche B Term Loan Lender with a Tranche B-1 Term Loan Commitment and from Additional Tranche B-1 Term Loan Lenders having Additional Tranche B-1 Term Loan Commitments equal in principal amount to the amount of Tranche B Term Loans held by Non-Consenting Tranche B Term Loan Lenders, (iv) from the Administrative Agent and (v) from each Borrower and each Guarantor, either (x) a counterpart of this Amendment signed on behalf of such party or (y) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment;

(b) The Parent Borrower shall have provided the Administrative Agent with a Notice of Borrowing two Business Days prior to the Amendment No. 1 Effective Date with respect to the borrowing of Tranche A-1 Term Loans and Tranche B-1 Term Loans on the Amendment No. 1 Effective Date;

(c) The European Subsidiary Borrower shall have provided the Administrative Agent with a Notice of Borrowing three Business Days prior to the Amendment No. 1 Effective Date with respect to the borrowing of European-1 Tranche Term Loans on the Amendment No. 1 Effective Date;

(d) Each Tranche A-1 Term Loan Lender shall have received, if requested at least three Business Days prior to the date on which each of the other conditions to the Amendment No. 1 Effective Date have been met, one or more Tranche A-1 Term Notes payable to the order of such Lender duly executed by the Parent Borrower in substantially the form of Exhibit K-1 to the Credit Agreement, as modified by this Amendment, evidencing its Tranche A-1 Term Loans;

(e) Each Tranche B-1 Term Loan Lender shall have received, if requested at least three Business Days prior to the date on which each of the other conditions to the Amendment No. 1 Effective Date have been met, one or more Tranche B-1 Term Notes payable to the order of such Lender duly executed by the Parent Borrower in substantially the form of Exhibit K-2 to the Credit Agreement, as modified by this Amendment, evidencing its Tranche B-1 Term Loans;

(f) Each European-1 Tranche Term Loan Lender shall have received, if requested at least three Business Days prior to the date on which each of the other conditions to the Amendment No. 1 Effective Date have been met, one or more European-1 Tranche Term Notes

payable to the order of such Lender duly executed by the Parent Borrower in substantially the form of Exhibit K-4 to the Credit Agreement, as modified by this Amendment, evidencing its European-1 Tranche Term Loans;

(g) The Parent Borrower shall have paid to all Tranche A Term Loan Lenders on the Amendment No. 1 Effective Date, simultaneously with the making of Tranche A-1 Term Loans under the Credit Agreement, all accrued and unpaid interest (including any Reserve Amount) on the Tranche A Term Loans to, but not including, the Amendment No. 1 Effective Date;

(h) The Parent Borrower shall have paid to all Tranche B Term Loan Lenders on the Amendment No. 1 Effective Date, simultaneously with the making of Tranche B-1 Term Loans under the Credit Agreement, all accrued and unpaid interest (including any Reserve Amount) on the Tranche B Term Loans to, but not including, the Amendment No. 1 Effective Date;

(i) The European Subsidiary Borrower shall have paid to all European Tranche Term Loan Lenders on the Amendment No. 1 Effective Date, simultaneously with the making of European-1 Tranche Term Loans under the Credit Agreement, all accrued and unpaid interest (including any Reserve Amount) on the European Tranche Term Loans to, but not including, the Amendment No. 1 Effective Date;

(j) The Administrative Agent shall have received the executed legal opinions, in form and substance reasonably satisfactory to the Administrative Agent, of (a) Simpson Thacher & Bartlett LLP, special New York counsel to the Parent Borrower, (b) Robert A. Waterman, General Counsel of the Parent Borrower and (c) Bass, Berry & Sims PLC, special Tennessee counsel to certain of the U.S. Guarantors;

(k) The Borrowers shall have paid (i) the Agents the fees in the amounts previously agreed in writing to be received on the Amendment No. 1 Effective Date and (ii) the Administrative Agent all reasonable costs and expenses (including, without limitation the reasonable fees, charges and disbursements of Cahill Gordon & Reindel LLP, counsel for the Agents, and local counsel for the Agents) of the Administrative Agent for which invoices have been presented prior to the Closing Date; and

(l) At the time of and immediately after giving effect to the Amendment no Default or Event of Default has occurred and is continuing.

Section 4. **Counterparts**. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 5. **Applicable Law**. **THIS AMENDMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

Section 6. **Headings**. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 7. **Effect of Amendment**. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Agents under the Credit Agreement or any other Credit Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or any other Credit Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. The Required Lenders agree that the Borrowers and the Administrative Agent may enter into an Amended and Restated Credit Agreement after the Amendment No. 1 Effective Date in form and substance satisfactory to the Administrative Agent to give effect to this Amendment. By executing and delivering a copy hereof, each Borrower and each Guarantor hereby agrees and confirms that all Obligations (including, without limitation, the Tranche A-1 Term Loans, the Tranche B-1 Term Loans and the European-1 Tranche Term Loans) shall be fully guaranteed by the U.S. Guarantors pursuant to the U.S. Guarantee and the European Obligations (including, without limitation, the European-1 Tranche Term Loans) shall be fully guaranteed by the European Guarantors pursuant to the European Guarantee, and, in each case, shall be fully secured pursuant to the applicable Security Documents (including, without limitation, the Mortgages required to be delivered under Section 9.14 of the Credit Agreement) securing the applicable Obligations of the Credit Parties.

Section 8. **European Security Documents**. Within 30 days following the Amendment No. 1 Effective Date (or such longer period as to which the Administrative Agent may consent), the Administrative Agent shall have received:

(a) executed legal opinions, in form and substance reasonably satisfactory to the Administrative Agent, of local counsel in the jurisdictions of the United Kingdom and Switzerland;

(b) amended European Security Documents executed by the applicable European Loan Parties, in a form and substance reasonably satisfactory to the Administrative Agent;

(c) evidence of all applicable corporate approval documentation, in form and substance reasonably satisfactory to the Administrative Agent, consistent with the Credit Agreement and as required pursuant to the amended European Security Documents; and

(d) evidence of all applicable registrations as required pursuant to the amended European Security Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

HCA INC.

By: /s/ Keith M. Giger
Name: Keith M. Giger
Title: Vice President-Finance

HCA UK CAPITAL LIMITED

By: /s/ Keith M. Giger
Name: Keith M. Giger
Title: Vice President-Finance

Each of the U.S. GUARANTORS listed on
Schedule II hereto

By: /s/ John M. Franck II
Name: John M. Franck II
Title: Vice President and Assistant Secretary

Each of the EUROPEAN GUARANTORS listed on
Schedule III hereto

By: /s/ Michael Neeb
Name: Michael Neeb
Title: CEO

[Amendments No. 1 to
HCA Inc. Credit Agreement]

BANK OF AMERICA, N.A., as Administrative Agent, Collateral Agent, Swingline Lender, Letter of Credit Issuer and a Lender

By: /s/ John A. Fulton
Name: John A. Fulton
Title: Vice President

[Amendments No. 1 to
HCA Inc. Credit Agreement]

Exhibit 4.13

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of November 17, 2006, is by and among HCA Inc., a Delaware corporation (the "Company"), Hercules Holding II, LLC, a Delaware limited liability company ("Holdings") and each of the other parties hereto. Each of the Persons listed on the signature pages hereto (other than the Company and Holdings), each Senior Manager and any Person who becomes a party hereto pursuant to Section 12(c) are referred to individually as an "Investor" and together as the "Investors".

WHEREAS, Holdings and the Investors are parties to that certain Amended and Restated Limited Liability Company Agreement, dated as of the date hereof, as the same may hereafter be amended from time to time (the "LLC Agreement");

WHEREAS, in connection with the entry into the LLC Agreement and the closing of the transactions contemplated by the Agreement and Plan of Merger, dated as of July 24, 2006, by and among the Company, Holdings and Hercules Acquisition Corporation, the parties hereto desire to enter into this Agreement to provide the Investors with certain registration rights with respect to the Common Stock (as defined below); and

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the following meanings, and terms used herein but not otherwise defined herein shall have the meanings assigned to them in the LLC Agreement:

"Bain Investor" shall mean Bain Capital HCA Investors, LLC, Bain Capital Integral Investors 2006, LLC and BCIP TCV, LLC, Bain Capital Hercules Investors, LLC and their Permitted Transferees, in each case, that from time to time hold any direct or indirect interest in the Company.

"Common Stock" shall mean all shares hereafter authorized of any class of common stock of the Company which has the right (subject always to the rights of any class or series of preferred stock of the Company) to participate in the distribution of the assets and earnings of the Company without limit as to per share amount.

"Demand Notice" shall have the meaning set forth in Section 2(a) hereof.

"Demand Registration" shall have the meaning set forth in Section 2(a) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and any successor statute thereto and the rules and regulations of the SEC promulgated thereunder.

"Family Investor" means, as of any date, any of the individuals or entities identified in Exhibit A to the LLC Agreement and their respective Permitted Transferees that from time to time hold any direct or indirect interest in the Company and/or HCA.

"Family Member" shall mean, with respect to any natural Person, (i) any family member (including any child, stepchild, grandchild or more remote issue, parent, stepparent, grandparent, spouse, former spouse, domestic partner, sibling, child of sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, cousin and adoptive relationships) or heir, legatee, beneficiary, devisee or estate of such Family Member or (ii) any foundation, trust, family limited partnership, family limited liability company or other entity created and used for estate planning purposes, so long as any such foundation, trust, family limited partnership, family limited liability company or other entity is controlled by, for the benefit of, or owned by one or more Persons described in clause (i) and/or clause (ii).

"Family Representative" means Frisco Inc. and Frisco Partners or such other natural person or entity as may be designated to act as such, and notified to the Company in writing, by Frisco Inc. and Frisco Partners.

"KKR Investor" shall mean KKR Millennium Fund L.P., KKR PEI Investments, L.P., KKR 2006 Fund L.P., KKR Partners III, L.P., OPERF Co-Investment LLC and their respective Permitted Transferees, in each case, that from time to time hold any direct or indirect interest in the Company.

"Losses" shall have the meaning set forth in Section 7 hereof.

"Management Stockholder's Agreement" shall mean the Management Stockholder's Agreement dated as of the date hereof among the Company and certain members of senior management of the Company and any other substantially similar Management Stockholder's Agreement subsequently entered into among the Company and any employee of the Company, in each case as amended from time to time.

"MLGPE Investor" shall mean ML Global Private Equity Fund, L.P., Merrill Lynch Ventures L.P. 2001 and their respective Permitted Transferees, in each case, that from time to time hold any direct or indirect interest in the Company.

"Permitted Transferee" shall have the meaning set forth in the LLC Agreement.

"Person" shall mean any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any government or agency or political subdivision thereof.

"Piggyback Notice" shall have the meaning set forth in Section 3(a) hereof.

"Piggyback Registration" shall have the meaning set forth in Section 3(a) hereof.

"Public Offering" shall mean the sale of Common Stock to the public pursuant to an effective registration statement (other than a registration statement on Form S-4 or Form S-8 or any similar or successor form) filed under the Securities Act or any comparable law or regulatory scheme of any foreign jurisdiction.

"Proceeding" shall mean an action, claim, suit, arbitration or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" shall mean the prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such prospectus.

"Qualified Holder" shall mean any of the Bain Investor, the Family Investor, the KKR Investor and the MLGPE Investor; provided that each of the foregoing Investors shall cease to be a Qualified Holder when such Investor is no longer entitled to designate a manager to the Board of Holdings pursuant to the LLC Agreement, other than for purposes of delivering a Demand Notice relating to an initial Public Offering pursuant to Section 2(a) and all matters related to such registration, in which case the foregoing Investors shall not be considered a Qualified Holder if they are no longer entitled to designate two managers to the Board of Holdings pursuant to the LLC Agreement.

"Registrable Securities" shall mean all shares of Common Stock held directly or indirectly by a Registration Rights Holder (including (i) any shares of Common Stock held indirectly by a Registration Rights Holder through Holdings and (ii) any shares of Common Stock issuable upon exercise of an Option (as defined in the Management Stockholder's Agreement) held by a Registration Rights Holder to the extent then exercisable)). As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) they are sold pursuant to an effective Registration Statement under the Securities Act, (ii) they are sold pursuant to Rule 144, (iii) they shall have ceased to be outstanding or (iv) they have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of the securities. No Registrable Securities may be registered under more than one Registration Statement at any one time.

"Registration Rights Holder" shall mean, each of the Investors, any employee party to a Management Stockholder's Agreement (but only to the extent that such employee is entitled to registration rights thereunder), and any other person entitled to incidental or piggyback registration rights pursuant to an agreement with the Company.

"Registration Statement" shall mean any registration statement of the Company under the Securities Act which permits the public offering of any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and

supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Requisite Investors" shall mean (i) prior to the third anniversary of an initial Public Offering of the Company, any three of the Bain Investor, the Family Investor, the KKR Investor and the MLGPE Investor; provided that if any one of the foregoing Investor Groups shall cease to be a Qualified Holder, then Requisite Investors shall mean, any two of the remaining foregoing Investor Groups provided that they are Qualified Holders; provided further, if more than one of the foregoing Investor Groups shall cease to be a Qualified Holder, then, except as specifically provided herein, the term "Requisite Investors" shall mean one or more Investor Groups holding in the aggregate more than (A) with respect to an initial Public Offering of the Company, 10% of the shares of Common Stock (including indirect holdings through Holdings) and (B) thereafter, 5% of the shares of Common Stock (including indirect holdings through Holdings) and (ii) after the third anniversary of an initial Public Offering of the Company, except as specifically provided herein, one or more Investor Groups holding in the aggregate more than 5% of the shares of Common Stock (including indirect holdings through Holdings).

"Rule 144" shall mean Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"SEC" shall mean the Securities and Exchange Commission or any successor agency having jurisdiction under the Securities Act.

"Securities Act" shall mean the Securities Act of 1933, as amended, and any successor statute thereto and the rules and regulations of the SEC promulgated thereunder.

"Senior Manager" shall have the meaning given thereto in the Management Stockholders Agreement.

"Sponsor Investors" shall mean, collectively, the Bain Investor, the KKR Investor and the MLGPE Investor.

"underwritten registration or underwritten offering" shall mean a registration in which securities of the Company are sold to an underwriter for reoffering to the public.

Where this Agreement provides for the vote, consent or approval of the Bain Investor, the KKR Investor or the MLGPE Investor, each such group's vote, consent or approval shall be deemed to be given if approved by members of such group holding a majority of the Units then held by all members of such group. Where this Agreement provides for the vote, consent or approval of the Family Investor, the Family Investor's vote, consent or approval shall be deemed to be given if approved by each of the Family Representatives. Each Registration Rights Holder shall be deemed, for purposes hereunder, to be a holder of (i) a percentage of the number of shares of Common Stock held by Holdings equal to the percentage of the total "Units" issued by Holdings held by such Registration Rights Holder, and (ii) any shares of common stock of HCA Inc held by such Registration Rights Holder.

Section 2. Demand Registrations.

(a) Requests for Registration. Subject to the following paragraphs of this Section 2(a), the Requisite Investors shall have the right by delivering a written notice to the Company (a "Demand Notice") to require the Company to register, pursuant to the terms of this Agreement under and in accordance with the provisions of the Securities Act, the number of Registrable Securities requested to be so registered pursuant to the terms of this Agreement and, in the case of an initial Public Offering, a number of shares of Common Stock specified by such group of Requisite Investors to be issued and sold in the initial Public Offering (a "Demand Registration"); provided, however, that a Demand Notice may only be made if the sale of the Registrable Securities requested to be registered by such group of Requisite Investors and/or, in the case of an initial Public Offering, the sale of the number of shares of Common Stock specified by such group of Requisite Investors to be issued in the initial Public Offering is reasonably expected to result in aggregate gross cash proceeds in excess of $200,000,000 (without regard to any underwriting discount or commission). Following receipt of a Demand Notice for a Demand Registration, the Company shall use its reasonable best efforts to file a Registration Statement as promptly as practicable, but not later than 60 days after such Demand Notice (in the case of an initial Public Offering), and 30 days after such Demand Notice (in the case of any Public Offering other than an initial Public Offering), and shall use its reasonable best efforts to cause such Registration Statement to be declared effective under the Securities Act as promptly as practicable after the filing thereof.

No Demand Registration shall be deemed to have occurred for purposes of this Section 3 if the Registration Statement relating thereto (i) does not become effective (ii) is not maintained effective for the period required pursuant to this Section 2, or (iii) the offering of the Registrable Securities pursuant to such Registration Statement is subject to a stop order, injunction or similar order or requirement of the SEC during such period in which case such requesting holder of Registrable Securities shall be entitled to an additional Demand Registration, as the case may be, in lieu thereof.

Within 10 days after receipt by the Company of a Demand Notice, the Company shall give written notice (the "Notice") of such Demand Notice to all other holders of Registrable Securities and shall, subject to the provisions of Section 2(b) hereof, include in such registration all Registrable Securities with respect to which the Company received written requests for inclusion therein within 15 days after such Notice is given by the Company to such holders.

Notwithstanding anything to the contrary in this Agreement, unless otherwise consented to by the Requisite Investors (which, if there are not more than two Qualified Holders, shall mean, for purposes of this sentence, those holders of more than 50% of the shares of Common Stock held by the Investors (including indirect holdings through Holdings)), in connection with a Demand Notice for an initial Public Offering, the Company shall not be required to deliver any Demand Notice or Piggyback Notice nor include in such registration any Registrable Securities if the initial Public Offering involves only a primary offering of the Common Stock in which none of the Family Investor or the Sponsor Investors are selling shares of Common Stock beneficially owned by them.

All requests made pursuant to this Section 2 will specify the number of Registrable Securities to be registered and/or, in the case of an initial Public Offering, the number of shares of Common Stock to be issued and the intended methods of disposition thereof.

The Company shall be required to maintain the effectiveness of the Registration Statement with respect to any Demand Registration for a period of at least 270 days after the effective date thereof or such shorter period in which all Registrable Securities included in such Registration Statement have actually been sold.

(b) Priority on Demand Registration.

(i) Initial Public Offering. If any of the Registrable Securities registered pursuant to a Demand Registration in connection with an initial Public Offering are to be sold in a firm commitment underwritten offering, and the managing underwriter or underwriters advise the holders of such securities in writing that in its view the total number or dollar amount of Registrable Securities proposed to be sold in such offering is such as to adversely affect the success of such offering (including, without limitation, securities proposed to be included by other holders of securities entitled to include securities in such Registration Statement pursuant to incidental or piggyback registration rights), then there shall be included in such firm commitment underwritten offering the number or dollar amount of Registrable Securities that in the opinion of such managing underwriter can be sold without adversely affecting such offering, and such number of Registrable Securities shall be allocated as follows (unless the underwriters require a different allocation):

(A) first, among the Sponsor Investors, the Family Investor, Citigroup Capital Partners II 2006, Citigroup Investment L.P., Citigroup Capital Partners II Employee Master Fund, L.P., Citigroup Capital Partners II Onshore, L.P., Citigroup Capital Partners II Cayman Holdings, L.P., Banc of America Securities LLC and any other holder of Registrable Securities entitled to exit with the Sponsor Investors and the Family Investor in a Demand Registration pro rata on the basis of the percentage of the Registrable Securities owned directly or indirectly by each such Investor or other Person relative to the number of Registrable Securities owned directly or indirectly by all such Persons;

(B) second, among the other holders of Registrable Securities on the basis of the percentage of the Registrable Securities owned directly or indirectly by each such Investor or other Person pro rata relative to the number of Registrable Securities owned directly or indirectly by all such Persons; and

(C) third, the securities for which inclusion in such Demand Registration, was requested by the Company.

(ii) Subsequent Public Offerings. If any of the Registrable Securities registered pursuant to a Demand Registration other than in connection with an initial Public Offering are to be sold in a firm commitment underwritten offering,

and the managing underwriter or underwriters advise the holders of such securities in writing that in its view the total number or dollar amount of Registrable Securities proposed to be sold in such offering is such as to adversely affect the success of such offering (including, without limitation, securities proposed to be included by other holders of securities entitled to include securities in such Registration Statement pursuant to incidental or piggyback registration rights), then there shall be included in such firm commitment underwritten offering the number or dollar amount of Registrable Securities that in the opinion of such managing underwriter can be sold without adversely affecting such offering, and such number of Registrable Securities shall be allocated as follows (unless the underwriters require a different allocation):

(A) first, among the holders of Registrable Securities on the basis of the percentage of the Registrable Securities owned directly or indirectly by each such Investor or other Person pro rata relative to the number of Registrable Securities owned directly or indirectly by all such Persons; and

(B) second, the securities for which inclusion in such Demand Registration, as the case may be, was requested by the Company.

For purposes of any underwriter cutback, all Registrable Securities held by any Investor (other than a Family Investor) shall also include any Registrable Securities held by the partners, retired partners, shareholders or affiliates of such holder, or the estates and family members of any such holder or such partners and retired partners, any trusts for the benefit of any of the foregoing persons and, at the election of such holder or such partners, retired partners, trusts or affiliates, any charitable organization, in each case to which any of the foregoing shall have distributed, transferred or contributed Common Stock prior to the execution of the underwriting agreement in connection with such underwritten offering; provided that such distribution, transfer or contribution occurred not more than 90 days prior to such execution, and such holder and other persons shall be deemed to be a single selling holder, and any pro rata reduction with respect to such selling holder shall be based upon the aggregate amount of Common Stock owned by all entities and individuals included in such selling holder, as defined in this sentence. No securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration.

For purposes of any underwriter cutback, all Registrable Securities held by any Family Investor shall also include any Registrable Securities held by the estates and family members of any such Family Investor, any trusts for the benefit of any of the foregoing persons and, at the election of such Family Investor, any charitable organization, in each case to which any of the foregoing shall have distributed, transferred or contributed Common Stock prior to the execution of the underwriting agreement in connection with such underwritten offering provided that such distribution, transfer or contribution occurred not more than 90 days prior to such execution, and such holder and other persons shall be deemed to be a single selling holder, and any pro rata reduction with respect to such selling holder shall be based upon the aggregate amount of Common Stock owned by all entities and individuals included in such selling holder, as defined in this sentence. No securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration.

(c) Postponement of Demand Registration. The Company shall be entitled to postpone (but not more than once in any 12-month period), for a reasonable period of time not in excess of 60 days, the filing of a Registration Statement if the Company delivers to the holders requesting registration a certificate signed by both the president and chief financial officer of the Company certifying that, in the good faith judgment of the board of directors of the Company, such registration and offering would reasonably be expected to materially adversely affect or materially interfere with any bona fide material financing of the Company or any material transaction under consideration by the Company or would require disclosure of information that has not been, and is not otherwise required to be, disclosed to the public, the premature disclosure of which would materially adversely affect the Company. Such certificate shall contain a statement of the reasons for such postponement and an approximation of the anticipated delay. The holders receiving such certificate shall keep the information contained in such certificate confidential subject to the same terms set forth in Section 5(p). If the Company shall so postpone the filing of a Registration Statement, the Requisite Investors (which, if there are not more than two Qualified Holders, shall mean, for purposes of this sentence, those holders of more than 50% of the Registrable Securities to be included in such registration statement) shall have the right to withdraw the request for registration by giving written notice to the Company within 20 days of the anticipated termination date of the postponement period, as provided in the certificate delivered to the holders.

(d) Cancellation of Demand Registration. Holders of a majority of the Registrable Securities which are to be registered in a particular offering pursuant to this Section 2 shall have the right to notify the Company that they have determined that the registration statement be abandoned or withdraw, in which event the Company shall abandon or withdraw such registration statement.

Section 3. Piggyback Registration.

(a) Right to Piggyback. Except with respect to a Demand Registration, the procedures for which are addressed in Section 2, if the Company proposes to file a registration statement under the Securities Act with respect to an offering of Common Stock whether or not for sale for its own account (other than a registration statement (i) on Form S-4, Form S-8 or any successor forms thereto or (ii) filed solely in connection with an exchange offer or any employee benefit or dividend reinvestment plan, then, each such time), the Company shall give prompt written notice of such proposed filing at least twenty (20) days before the anticipated filing date (the "Piggyback Notice") to all of the holders of Registrable Securities. The Piggyback Notice shall offer such holders the opportunity to include in such registration statement the number of Registrable Securities as each such holder may request (a "Piggyback Registration"). Subject to Section 3(b) hereof, the Company shall include in each such Piggyback Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within fifteen (15) days after notice has been given to the applicable holder. The eligible holders of Registrable Securities shall be permitted to withdraw all or part of the Registrable Securities from a Piggyback Registration at any time at least two business days prior to the effective date of such Piggyback Registration. The Company shall not be required to maintain the effectiveness of the Registration Statement for a Piggyback Registration beyond the earlier to occur of (i) 180 days after the effective date thereof and (ii)

consummation of the distribution by the holders of the Registrable Securities included in such Registration Statement.

Notwithstanding anything to the contrary in this Agreement, unless otherwise consented to by the Requisite Investors (which, if there are not more than two Qualified Holders, shall mean, for purposes of this sentence, those holders of more than 50% of the shares of Common Stock held by the Investors (including indirect holdings through Holdings)), in connection with an initial Public Offering the Company shall not be required to deliver a Piggyback Notice nor include in such registration any Registrable Securities if the initial Public Offering involves only a primary offering of the Common Stock in which none of the Family Investor or the Sponsor Investors are selling shares of Common Stock beneficially owned by them.

(b) Priority on Piggyback Registrations. The Company shall use reasonable efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit holders of Registrable Securities requested to be included in the registration for such offering to include all such Registrable Securities on the same terms and conditions as any other shares of capital stock, if any, of the Company included therein. Notwithstanding the foregoing, if the managing underwriter or underwriters of such underwritten offering have informed the Company in writing that it is their good faith opinion that the total amount of securities that such holders, the Company and any other Persons having rights to participate in such registration, intend to include in such offering is such as to adversely affect the success of such offering, then the amount of securities to be offered for the account of holders of Registrable Securities (other than the Company) shall be reduced to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing underwriter or underwriters by reducing the securities requested to be included by the holders of Registrable Securities requesting such registration pro rata among such holders based on the number of Registrable Securities owned directly or indirectly by all such Persons.

(c) Shelf Take-Downs. At any time that a shelf registration statement covering Registrable Securities pursuant to Section 2 or this Section 3 is effective, if any holder or group of holders of Registrable Securities delivers a notice to the Company (a "Take-Down Notice") stating that it intends to effect an underwritten offering of all or part of its Registrable Securities included by it on the shelf registration statement (a "Shelf Underwritten Offering") and stating the number of the Registrable Securities to be included in the Shelf Underwritten Offering, then, provided that the Committee (as defined in the LLC Agreement) approves of such Shelf Underwritten Offering, the Company shall amend or supplement the shelf registration statement as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Underwritten Offering (taking into account the inclusion of Registrable Securities by any other holders pursuant to this Section 3(c)). In connection with any Shelf Underwritten Offering:

(i) such proposing holder(s) shall also deliver the Take-Down Notice to all other holders included on such shelf registration statement and permit each holder to include its Registrable Securities included on the shelf registration statement in the Shelf Underwritten Offering if such holder notifies the proposing holders and

the Company within five business days after delivery of the Take-Down Notice to such holder; and

(ii) in the event that the underwriter determines that marketing factors (including an adverse effect on the per share offering price) require a limitation on the number of shares which would otherwise be included in such take-down, the underwriter may limit the number of shares which would otherwise be included in such take-down offering in the same manner as is described in Section 2(b)(ii) with respect to a limitation of shares to be included in a registration.

Section 4. Restrictions on Public Sale by Holders of Registrable Securities; Restrictions on the Company. Each Investor agrees, in connection with an initial Public Offering, and each holder of Registrable Securities agrees, in connection with any underwritten offering made pursuant to a Registration Statement filed pursuant to Section 2 or Section 3 hereof (whether or not such holder elected to include Registrable Securities in such Registration Statement), if requested (pursuant to a written notice) by the managing underwriter or underwriters in an underwritten offering, not to effect any public sale or distribution of any of the Company's securities (except as part of such underwritten offering), including a sale pursuant to Rule 144 or any swap or other economic arrangement that transfers to another any of the economic consequences of owning the Common Stock, or to give any Demand Notice during the period commencing on the date of the request and continuing for not more than 180 days (with respect to an initial Public Offering) or 90 days after the date of the Prospectus (or Prospectus supplement if the offering is made pursuant to a "shelf" registration) pursuant to which such Public Offering shall be made, plus such extension period, which shall be no longer than 17 days, as may be proposed by the managing underwriter to address NASD regulations regarding the publishing of research, or such lesser period as is required by the managing underwriter. Notwithstanding the foregoing, any discretionary waiver or termination of this lock-up provision by the Company or the underwriters with respect to any of the Sponsor Investors or the Family Investor shall apply to the other Sponsor Investors and the Family Investor as well pro rata based upon the number of shares subject to such obligations. The Coordination Committee shall be responsible for negotiating all "lock-up" agreements with underwriters and, in addition to the foregoing provisions of this Section 4, the Investor and holders of Registrable Securities agree to execute the form so negotiated.

If any registration pursuant to Section 2 of this Agreement shall be in connection with any underwritten Public Offering, the Company will not effect any public sale or distribution of any common equity (or securities convertible into or exchangeable or exercisable for common equity) (other than a registration statement (i) on Form S-4, Form S-8 or any successor forms thereto or (ii) filed solely in connection with an exchange offer or any employee benefit or dividend reinvestment plan) for its own account, within 90 days (or such shorter periods as the managing underwriters may agree to with the Coordination Committee) after the effective date of such registration.

Section 5. Registration Procedures. If and whenever the Company is required to use its reasonable best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 2 and Section 3 hereof, the Company shall effect such registration to permit the sale of such Registrable Securities in accordance with the intended

method or methods of disposition thereof, and pursuant thereto the Company shall cooperate in the sale of the securities and shall, as expeditiously as possible:

(a) Prepare and file with the SEC a Registration Statement or Registration Statements on such form which shall be available for the sale of the Registrable Securities by the holders thereof or the Company in accordance with the intended method or methods of distribution thereof, and use its reasonable best efforts to cause such Registration Statement to become effective and to remain effective as provided herein (including by means of a shelf registration pursuant to Rule 415 under the Securities Act if so requested and if the Company is then eligible to use such registration); provided, however, that before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including documents that would be incorporated or deemed to be incorporated therein by reference), the Company shall furnish or otherwise make available to the Sponsor Investors and the Family Investor who are selling Shares under such Registration Statement, their counsel and the managing underwriters, if any, copies of all such documents proposed to be filed, which documents will be subject to the reasonable review and comment of such counsel, and such other documents reasonably requested by such counsel, including any comment letter from the SEC, and, if requested by such counsel, provide such counsel reasonable opportunity to participate in the preparation of such Registration Statement and each Prospectus included therein and such other opportunities to conduct a reasonable investigation within the meaning of the Securities Act, including reasonable access to the Company's books and records, officers, accountants and other advisors. The Company shall not file any such Registration Statement or Prospectus or any amendments or supplements thereto (including such documents that, upon filing, would be incorporated or deemed to be incorporated by reference therein) with respect to a Demand Registration to which the holders of a majority of the Registrable Securities held by the Sponsor Investors and the Family Investor (represented by the Family Representative) who are selling Shares under such Registration Statement, their counsel, or the managing underwriters, if any, shall reasonably object, in writing, on a timely basis, unless, in the opinion of the Company, such filing is necessary to comply with applicable law.

(b) Prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective during the period provided herein and comply in all material respects with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement; and cause the related Prospectus to be supplemented by any Prospectus supplement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of the securities covered by such Registration Statement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act.

(c) Notify each selling holder of Registrable Securities and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or any other Federal or state governmental authority for amendments or supplements to a Registration Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC of

any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) if at any time the representations and warranties of the Company contained in any agreement (including any underwriting agreement) contemplated by Section 5(o) below cease to be true and correct, (v) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, and (vi) of the happening of any event that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction at the reasonably earliest practical date.

(e) If requested by the managing underwriters, if any, or the holders of a majority of the then outstanding Registrable Securities being sold in connection with an underwritten offering, promptly include in a Prospectus supplement or post-effective amendment such information as the managing underwriters, if any, and such holders may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received such request; provided, however, that the Company shall not be required to take any actions under this Section 5(e) that are not, in the opinion of counsel for the Company, in compliance with applicable law.

(f) Furnish or make available to each selling holder of Registrable Securities, and each managing underwriter, if any, without charge, at least one conformed copy of the Registration Statement, the Prospectus and Prospectus supplements, if applicable, and each post-effective amendment thereto, including financial statements (but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits, unless requested in writing by such holder, counsel or underwriter).

(g) Deliver to each selling holder of Registrable Securities, and the underwriters, if any, without charge, as many copies of the Prospectus or Prospectuses (including each form of Prospectus) and each amendment or supplement thereto as such Persons may reasonably request in connection with the distribution of the Registrable Securities; and the Company, subject to the last paragraph of this Section 5, hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling holders of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the

Registrable Securities covered by such Prospectus and any such amendment or supplement thereto.

(h) Prior to any public offering of Registrable Securities, use its reasonable best efforts to register or qualify or cooperate with the selling holders of Registrable Securities, the underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of such jurisdictions within the United States as any seller or underwriter reasonably requests in writing and to keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and to take any other action that may be necessary or advisable to enable such holders of Registrable Securities to consummate the disposition of such Registrable Securities in such jurisdiction; provided, however, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject.

(i) Cooperate with the selling holders of Registrable Securities and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving written representations from each holder of such Registrable Securities that the Registrable Securities represented by the certificates so delivered by such holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters, if any, or holders may request at least two (2) business days prior to any sale of Registrable Securities in a firm commitment public offering, but in any other such sale, within ten (10) business days prior to having to issue the securities.

(j) Use its reasonable best efforts to cause the Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities within the United States, except as may be required solely as a consequence of the nature of such selling holder's business, in which case the Company will cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals, as may be necessary to enable the seller or sellers thereof or the underwriters, if any, to consummate the disposition of such Registrable Securities.

(k) Upon the occurrence of any event contemplated by Section 5(c)(ii), 5(c)(iii), 5(c)(iv), 5(c)(v) or 5(c)(vi) above, prepare a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(l) Prior to the effective date of the Registration Statement relating to the Registrable Securities, provide a CUSIP number for the Registrable Securities.

(m) Provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such Registration Statement from and after a date not later than the effective date of such Registration Statement.

(n) Use its reasonable best efforts to cause all shares (i) to be offered by the Company in connection with the initial Public Offering to be authorized to be listed on a national securities exchange and (ii) of Registrable Securities covered by such Registration Statement to be authorized to be listed on a national securities exchange if shares of the particular class of Registrable Securities are at that time, or will be immediately following the offering, listed on such exchange.

(o) Enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings) and take all such other actions reasonably requested by the holders of a majority of the Registrable Securities being sold in connection therewith (including those reasonably requested by the managing underwriters, if any) to expedite or facilitate the disposition of such Registrable Securities, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration, (i) make such representations and warranties to the holders of such Registrable Securities and the underwriters, if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers in underwritten offerings, and, if true, confirm the same if and when requested, (ii) use its reasonable best efforts to furnish to the selling holders of such Registrable Securities opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and counsels to the selling holders of the Registrable Securities), addressed to each selling holder of Registrable Securities and each of the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such counsel and underwriters, (iii) use its reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each selling holder of Registrable Securities (unless such accountants shall be prohibited from so addressing such letters by applicable standards of the accounting profession) and each of the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures substantially to the effect set forth in Section 7 hereof with respect to all parties to be indemnified pursuant to said Section except as otherwise agreed by the Requisite Investors (which, if there are not more than two Qualified Holders, shall mean, for purposes of this sentence, those holders of more than 50% of the shares of Common Stock held by the Investors (including indirect holdings through Holdings)) and (v) deliver such documents and certificates as may be reasonably requested by the holders of a majority of the Registrable Securities being sold, their counsel and the managing underwriters, if any, to evidence the continued validity of

the representations and warranties made pursuant to Section 5(o)(i) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder.

(p) Make available for inspection by a representative of the selling holders of Registrable Securities, any underwriter participating in any such disposition of Registrable Securities, if any, and any attorneys or accountants retained by such selling holders or underwriter, at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information in each case reasonably requested by any such representative, underwriter, attorney or accountant in connection with such Registration Statement; provided, however, that any information that is not generally publicly available at the time of delivery of such information shall be kept confidential by such Persons unless (i) disclosure of such information is required by court or administrative order, (ii) disclosure of such information, in the opinion of counsel to such Person, is required by law, (iii) disclosure of such information, in the opinion of counsel, to such Person is necessary or advisable to defend such Person in any litigation relating to any such disposition or proposed disposition of Registrable Securities or (iv) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by such Person. In the case of a proposed disclosure pursuant to (i), (ii) or (iii) above, such Person shall be required to give the Company written notice of the proposed disclosure prior to such disclosure and, if requested by the Company, assist the Company in seeking to prevent or limit the proposed disclosure. Without limiting the foregoing, no such information shall be used by such Person as the basis for any market transactions in securities of the Company or its subsidiaries in violation of law.

(q) Cause its officers to use their reasonable best efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including, without limitation, participation in "road shows") taking into account the Company's business needs.

(r) Cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD; and

(s) Otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable (but not more than 18 months) after the effective date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act.

The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such seller and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any seller who

unreasonably fails to furnish such information within a reasonable time after receiving such request.

Each holder of Registrable Securities agrees if such holder has Registrable Securities covered by such Registration Statement that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 5(c)(ii), 5(c)(iii), 5(c)(iv), 5(c)(v) or 5(c)(vi) hereof, such holder will forthwith discontinue disposition of such Registrable Securities covered by such Registration Statement or Prospectus until such holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5(k) hereof, or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus; provided, however that the Company shall extend the time periods under Section 2 with respect to the length of time that the effectiveness of a Registration Statement must be maintained by the amount of time the holder is required to discontinue disposition of such securities.

Section 6. Registration Expenses. All reasonable fees and expenses incident to the performance of or compliance with this Agreement by the Company (including, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the National Association of Securities Dealers, Inc. and (B) of compliance with securities or Blue Sky laws, including, without limitation, any fees and disbursements of counsel for the underwriters in connection with Blue Sky qualifications of the Registrable Securities pursuant to Section 5(h)), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses if the printing of Prospectuses is requested by the managing underwriters, if any, or by the holders of a majority of the Registrable Securities included in any Registration Statement), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) expenses of the Company incurred in connection with any road show, (vi) fees and disbursements of all independent certified public accountants referred to in Section 5(o)(iii) hereof (including, without limitation, the expenses of any "cold comfort" letters required by this Agreement) and any other persons, including special experts retained by the Company, and (vii) fees and disbursements of counsel for each of the Bain Investor, the Family Investor, the KKR Investor and MLGPE Investors, and, if none of such Investors is participating in the offering, of one counsel for holders of Registrable Securities whose shares are included in a Registration Statement, which counsel shall be selected by the Requisite Investors (which, if there are not more than two Qualified Holders, shall mean, for purposes of this sentence, those holders of more than 50% of the shares of to be included in the applicable registration statement) if such Registration Statement is pursuant to a Demand Registration and otherwise by the holders of a majority of the Registrable Securities included in such Registration Statement) shall be borne by the Company whether or not any Registration Statement is filed or becomes effective. In addition, the Company shall bear all of its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange on which similar securities issued by the Company are then listed and rating agency fees and the fees and expenses of any Person, including special experts, retained by the Company.

The Company shall not be required to pay (i) except as noted above,fees and disbursements of any counsel retained by any holder of Registrable Securities or by any underwriter (except as set forth in clauses 6(i)(B) and 6(vii)), (ii) any underwriter's fees (including discounts, commissions or fees of underwriters, selling brokers, dealer managers or similar securities industry professionals) relating to the distribution of the Registrable Securities (other than with respect to Registrable Securities sold by the Company), or (iii) any other expenses of the holders of Registrable Securities not specifically required to be paid by the Company pursuant to the first paragraph of this Section 6.

Section 7. Indemnification.

(a) Indemnification by the Company. The Company shall, and shall cause each of its subsidiaries to, without limitation as to time, indemnify and hold harmless, to the fullest extent permitted by law and on a joint and several basis, each holder of Registrable Securities whose Registrable Securities are covered by a Registration Statement or Prospectus, the officers, directors, partners, members, managers, shareholders, accountants, attorneys, agents and employees of each of them, each Person who controls each such holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, managers, shareholders, accountants, attorneys, agents and employees of each such controlling person, each underwriter (collectively, "Holder Indemnitees"), if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and reasonable attorneys' fees and any legal or other fees or expenses incurred by such party in connection with any investigation or Proceeding), expenses, judgments, fines, penalties, charges and amounts paid in settlement (collectively, "Losses"), as incurred, arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact contained in any Prospectus, offering circular, or other document (including any related Registration Statement, notification, or the like) incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act or any rule or regulation thereunder applicable to the Company or of the Exchange Act or any rule or regulation thereunder applicable to the Company and in any such case relating to action or inaction required of the Company in connection with any such registration, qualification, or compliance, and will reimburse each Holder Indemnitee for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability, or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based on any untrue statement or omission by such holder or underwriter, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, Prospectus, offering circular, or other document in reliance upon and in conformity with written information furnished to the Company by such holder. It is agreed that the indemnity agreement contained in this Section 7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed).

(b) Indemnification by Holder of Registrable Securities. In connection with any Registration Statement in which a holder of Registrable Securities is participating, such holder of Registrable Securities shall furnish to the Company in writing such information as the Company reasonably requests specifically for use in connection with any Registration Statement or Prospectus and agrees to indemnify, to the fullest extent permitted by law, severally and not jointly, the Company, its directors and officers and each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) (collectively, "Company Indemnitees"), from and against all Losses arising out of or based on any untrue statement of a material fact contained in any such Registration Statement, Prospectus, offering circular, or other document, or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Company Indemnitee for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent, that such untrue statement or omission is made in such Registration Statement, Prospectus, offering circular, or other document in reliance upon and in conformity with written information furnished to the Company by such holder expressly for inclusion in such Registration Statement, Prospectus, offering circular or other document; provided, however, that the obligations of such holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such holder (which consent shall not be unreasonably withheld); and provided, further, that the liability of each selling holder of Registrable Securities hereunder shall be limited to the net proceeds received by such selling holder from the sale of Registrable Securities covered by such Registration Statement. In addition, insofar as the foregoing indemnity relates to any such untrue statement or omission made in the preliminary Prospectus but eliminated or remedied in the amended Prospectus on file with the SEC at the time the Registration Statement becomes effective or in the final Prospectus filed pursuant to applicable rules of the SEC or in any supplement or addendum thereto and such new Prospectus is delivered to the underwriter, the indemnity agreement in this Section 7(b) shall not inure to the benefit of any person if a copy of the final Prospectus filed pursuant to such rules, together with all supplements and addenda thereto was not furnished to the Person asserting the Loss at or prior to the time such furnishing is required by the Securities Act.

(c) Conduct of Indemnification Proceedings. If any Person shall be entitled to indemnity hereunder (an "indemnified party"), such indemnified party shall give prompt notice to the party from which such indemnity is sought (the "indemnifying party") of any claim or of the commencement of any Proceeding with respect to which such indemnified party seeks indemnification or contribution pursuant hereto; provided, however, that the delay or failure to so notify the indemnifying party shall not relieve the indemnifying party from any obligation or liability except to the extent that the indemnifying party has been prejudiced by such delay or failure. The indemnifying party shall have the right, exercisable by giving written notice to an indemnified party promptly after the receipt of written notice from such indemnified party of such claim or Proceeding, to, unless in the indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, assume, at the indemnifying party's expense, the defense of any such claim or Proceeding, with counsel reasonably satisfactory to such indemnified party; provided, however, that an indemnified party shall have the right to employ separate counsel in any such claim or Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel

shall be at the expense of such indemnified party unless: (i) the indemnifying party agrees to pay such fees and expenses; or (ii) the indemnifying party fails promptly to assume, or in the event of a conflict of interest cannot assume, the defense of such claim or Proceeding or fails to employ counsel reasonably satisfactory to such indemnified party, in which case the indemnified party shall have the right to employ counsel and to assume the defense of such claim or proceeding; provided, further, however, that the indemnifying party shall not, in connection with any one such claim or Proceeding or separate but substantially similar or related claims or Proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one firm of attorneys (together with appropriate local counsel) at any time for all of the indemnified parties, or for fees and expenses that are not reasonable. Whether or not such defense is assumed by the indemnifying party, such indemnified party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). The indemnifying party shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release, in form and substance reasonably satisfactory to the indemnified party, from all liability in respect of such claim or litigation for which such indemnified party would be entitled to indemnification hereunder.

(d) Contribution. If the indemnification provided for in this Section 7 is unavailable to an indemnified party in respect of any Losses (other than in accordance with its terms), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such indemnifying party, on the one hand, and indemnified party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been taken by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 7(d), an indemnifying party that is a selling holder of Registrable Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the Registrable Securities sold by such indemnifying party exceeds the amount of any damages that such indemnifying party has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

Section 8. Rule 144; Rule 144A.

(a) After an initial Public Offering, the Company shall (i) file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner, (ii) take such further action as any holder of Registrable Securities may reasonably request, and (iii) furnish to each holder of Registrable Securities forthwith upon written request, (x) a written statement by the Company as to its compliance with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, (y) a copy of the most recent annual or quarterly report of the Company, and (z) such other reports and documents so filed by the Company as such holder may reasonably request in availing itself of Rule 144, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144. Upon the request of any holder of Registrable Securities, the Company shall deliver to such holder a written statement as to whether it has complied with such requirements.

(b) After an initial Public Offering, each holder of Registrable Securities and each prospective holder of shares of Registrable Securities who may consider acquiring Registrable Securities in reliance upon Rule 144A under the Securities Act (or any successor or similar rule then in force) ("Rule 144A") shall have the right to request from the Company, and the Company will provide upon such request, such information regarding the Company and its business, assets and properties, if any, as is at the time required to be made available by the Company under the Rule 144A so as to enable such holder to transfer Registrable Stock to such prospective holder in reliance upon Rule 144A.

(c) The foregoing provisions of this Section 8 are not intended to modify or otherwise affect any restrictions on transfers of securities contained in the LLC Agreement or any Management Stockholders Agreement.

Section 9. Underwritten Registrations. If any Demand Registration is an underwritten offering (including an initial Public Offering), the Coordination Committee shall have the right to select the investment banker or investment bankers and managers to administer the offering, subject to approval by the Company, not to be unreasonably withheld. The Company shall have the right to select the investment banker or investment bankers and managers to administer any Piggyback Registration.

No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell the Registrable Securities it desires to have covered by the registration on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements, provided that such Person shall not be required to make any representations or warranties other than those related to title and ownership of shares and as to the accuracy and completeness of statements made in a

Registration Statement, Prospectus, offering circular, or other document in reliance upon and in conformity with written information furnished to the Company or the managing underwriter by such Person and provided further, that such Person's liability in respect of such representations and warranties shall not exceed such Person's gross proceeds from the offering.

Section 10. Alternative IPO Entities. In the event that the Company elects to effect an underwritten public offering of equity securities of any parent entity or subsidiary of the Company (such entity, the "Alternative IPO Entity") rather than the equity securities of the Company whether as a result of a reorganization of the Company (including by merger, consolidation, recapitalization, transfer or sale of shares or assets, or contribution of assets and/or liabilities, or any liquidation, exchange of securities, conversion of entity, migration of entity, formation of new entity) or otherwise, the Company shall cause the Alternative IPO Entity to enter into an agreement with the Investors that provides the Investors with registration rights with respect to the equity securities of the Alternative IPO Entity that are no less favorable in the aggregate to the registration rights provided to the Investors pursuant to this Agreement.

Section 11. Other Agreements. The Company covenants and agrees that, so long as any Person holds any Registrable Securities in respect of which any registration rights provided for in Section 2 or 3 of this Agreement remain in effect, the Company will not, directly or indirectly, grant to any Person or agree to or otherwise become obligated in respect of (a) rights of registration in the nature or substantially in the nature of those set forth in Section 2 or 3 of this Agreement that would have priority over the Registrable Securities with respect to the inclusion of such securities in any registration, (b) rights of registration in the nature or substantially in the nature of those set forth in Section 2 or 3 of this Agreement that would be pari passu with the Registrable Securities with respect to the inclusion of such securities in any registration, unless otherwise consented to by the Requisite Investors (which, if there are not more than two Qualified Holders, shall mean, for purposes of this clause (b), those holders of more than 50% of the shares of Common Stock held by the Investors (including indirect holdings through Holdings)), or (c) demand registration rights exercisable prior to such time as the Requisite Investors can first exercise their rights under Section 2.

Section 12. Miscellaneous.

(a) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given without the written consent of the Requisite Investors (which, if there are not more than two Qualified Holders, shall mean, for purposes of this sentence, those holders of more than 50% of the shares of Common Stock held by the Investors (including indirect holdings through Holdings)); provided, however, that any modification or amendment of this Agreement that would subject any Investor to adverse differential treatment relative to the other Investors shall require the agreement of the differentially treated Member. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of holders of Registrable Securities whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other holders of Registrable Securities may be given by holders of at least a majority of the Registrable Securities being sold by such holders pursuant to such Registration Statement.

(b) Notices. All notices required to be given hereunder shall be in writing and shall be personally delivered, telecopied and confirmed, or mailed by certified mail, return receipt requested, or overnight delivery service with proof of receipt maintained, at the following address (or any other address that any such party may designate by written notice to the other parties):

if to the Company, to its principal executive officers:

if to Holdings:

c/o:

ML Global Private Equity Fund, L.P.
c/o Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Christopher Birosak
Fax: (212) 449-1119

with copies to (which shall not constitute notice):

Merrill Lynch Global Private Equity
Strategic M&A and Private Equity Counsel
Four World Financial Center, Floor 23
New York, NY 10080
Attention: Frank Marinaro, Esq.
Fax: (212) 449-7902

and

Proskauer Rose LLP
1585 Broadway
New York, NY 10036-8299
Attention: James P. Gerkis, Esq.
Rima Moawad, Esq.
Fax: (212) 969-2900

c/o:

Bain Capital Integral Investors 2006, LLC
c/o Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Fax: (617) 516-2010

with a copy to (which shall not constitute notice):

Ropes & Gray LLP
One International Place
Boston, MA 02110
Attention: R. Newcomb Stillwell
Julie H. Jones
Fax: (617) 951-7050

c/o:

KKR Millennium Fund, L.P.
c/o Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Fax: (650) 233-6584

with a copy (which shall not constitute notice) to:

Simpson Thacher & Bartlett, LLP
425 Lexington Avenue
New York, NY 10017
Attention: David Sorkin
Sean Rodgers
Telecopy: (212) 455-2502

c/o:

Dr. Thomas F. Frist, Jr.
3100 West End Ave., Suite 500
Nashville, TN 37203
Telecopy: (615) 385-9101

With a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Attention: John Evangelakos
Telecopy: (212) 558-3588

and, if to any Investor, at such Investor's address as set forth on the records of Holdings or the Company, as applicable.

Any such notice shall be deemed given and effective upon actual receipt (or refusal of receipt).

(c) Successors and Assigns; Shareholder Status. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the

parties, including subsequent holders of Registrable Securities acquired, directly or indirectly, from the Investors; provided, however, that such successor or assign shall not be entitled to such rights unless the successor or assign shall have executed and delivered to the Company an Addendum Agreement substantially in the form of Exhibit A hereto promptly following the acquisition of such Registrable Securities, in which event such successor or assign shall be deemed an Investor for purposes of this Agreement. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective successors and permitted assigns any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained.

(d) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

(g) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(h) Entire Agreement. This Agreement, the LLC Agreement and the Management Stockholders Agreement is intended by the parties as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein, with respect to the registration rights granted by the Company with respect to Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

(i) Securities Held by the Company or its subsidiaries. Whenever the consent or approval of holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its subsidiaries shall not be counted in determining whether such consent or approval was given by the holders of such required percentage.

(j) Actions by Holdings. Holdings agrees to take such actions as are necessary to effectuate the rights of the Investors hereunder, including making registration requests and elections at the request of members of Holdings in respect of Registrable Securities held directly by Holdings.

(k) Term. This Agreement shall terminate with respect to an Investor at the earlier of (i) the the date on which such Investor (if a member of Holdings) withdrawals from the LLC Agreement in accordance with the terms of such agreement and (ii) the date on which such Investor ceases to own Registrable Securities; provided, that, for the avoidance of doubt, any underwriter lock-up that an Investor has executed prior to an Investor's termination in accordance with this clause shall remain in effect in accordance with its terms.

(l) Specific Performance. The parties hereto recognize and agree that money damages may be insufficient to compensate the holders of any Registrable Securities for breaches by the Company of the terms hereof and, consequently, that the equitable remedy of specific performance of the terms hereof will be available in the event of any such breach.

(m) Consent to Jurisdiction. The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in New York, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in the paragraph above by the mailing of a copy thereof in the manner specified by the provisions of subsection (b) of this Section 12.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

HCA INC.

By: /s/ R. Milton Johnson
Name: R. Milton Johnson
Title: Executive Vice President and Financial Officer

[Registration Rights Agreement Signature Page]

HERCULES HOLDING II, LLC

By: /s/ Chris Gordon
Name: Chris Gordon
Title: President

[Registration Rights Agreement Signature Page]

BAIN CAPITAL INTEGRAL INVESTORS 2006, LLC

By: Bain Capital Investors, LLC,
its administrative member

By: /s/ Stephen G. Pagliuca
Name: Stephen G. Pagliuca
Title: Managing Director

BCIP TCV, LLC

By: Bain Capital Investors, LLC,
its administrative member

By: /s/ Stephen G. Pagliuca
Name: Stephen G. Pagliuca
Title: Managing Director

BAIN CAPITAL HERCULES INVESTORS, LLC

By: Bain Capital Investors, LLC,
its administrative member

By: /s/ Stephen G. Pagliuca
Name: Stephen G. Pagliuca
Title: Managing Director

[Registration Rights Agreement Signature Page]

KKR 2006 FUND L.P.

By: KKR Associates 2006 L.P.,
its general partner

By: KKR 2006 GP LLC, the general partner of
KKR Associates 2006 L.P.

By: /s/ Michael W. Michelson
Name: Michael W. Michelson
Title: Member

KKR MILLENNIUM FUND L.P.

By: KKR Associates Millennium L.P.,
its general partner

By: KKR Millennium GP LLC, the general
partner of KKR Associates Millennium L.P.

By: /s/ Michael W. Michelson
Name: Michael W. Michelson
Title: Member

KKR PEI INVESTMENTS, L.P.

By: KKR PEI Associates, L.P.,
its general partner

By: KKR PEI GP Limited, the general partner of
KKR PEI Associates, L.P.

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Director

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KKR PARTNERS III, L.P.

By: KKR III GP LLC,
its general partner

By: /s/ Michael W. Michelson
Name: Michael W. Michelson
Title: Member

OPERF CO-INVESTMENT LLC

By: KKR Associates 2006 L.P.,
its manager

By: KKR 2006 GP LLC, the general partner of
KKR Associates 2006 L.P.

By: /s/ Michael W. Michelson
Name: Michael W. Michelson
Title: Member

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MERRILL LYNCH VENTURES L.P. 2001

By: Merrill Lynch Ventures, LLC,
its general partner

By: /s/ George A. Bitar
Name: Geroge A. Bitar
Title: Executive Vice President

ML GLOBAL PRIVATE EQUITY FUND, L.P.

By: MLGPE LTD,
its general partner

By: /s/ George A. Bitar
Name: George A. Bitar
Title: Managing Director

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CITIGROUP CAPITAL PARTNERS II 2006 CITIGROUP INVESTMENT, L.P.

By: Citigroup Private Equity LP,
its general partner

By: /s/ David Friedman
Name: David Friedman
Title: VP

CITIGROUP CAPITAL PARTNERS II EMPLOYEE MASTER FUND, L.P.

By: Citigroup Private Equity LP,
its general partner

By: /s/ David Friedman
Name: David Friedman
Title: VP

CITIGROUP CAPITAL PARTNERS II ONSHORE, L.P.

By: Citigroup Private Equity LP,
its general partner

By: /s/ David Friedman
Name: David Friedman
Title: VP

CITIGROUP CAPITAL PARTNERS II CAYMAN HOLDINGS, L.P.

By: Citigroup Private Equity LP,
its general partner

By: /s/ David Friedman
Name: David Friedman
Title: VP

BANC OF AMERICA CAPITAL INVESTORS, L.P.

By: Banc of America Capital Management, L.P., its general partner

By: BACM I GP, LLC, its general partner

By: /s/ Scott R. Pook
Name: Scott R. Pook
Title: Authorized Signatory

BANC OF AMERICA CAPITAL INVESTORS V, L.P.

By: Banc of America Capital Management V, L.P., its general partner

By: BACM I GP, LLC, its general partner

By: /s/ Scott R. Pook
Name: Scott R. Pook
Title: Authorized Signatory

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FRISCO, INC.
PATRICIA C. FRIST
CHARLES A. ELCAN
CHARLES A. ELCAN AND PATRICIA F. ELCAN
LAUREN C. ELCAN
PATRICIA CATE ELCAN
CARRINGTON FRIST ELCAN
ELCAN PARTNERS LP
PATRICIA F. ELCAN GRAT II TRUST I
PARTICIA F. ELCAN GRAT III TRUST II
ELCAN CHILDREN'S TRUST
ELCAN INVESTMENT PARTNERSHIP
WALKER RYAN FRIST
JACQUELINE C. FRIST
SOPHIA C. FRIST
WILLIAM R. FRIST FAMILY PARTNERSHIP
WILLIAM R. FRIST
FRIST CHILDREN'S TRUST
FRIST CHILDREN'S TRUST II
THOMAS F. FRIST GST TAX EXEMPT TRUST
MARY FRIST BARFIELD
FRIST FOUNDATION
FRIST VISUAL ARTS CENTER
BASS BERRY & SIMS SAVING PLAN
F/B/O H. LEE BARFIELD II
H LEE BARFIELD II
MARY LAUREN BARFIELD 1992 UNITED TRUST
LAWSON C. ALLEN
HARRISON COLE ALLEN 1998 VESTED TRUST
THOMAS FRIST ALLEN 1998 VESTED TRUST
LAWSON COLE ALLEN 2002 VESTED TRUST
DOROTHY FRIST BARFIELD 1992 VESTED TRUST
JOHN CLAIBORNE SIFFORD
CORINNE COLE BARFIELD VESTED TRUST
LEE COLE BARFIELD 1992 VESTED TRUST

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CHRISTEN R. BARFIELD
BARFIELD GST EXEMPT TRUST
CLOVER DALE PARTNERS, LP THOMAS
HENRY CATO, GENERAL PARTNER
STEPHEN S. RIVEN
JAN BERNSTEIN RIVEN
STEPHEN JAY RIVEN
JULIE ANN RIVEN
ORTALE FAMILY PARTNERS, LLC
GORDON FAMILY TRUST
THE JOEL COMPANY
JOEL C. GORDON
ROBERT A. GORDON
FRANK E. GORDON
GAIL GORDON JACOBS
MELKUS PARTNERS
KENNETH MELKUS
CO-TUA JACK C. MASSEY, FBO BARBARA
JACK C. MASSEY 1972 TRUST
FTF FAMILY, L.P.
ELLEN H. MARTIN
JOHN C. FRIST, JR.
DAVID J. MALONE, JR.
ENSWORTH HIGH SCHOOL
CYNTHIA P. SMITH
LAURA FARISH CHADWICK
MANAGEMENT TRUST W.S.
FARISH & COMPANY, TRUSTEE
CLARITAS CAPITAL MANAGEING
PARTNERS I, GP
WILLIAM S. FARISH
SARAH S. FARISH
MARY WOOD FARISH MANAGEMENT
TRUST W.S. FARISH &
COMPANY, TRUSTEE
HILLARY FARISH STRATTON
MANAGEMENT TRUST W.S.
FARISH & COMPANY, TRUSTEE
CLARITAS CAPITAL EMERGING
GROWTH FUND II, L.P.
CMRF PARTNERS
JOSEPH V RUSSELL
HINDELONG INVESTMENTS, LIMITED PARTNERSHIP

[Registration Rights Agreement Signature Page]

Frist Signature Page — Part III

CH PRIVATE EQUITY LP
FRANK F. DROWOTA II
MARITAL TRUST II UNDER THE WILL
OF SCOTT L MERCY
THE PHILIP R. PATTON QTRIP GST NON
EXEMPT MARITAL TRUST
TRIVEST HOSPITAL HOLDINGS, L.P.
DMJS HOLDINGS LLC
J. BARRY BANKER
STEPHEN B. SMITH
RIO FUERTE ENTERPRISES LIMITED
PARTNERSHIP
FRANK KARL VAN DEVENDER
SIDNEY L. PILSON
TUA DOROTHY FRIST BOENSCH
TUA DOROTHY F. BOENSCH, FBO
ASHLEY 1991 TRUST
TUA DEBORAH FRIST ELLER
STEVE FRIDRICH
ALFRED RAWLS BUTLER
THOMAS HEARD CATO
JAMES STEPHEN TURNER ANNUITY
TRUST 2004
JUDITH PAYNE TURNER ANNUITY
TRUST 2004
CAL TURNER, JR.
CLAY T. JACKSON
SPENCER HAYS

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written for himself and as attorney in fact for the Investors listed above in Parts I, II and III of the Frist Signature Page.

THOMAS F. FRIST, JR.

By: /s/ Thomas F. Frist, Jr.
Name: Thomas F. Frist, Jr.
Title: Authorized Signatory

EXHIBIT A

ADDENDUM AGREEMENT

This Addendum Agreement is made this ___day of ___, 20___, by and between ___(the "New Investor") and HCA Inc. (the "Company"), pursuant to a Registration Rights Agreement dated as of November 17, 2006 (as the same may be amended from time to time, the "Agreement"), between and among the Company and the Shareholders. Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

WITNESSETH:

WHEREAS, the Company has agreed to provide registration rights with respect to the Registrable Securities as set forth in the Agreement; and

WHEREAS, the New Investor has acquired Registrable Securities directly or indirectly from an Investor; and

WHEREAS, the Company and the Investors have required in the Agreement that all persons desiring registration rights must enter into an Addendum Agreement binding the New Investor to the Agreement to the same extent as if it were an original party thereto;

NOW, THEREFORE, in consideration of the mutual promises of the parties, the New Investor acknowledges that it has received and read the Agreement and that the New Investor shall be bound by, and shall have the benefit of, all of the terms and conditions set out in the Agreement to the same extent as if it were an original party to the Agreement and shall be deemed to be an Investor thereunder.

_____
New Investor

Address (for notices pursuant to Section 12(b) of the Agreement):

_____

_____

AGREED TO on behalf of HCA INC. pursuant to Section 12(c) of the Agreement.

HCA INC.

By: _____
Name:
Title:

Exhibit 10.11

2006 STOCK INCENTIVE PLAN FOR KEY EMPLOYEES OF HCA INC. AND ITS AFFILIATES

1. Purpose of Plan

The 2006 Stock Incentive Plan for Key Employees of HCA Inc. and its Affiliates (the "Plan") is designed:

(a) to promote the long term financial interests and growth of HCA Inc. (the "Company") and its Subsidiaries by attracting and retaining management and other personnel and key service providers with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's business;

(b) to motivate management personnel by means of growth-related incentives to achieve long range goals; and

(c) to further the alignment of interests of participants with those of the stockholders of the Company through opportunities for increased stock, or stock-based ownership in the Company.

2. Definitions

As used in the Plan, the following words shall have the following meanings:

(a) "Affiliate" means with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

(b) "Board" means the Board of Directors of the Company.

(c) "Change in Control" means in one or more of a series of transactions (i) the transfer or sale of all or substantially all of the assets of the Company (or any direct or indirect parent of the Company) to an Unaffiliated Person (as defined below); (ii) a merger, consolidation, recapitalization or reorganization of the Company (or any direct or indirect parent of the Company) with or into another Unaffiliated Person, or a transfer or sale of the voting stock of the Company (or any direct or indirect parent of the Company), an Investor, or any Affiliate of any of the Investors to an Unaffiliated Person, in any such event that results in more than 50% of the common stock of the Company (or any direct or indirect parent of the Company) or the resulting company being held by an Unaffiliated Person; or (iii) a merger, consolidation, recapitalization or reorganization of the Company (or any direct or indirect parent of the Company) with or into another Unaffiliated Person, or a transfer or sale by the Company (or any direct or indirect parent of the Company), an Investor or any Affiliate of any of the Investors, in any such event after which the Investors and their Affiliates (x) collectively own less than 15% of the Common Stock of and (y) collectively have the ability to appoint less than 50% of the directors to the Board (or any resulting company after a merger). For purposes of this definition, the term "Unaffiliated Person" means a Person or Group who is not an Investor, an Affiliate of any of the Investors or an entity in which any Investor holds, directly or indirectly, a majority of the economic interest in such entity.

(d) "Code" means the United States Internal Revenue Code of 1986, as amended.

(e) "Committee" means the Compensation Committee of the Board (or, if no such committee is appointed, the Board).

(f) "Common Stock" or "Share" means the common stock, par value $0.01 per share, of the Company, which may be authorized but unissued, or issued and reacquired.

(g) "Employee" means a person, including an officer, in the regular employment of the Company or any other Service Recipient who, in the opinion of the Committee, is, or is expected to have involvement in the management, growth or protection of some part or all of the business of the Company or any other Service Recipient.

(h) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(i) "Fair Market Value" means, on a per Share basis, the fair market value of the Common Stock on any given date, as determined reasonably and in good faith by the Board after consultation with the Chief Executive Officer of the Company.

(j) "Grant" means an award made to a Participant pursuant to the Plan and described in Section 5, including, without limitation, an award of a Stock Option, Stock Appreciation Right, Other Stock-Based Award or Dividend Equivalent Right (as such terms are defined in Section 5), or any combination of the foregoing.

(k) "Grant Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to a Grant.

(l) "Group" means "group," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(m) "Investors" means, collectively, Bain Capital Fund IX, L.P., KKR Millennium Fund, L.P., and ML Global Private Equity Fund, L.P.

(n) "Management Stockholder's Agreement" shall mean that certain Management Stockholder's Agreement between the applicable Participant and the Company.

(o) "Participant" means an Employee, non-employee member of the Board, consultant or other person having a service relationship with the Company or any other Service Recipient, to whom one or more Grants have been made and remain outstanding.

(p) "Person" means "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(q) "Public Offering" means any registered public offering of the Common Stock on the New York Stock Exchange or the Nasdaq National Market or other nationally recognized stock exchange or listing system.

(r) "Sale Participation Agreement" shall mean that certain Sale Participation Agreement between the applicable Participant and Hercules Holdings II, LLC.

(s) "Service Recipient" shall mean, the Company, any Subsidiary of the Company, or any Affiliate of the Company that satisfies the definition of "service recipient" within the meaning of Proposed Treasury Regulation Section 1.409A-1(g) (or any successor regulation), with respect to which the person is a "service provider" (within the meaning of Proposed Treasury Regulation Section 1.409A-1(f) (or any successor regulation).

(t) "Subsidiary" means any corporation or other entity in an unbroken chain of corporations or other entities beginning with the Company if each of the corporations or other entities, or group of commonly controlled corporations or other entities, other than the last corporation or other entity in the unbroken chain then owns stock or other equity interests possessing 50% or more of the total combined voting power of all classes of stock or other equity interests in one of the other corporations or other entities in such chain.

3. Administration of Plan

(a) The Plan shall be administered by the Committee. The Committee may adopt its own rules of procedure, and action of a majority of the members of the Committee taken at a meeting, or action taken without a meeting by unanimous written consent, shall constitute action by the Committee. The Committee shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out and to make changes in such rules. Any such interpretations, rules, and administration shall be consistent with the basic purposes of the Plan.

(b) The Committee may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under the Plan, subject to applicable law and such conditions and limitations as the Committee shall prescribe, except that only the Committee may designate and make Grants to Participants.

(c) The Committee may employ counsel, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company, and the officers and directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No member of the Committee, nor employee or representative of the Company shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Grants, and all such members of the Committee, employees and representatives shall be fully protected and indemnified to the greatest extent permitted by applicable law by the Company with respect to any such action, determination or interpretation.

4. Eligibility

The Committee may from time to time make Grants under the Plan to such Employees, or other persons having a relationship with Company or any other Service Recipient, and in such form and having such terms, conditions and limitations as the Committee may determine. The terms, conditions and limitations of each Grant under the Plan shall be set forth in a Grant

Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan; provided, however, that such Grant Agreement shall contain provisions dealing with the treatment of Grants in the event of the termination of employment or other service relationship, death or disability of a Participant, and may also include provisions concerning the treatment of Grants in the event of a Change in Control of the Company.

5. Grants

From time to time, the Committee will determine the forms and amounts of Grants for Participants. Such Grants may take the following forms in the Committee's sole discretion:

(a) Stock Options — These are options to purchase Common Stock ("Stock Options"). At the time of Grant the Committee shall determine, and shall include in the Grant Agreement or other Plan rules, the option exercise period, the option exercise price, vesting requirements, and such other terms, conditions or restrictions on the grant or exercise of the option as the Committee deems appropriate including, without limitation, the right to receive dividend equivalent payments on vested options. Notwithstanding the foregoing, the exercise price per Share of a Stock Option shall in no event be less than the Fair Market Value on the date the Stock Option is granted (subject to later adjustment pursuant to Section 8 hereof). In addition to other restrictions contained in the Plan, a Stock Option granted under this Section 5(a) may not be exercised more than 10 years after the date it is granted. Payment of the Stock Option exercise price shall be made (i) in cash, (ii) with the consent of the Committee, in Shares (any such Shares valued at Fair Market Value on the date of exercise) that the Participant has held for at least six months (or such other period of time as may be required by the Company's accountants), (iii) through the withholding of Shares (any such Shares valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Stock Option in a manner that is compliant with applicable law, or (iv) a combination of the foregoing methods, in each such case in accordance with the terms of the Plan, the Grant Agreement and of any applicable guidelines of the Committee in effect at the time.

(b) Stock Appreciation Rights — The Committee may grant "Stock Appreciation Rights" (as hereinafter defined) independent of, or in connection with, the grant of a Stock Option or a portion thereof. Each Stock Appreciation Right shall be subject to such other terms as the Committee may determine. The exercise price per Share of a Stock Appreciation Right shall in no event be less than the Fair Market Value on the date the Stock Appreciation Right is granted. Each "Stock Appreciation Right" granted independent of a Stock Option shall be defined as a right of a Participant, upon exercise of such Stock Appreciation Right, to receive an amount equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share of such Stock Appreciation Right, multiplied by (ii) the number of Shares covered by the Stock Appreciation Right. Payment of the Stock Appreciation Right shall be made in Shares or in cash, or partly in Shares and partly in cash (any such Shares valued at the Fair Market Value on the date of the payment), all as shall be determined by the Committee.

(c) Other Stock-Based Awards — The Committee may grant or sell awards of Shares, awards of restricted Shares and awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares (including, without limitation, restricted stock units). Such "Other Stock-Based Awards" shall be in such form, and dependent on such conditions, as the Committee may determine, including, without limitation, the right to receive, or

vest with respect to, one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Grants under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

(d) Dividend Equivalent Rights — The Committee may grant Dividend Equivalent Rights either alone or in connection with the grant of a Stock Option or SAR. A "Dividend Equivalent Right" shall be the right to receive a payment in respect of one Share (whether or not subject to a Stock Option) equal to the amount of any dividend paid in respect of one Share held by a shareholder in the Company. Each Dividend Equivalent Right shall be subject to such terms as the Committee may determine.

6. Limitations and Conditions

(a) The number of Shares available for Grants under this Plan shall be 10% of the fully diluted equity of the Company as of the Closing Date, subject to adjustment as provided for in Sections 8 and 9, unless restricted by applicable law. Shares related to Grants that are forfeited, terminated, canceled, expire unexercised, withheld to satisfy tax withholding obligations, or are repurchased by the Company shall immediately become available for new Grants.

(b) No Grants shall be made under the Plan beyond ten years after November 17, 2006, the effective date of the Plan (the "Effective Date"), but the terms of Grants made on or before the expiration of the Plan may extend beyond such expiration. At the time a Grant is made or amended or the terms or conditions of a Grant are changed in accordance with the terms of the Plan or the Grant Agreement, the Committee may provide for limitations or conditions on such Grant.

(c) Nothing contained herein shall affect the right of the Company or any other Service Recipient to terminate any Participant's employment or other service relationship at any time or for any reason.

(d) Other than as specifically provided in the Management Stockholder's Agreement or Sale Participation Agreement, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(e) Participants shall not be, and shall not have any of the rights or privileges of, stockholders of the Company in respect of any Shares purchasable in connection with any Grant unless and until certificates representing any such Shares have been issued by the Company to

such Participants (or book entry representing such Shares has been made and such Shares have been deposited with the appropriate registered book-entry custodian).

(f) No election as to benefits or exercise of any Grant may be made during a Participant's lifetime by anyone other than the Participant except by a legal representative appointed for or by the Participant.

(g) Absent express provisions to the contrary, any Grant under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement or severance plan of the Company or other Service Recipient and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation. This Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

(h) Unless the Committee determines otherwise, no benefit or promise under the Plan shall be secured by any specific assets of the Company or any other Service Recipient, nor shall any assets of the Company or any other Service Recipient be designated as attributable or allocated to the satisfaction of the Company's obligations under the Plan.

7. Transfers and Leaves of Absence

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among the Company and any other Service Recipient shall not be deemed a termination of employment, and (b) a Participant who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of the Company (and other Service Recipient) during such leave of absence.

8. Adjustments

In the event after the Effective Date, any Share dividend, Share split, extraordinary distribution, reorganization, recapitalization, merger, consolidation, spin-off, combination, combination or transaction or exchange of Shares or other corporate change, or any distribution to Shareholders other than regular cash dividends, or any transaction similar to any of the foregoing, the Committee in its sole discretion and without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable, as to (a) the number and kind of shares subject to the Plan and available for or covered by Grants and (b) share prices related to outstanding Grants (including, without limitation, the exercise price of Stock Options), and shall make such other revisions to outstanding Grants as it deems, in good faith, are equitably required.

9. Change in Control

In the event of a Change in Control: (a) if determined by the Committee in the applicable Grant Agreement or otherwise determined by the Committee in its sole discretion, any outstanding Grants then held by Participants which are unexercisable or otherwise unvested or subject to lapse restrictions may automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such Change in Control and (b) the

Committee may, to the extent determined by the Committee to be permitted under Section 409A of the Code, but shall not be obligated to: (i) cancel such awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Stock Options and Stock Appreciation Rights, may equal the excess, if any, of the value of the consideration to be paid in the Change in Control transaction to holders of the same number of Shares subject to such Stock Options or Stock Appreciation Rights (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Stock Options or Stock Appreciation Rights) over the aggregate option price of such Stock Options or the aggregate exercise price of such Stock Appreciation Rights, as the case may be; (ii) provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected Grants previously granted hereunder, as determined by the Committee in its sole discretion; or (iii) provide that for a period of at least 15 days prior to the Change in Control, any Stock Options or Stock Appreciation Rights shall be exercisable as to all Shares subject thereto and that upon the occurrence of the Change in Control, such Stock Options or Stock Appreciation Rights shall terminate and be of no further force and effect: provided, however, that subpart (b) shall not apply to a "Change in Control" under clause (iii) of such definition that occurs due to a gradual sell down of voting stock of the Company by the Investors or their Affiliates.

10. Amendment and Termination

(a) The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Grants as are consistent with this Plan, provided that no amendment may modify Grants that disadvantages Participants in more than a de minimis way but less than a material way without approval by a majority of affected Participants; and provided, further, that no such action shall modify any Grant in a manner that materially disadvantages a Participant with respect to any outstanding Grants, other than pursuant to Section 8 or 9 hereof, without the Participant's consent, except as such modification is provided for or contemplated in the terms of the Grant or this Plan.

(b) The Board may amend, suspend or terminate the Plan, except that no such action, other than an action under Section 8 or 9 hereof, may be taken which would, without stockholder approval, increase the aggregate number of Shares available for Grants under the Plan, decrease the price of outstanding Grants, change the requirements relating to the Committee, extend the term of the Plan. However, no amendment, suspension or termination of the Plan may disadvantage Participants in more than a de minimis way but less than a material way without approval by a majority of affected Participants, and no such action shall materially disadvantage a Participant with respect to any outstanding Grants, other than pursuant to Section 8 or 9 hereof, without the Participant's consent, except as otherwise contemplated in the terms of the Grant or the Plan.

(c) This Plan is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code. Notwithstanding anything herein to the contrary, (i) if at the time of the Participant's termination of employment with any Service Recipient the Participant is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of service is necessary in order to prevent the imposition

of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Participant) until the date that is six months following the Participant's termination of employment with all Service Recipients (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to the Participant hereunder would cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred, if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, reasonably determined by the Board in consultation with the Participant, that does not cause such an accelerated or additional tax or result in an additional cost to the Company (without any reduction in such payments or benefits ultimately paid or provided to the Participant).

11. Governing Law; International Participants

(a) This Plan shall be governed by and construed in accordance with the laws of Delaware applicable therein.

(b) With respect to Participants who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or any other Service Recipient.

12. Withholding Taxes

The Company shall have the right to deduct from any payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment. It shall be a condition to the obligation of the Company to deliver Shares upon the exercise of a Stock Option that the Participant pays to the Company such amount as may be requested by the Company for the purpose of satisfying any liability for such withholding taxes; provided, however, that a Participant may satisfy the minimum amount of such taxes due upon exercise of any Stock Option through the withholding of Shares (valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of such Stock Option.

13. Effective Date and Termination Dates

The Plan shall be effective on November 17, 2006 and shall terminate ten years later, subject to earlier termination by the Board pursuant to Section 10.

Exhibit 10.12

MANAGEMENT STOCKHOLDER'S AGREEMENT

This Management Stockholder's Agreement (this "Agreement") is entered into as of November 17, 2006 between HCA Inc., a Delaware corporation (the "Company"), and the undersigned person (the "Management Stockholder") (the Company and the Management Stockholder being hereinafter collectively referred to as the "Parties"). All capitalized terms not immediately defined are hereinafter defined in Section 8(b) of this Agreement.

WHEREAS, pursuant to the Agreement and Plan of Merger, dated as of July 24, 2006 (the "Merger Agreement"), by and among Hercules Holding II, LLC, a Delaware limited liability company ("Hercules Holding"), Hercules Acquisition Corporation, a Delaware corporation and a direct wholly owned subsidiary of Hercules Holding ("Merger Sub") and the Company, and subject to the terms and conditions set forth in the Merger Agreement, Merger Sub will on the Closing Date merge with and into the Company (the "Merger"), with the Company surviving the Merger;

WHEREAS, in connection with the Merger, each of Bain Capital Fund IX, L.P., KKR Millennium Fund L.P., KKR 2006 Fund L.P. and ML Global Private Equity Fund, L.P. (collectively, the "Investors") are contributing certain funds to Hercules Holding in exchange for membership interests representing, as of the Closing Date, [•]% of the issued and outstanding membership interests of Hercules Holding (such percentage, as adjusted from time to time to reflect the Investors' then current ownership percentage in Hercules Holding, the "Investors HoldCo Ownership Percentage");

WHEREAS, as a result of the Merger and after giving effect to the issuance of all Rollover Stock and Purchased Stock (in each case as defined below) in connection therewith, as of the Closing Date, Hercules Holdings will own, beneficially and of record, [•]% of the issued and outstanding shares of the Company's common stock, par value $0.01 per share (the "Common Stock") (such percentage, as adjusted from time to time to reflect the then current ownership percentage of Hercules Holding in the Company, the "HoldCo Company Ownership Percentage");

WHEREAS, in connection with the Merger, the Management Stockholder has been selected by the Company (i) to exchange certain shares of common stock of the Company owned immediately prior to the Effective Time for new shares of Common Stock (the "Rollover Stock") pursuant to an Exchange and Purchase Agreement entered into between the Management Stockholder and Hercules Holding (the "Exchange Agreement"), which exchange the Parties intend for U.S. federal income tax purposes to be treated as an exchange of shares by the Management Stockholder in a transaction described in section 1036 and/or section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, in which no gain or loss is recognized by the Management Stockholder; (ii) to exchange all or a portion of the Management Stockholder's options to purchase shares of common stock of the Company outstanding prior to the effective time of the Merger for fully-exercisable options to purchase Common Stock after the Merger (the "Rollover Options") pursuant to the terms of the Company's current option plan under which the options were issued (the "Pre-Merger Plans"), as adjusted pursuant to the Option Rollover Agreement to be entered into between the Management Stockholder and the Company (the "Option Rollover Agreement"); (iii) to be permitted to transfer to the Company cash in exchange for shares of Common Stock (the "Purchased Stock"); and/or (iv) to receive options to purchase shares of Common Stock (the

"New Options" and together with the Rollover Options, the "Options") pursuant to the terms set forth below and the terms of the 2006 Stock Incentive Plan for Key Employees of HCA Inc. and its Affiliates (the "Option Plan") and the Stock Option Agreement dated as of the date hereof, entered into by and between the Company and the Management Stockholder (the "New Option Agreement" and together with the Option Rollover Agreement, the "Stock Option Agreements"); and

WHEREAS, this Agreement is one of several other agreements ("Other Management Stockholders Agreements") which concurrently with the execution hereof or in the future will be entered into between the Company and other individuals who are or will be key employees of the Company or one of its subsidiaries (collectively, the "Other Management Stockholders").

NOW THEREFORE, to implement the foregoing and in consideration of the mutual agreements contained herein, the Parties agree as follows:

1. Issuance of Purchased Shares; New Options; Rollover Stock and Options; Voting.

(a) Subject to the terms and conditions hereinafter set forth, the Management Stockholder hereby subscribes for and shall purchase, as of the Closing Date (but immediately after the Effective Time), and the Company shall issue and deliver to the Management Stockholder as of the Closing Date, the number of shares of Purchased Stock at a per share purchase price (the "Base Price"), in each case as set forth on Schedule I hereto, which Base Price is equal to the effective per share purchase price payable by the Investors for the shares of the Company in connection with the Merger.

(b) Immediately prior to the Effective Time, the Management Stockholder shall, if applicable, transfer to Hercules Holding the shares identified by such Management Stockholder in the Exchange Agreement and immediately after the Effective Time the Management Stockholder will receive a number of shares, in each case pursuant to the Exchange Agreement. The Parties agree that they will not treat the Management Stockholder as holding a membership interest in Hercules Holding for U.S. federal income tax purposes.

(c) Subject to the terms and conditions hereinafter set forth and as set forth in the Option Plan, as of the Closing Date the Company is granting to the Management Stockholder New Options to acquire the number of shares of Common Stock as set forth on Schedule I hereto, at an initial per share exercise price equal to the Base Price, and the Parties shall execute and deliver to each other copies of the New Option Agreement concurrently with the issuance of the New Options.

(d) Subject to the terms and conditions hereinafter set forth and as set forth in the Option Rollover Agreement and the Pre-Merger Plans, as of the Effective Time, the Rollover Options shall be adjusted as set forth in the Option Rollover Agreement.

(e) The Company shall have no obligation to sell any Purchased Stock to any person who (i) is a resident or citizen of a state or other jurisdiction in which the sale of the Common Stock to him or her would constitute a violation of the securities or "blue sky" laws of such jurisdiction or (ii) is not an employee or director of the Company or its subsidiaries as of the Closing Date.

2. Management Stockholder's Representations, Warranties and Agreements.

(a) The Management Stockholder agrees and acknowledges that he will not prior to a Change in Control, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (any of the foregoing acts being referred to herein as a "transfer") any shares of Purchased Stock, Rollover Stock and, at the time of exercise, Common Stock issuable upon exercise of Options ("Option Stock"; together with all Purchased Stock, Rollover Stock and any other Common Stock otherwise acquired and/or held by the Management Stockholder Entities as of or after the date hereof, "Stock"), except as otherwise provided for herein. If the Management Stockholder is an Affiliate of the Company, the Management Stockholder also agrees and acknowledges that he or she will not transfer any shares of the Stock unless:

(i) the transfer is pursuant to an effective registration statement under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the "Act"), and in compliance with applicable provisions of state securities laws; or

(ii) (A) counsel for the Management Stockholder (which counsel shall be reasonably acceptable to the Company) shall have furnished the Company with an opinion or other advice, reasonably satisfactory in form and substance to the Company, that no such registration is required because of the availability of an exemption from registration under the Act and (B) if the Management Stockholder is a citizen or resident of any country other than the United States, or the Management Stockholder desires to effect any transfer in any such country, counsel for the Management Stockholder (which counsel shall be reasonably satisfactory to the Company) shall have furnished the Company with an opinion or other advice reasonably satisfactory in form and substance to the Company to the effect that such transfer will comply with the securities laws of such jurisdiction.

Notwithstanding the foregoing, the Company acknowledges and agrees that any of the following transfers of Stock are deemed to be in compliance with the Act and this Agreement (including without limitation any restrictions or prohibitions herein) and no opinion of counsel is required in connection therewith: (I) a transfer made pursuant to Sections 3, 4, 5, 6, 7 or 10 hereof, (II) a transfer upon the death or Permanent Disability of the Management Stockholder to the Management Stockholder's Estate or a transfer to the executors, administrators, testamentary trustees, legatees or beneficiaries of a person who has become a holder of Stock in accordance with the terms of this Agreement; provided that it is expressly understood that any such transferee shall be bound by the provisions of this Agreement, (III) a transfer made after the Closing Date in compliance with the federal securities laws to a Management Stockholder's Trust, provided that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions hereof as a "Management Stockholder" with respect to the representations and warranties and other obligations of this Agreement, and provided further that it is expressly understood and agreed that if such Management Stockholder's Trust at any point includes any person or entity other than the Management Stockholder, his spouse (or ex-spouse) or his lineal descendants (including adopted children) such that it fails to meet the definition thereof as set forth in Section 8(b), such transfer shall no longer be deemed in compliance with this Agreement and shall be subject to 3(c) below, (IV) a transfer of Stock made by the Management Stockholder to Other Management Stockholders, provided that it is expressly understood that any such transferee(s) shall be bound by the provisions of this Agreement,

(V) a transfer made by the Management Stockholder, with the Board's approval, to the Company or any subsidiary of the Company and (VI) the Management Stockholder may transfer shares of Stock pursuant to the terms of Sections 6, whereupon (x) any shares of Stock transferred to the Company pursuant to Section 6 shall conclusively be deemed thereafter not to be Shares under this Agreement and not to be subject to any of the provisions, or entitled to the benefit of any of the provisions of, this Agreement and (y) any Shares transferred to the Investors or any of their respective Affiliates shall conclusively be deemed thereafter to be included in the calculation of the Aggregate Investor Ownership Share Number under this Agreement and will be subject to, and entitled to the benefit of, the provisions hereof.

(b) The certificate (or certificates) representing the Stock shall bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF THE MANAGEMENT STOCKHOLDER'S AGREEMENT BETWEEN HCA INC. (THE "COMPANY") AND THE MANAGEMENT STOCKHOLDER NAMED ON THE FACE HEREOF OR THE SALE PARTICIPATION AGREEMENT AMONG SUCH MANAGEMENT STOCKHOLDER AND BAIN CAPITAL FUND IX, L.P., KKR MILLENNIUM FUND L.P., KKR 2006 FUND L.P. AND ML GLOBAL PRIVATE EQUITY FUND, L.P., IN EACH CASE DATED AS OF [•], 2006 (COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY)."

(c) The Management Stockholder acknowledges that he has been advised that (i) the Stock are characterized as "restricted securities" under the Act inasmuch as they are being acquired from the Company in a transaction not involving a Public Offering and that under the Act (including applicable regulations) the Stock may be resold without registration under the Act only in certain limited circumstances, (ii) a restrictive legend in the form heretofore set forth shall be placed on the certificates representing the Stock and (iii) a notation shall be made in the appropriate records of the Company indicating that the Stock is subject to restrictions on transfer and appropriate stop transfer restrictions will be issued to the Company's transfer agent with respect to the Stock.

(d) If any shares of the Stock are to be disposed of in accordance with Rule 144 under the Act or otherwise, the Management Stockholder shall promptly notify the Company of such intended disposition and shall deliver to the Company at or prior to the time of such disposition such documentation as the Company may reasonably request in connection with such sale and, in the case of a disposition pursuant to Rule 144, shall deliver to the Company an executed copy of any notice on Form 144 required to be filed with the SEC.

(e) The Management Stockholder agrees that, if any shares of the Stock are offered to the public pursuant to an effective registration statement under the Act (other than registration of securities issued on Form S-8, S-4 or any successor or similar form), the Management Stockholder will not effect any public sale or distribution of any shares of the Stock not covered by such registration statement from the time of the receipt of a notice from

the Company that the Company has filed or imminently intends to file such registration statement to, or within 180 days (or such shorter period as may be consented to by the managing underwriter or underwriters) in the case of the IPO and ninety (90) days (or in an underwritten offering such shorter period as may be consented to by the managing underwriter or underwriters, if any) in the case of any other Public Offering after the effective date of such registration statement, unless otherwise agreed to in writing by the Company.

(f) The Management Stockholder represents and warrants that (i) with respect to the Purchased Stock, Rollover Stock and Option Stock, the Management Stockholder has received and reviewed the available information relating to such Stock, including having received and reviewed the documents related thereto, certain of which documents set forth the rights, preferences and restrictions relating to the Options and the Stock underlying the Options and (ii) the Management Stockholder has been given the opportunity to obtain any additional information or documents and to ask questions and receive answers about such information, the Company and the business and prospects of the Company which the Management Stockholder deems necessary to evaluate the merits and risks related to the Management Stockholder's investment in the Stock and to verify the information contained in the information received as indicated in this Section 2(f), and the Management Stockholder has relied solely on such information.

(g) The Management Stockholder further represents and warrants that (i) the Management Stockholder's financial condition is such that the Management Stockholder can afford to bear the economic risk of holding the Stock for an indefinite period of time and has adequate means for providing for the Management Stockholder's current needs and personal contingencies, (ii) the Management Stockholder can afford to suffer a complete loss of his or her investment in the Stock, (iii) the Management Stockholder understands and has taken cognizance of all risk factors related to the purchase of the Stock (iv) the Management Stockholder's knowledge and experience in financial and business matters are such that the Management Stockholder is capable of evaluating the merits and risks of the Management Stockholder's purchase of the Stock as contemplated by this Agreement, (v) with respect to the Purchased Stock, such Purchased Stock is being acquired by the Management Stockholder for his or her own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the Act, and the Management Stockholder has no present intention of selling, granting any particulation in, or otherwise distributing the Purchased Stock in violation of the Act, and (vi) the Management Stockholder is an "accredited investor" as defined in Rule 501(a) of Regulation D, as amended, under the Act.

3. Transferability of Stock.

(a) The Management Stockholder agrees that he or she will not transfer any shares of Stock at any time during the period commencing on the date hereof and ending on the fifth anniversary of the Closing Date; provided, however, that during such period, the Management Stockholder may transfer shares of Stock during such time pursuant to one of the following exceptions: (i) transfers permitted by Sections 4 (but only for the period set forth therein), 5, 6 or 7; (ii) transfers permitted by clauses (II), (III) and (IV) of Section 2(a); (iii) a sale of shares of Common Stock pursuant to an effective registration statement under the Act filed by the Company, including upon the proper exercise of registration rights of such Management Stockholder under Section 10 (excluding any registration on Form S-8, S-4 or any successor or similar form); (iv) transfers permitted pursuant to the Sale Participation Agreement (as defined in Section 8); (v) transfers permitted by the Board or (vi) transfers to

any of the Investors (any such exception, a "Permitted Transfer"). In addition, during the period commencing on the fifth anniversary of the Closing Date through the eighth anniversary of the Closing Date, the Management Stockholder may only transfer shares of Stock to the extent that, at the time of any such transfer, the Management Stockholders Transfer Ratio does not exceed the Investor Transfer Ratio. For purposes of this Section 3(a),

(i) the "Management Stockholders Transfer Ratio" shall mean the quotient, expressed as a percentage, of (x) the aggregate number shares of Common Stock transferred (other than through Permitted Transfers described in clauses (ii) and (vi) of Section 3(a)) by the Management Stockholder Entities and all Other Management Stockholders (including the Management Stockholder's Trust and Management Stockholder's Estate of such Other Management Stockholders) prior to and including the date of the proposed transfer (including for the avoidance of doubt shares of Common Stock proposed to be transferred on such date), as recorded on the books of the Company and/or reflected in any relevant documentation divided by (y) the aggregate number of shares of Common Stock (without duplication) which have been issued or are otherwise issuable (upon the exercise of Options or otherwise) to or have been or are otherwise owned by the Management Stockholder Entities and all Other Management Stockholders (including the Management Stockholder's Trust and Management Stockholder's Estate of such Other Management Stockholders) prior to and including the relevant time and which are not subject to vesting or similar restrictions;

(ii) the "Investor Transfer Ratio" shall mean the quotient, expressed as a percentage, of (x) the number shares of Common Stock transferred for value by the Investors (other than among Investors or to any of their respective affiliates or affiliated funds) on or prior to the relevant time divided by (y) the Aggregate Investor Ownership Share Number; and

(iii) the "Aggregate Investor Ownership Share Number" shall mean the sum of (x) the product of (A) the aggregate number of shares of Common Stock issued and outstanding as of the Closing Date (but immediately after the Effective Time and giving effect to the issuance of Purchased Stock and Rollover Stock on the Closing Date), times (B) the Investors HoldCo Ownership Percentage as of the Closing Date (but immediately after the Effective Time and giving effect to the issuance of Purchased Stock and Rollover Stock on the Closing Date), times (C) the HoldCo Company Ownership Percentage as of the Closing Date (but immediately after the Effective Time and giving effect to the issuance of Purchased Stock and Rollover Stock on the Closing Date) and (y) the number of shares of Common Stock acquired or held directly (for the avoidance of doubt, without duplication of the ownership represented by clause (x)) by the Investors between the period from the Closing Date up to the relevant time at which the Investor Transfer Ratio is determined.

(b) Notwithstanding anything to the contrary herein, Section 3(a) shall terminate and be of no further force or effect upon the occurrence of a Change in Control.

(c) No transfer of any such shares in violation hereof shall be made or recorded on the books of the Company and any such transfer shall be void ab initio and of no effect.

(d) Notwithstanding anything to the contrary herein, the Investors may, at any time and from time to time, by unanimous agreement, waive the restrictions on transfers contained in Section 3(a), whether such waiver is made prior to or after the transferee has effected or committed to effect the transfer, or has notified the Investors of such transfer or commitment to transfer. Any transfers made pursuant to such waiver or which are later made subject to such a waiver shall, as of the date of the waiver and at all times thereafter, not be deemed to violate any applicable restrictions on transfers contained in this Agreement.

4. Right of First Offer. (a) If, at any time after the fifth anniversary of the Closing Date and prior to the consummation of the IPO, the Management Stockholder proposes to transfer any or all of the Management Stockholder's Stock to a third party (any such third party, the "ROFO Transferee") (other than any transfer pursuant to clauses (II), (III), (IV), (V) and (VI) of Section 2(a), to the extent made to a third party), the Management Stockholder shall notify the Company in writing of the Management Stockholder's intention to transfer such Stock (such written notice, a "ROFO Notice"). The ROFO Notice shall include a true and correct description of the number of shares of Stock to be transferred and the material terms of such proposed transfer or if requested by the Company, a copy of any proposed documentation to be entered into with any ROFO Transferee in respect of such transfer) and shall contain an irrevocable offer to sell such Stock to the Company (in the manner set forth below) at a purchase price equal to the minimum price at which the Management Stockholder proposes to transfer such Stock to any ROFO Transferee and on substantially the same terms and conditions as the proposed transfer. At any time within thirty (30) days after the date of the receipt by the Company of the ROFO Notice, the Company shall have the right and option to purchase, or to arrange for a subsidiary, third party or Affiliate to purchase, all (but not less than all) of the shares of Stock proposed to be transferred to a ROFO Transferee, pursuant to Section 4(b).

(b) The Company shall have the right and option to purchase, or to arrange for a subsidiary, third party or Affiliate to purchase, all of the shares of Stock proposed to be transferred to any ROFO Transferee at a purchase price equal to the minimum price at which the Management Stockholder proposes to transfer such Stock to any ROFO Transferee and otherwise on substantially the same terms and conditions as the proposed transfer (or, if the proposed transfer to any ROFO Transferee includes any consideration other than cash, then at the sole option of the Company, at the equivalent all cash price, determined in good faith by the Board after consultation with the Chief Executive Officer of the Company), by delivering (i) a certified bank check or checks in the appropriate amount (or by wire transfer of immediately available funds, if the Management Stockholder Entities provide to the Company wire transfer instructions) and/or (ii) any such non-cash consideration to be paid to the Management Stockholder at the principal office of the Company against delivery of certificates or other instruments representing the shares of Stock so purchased, appropriately endorsed by the Management Stockholder. If at the end of the 30-day period, the Company has not tendered the purchase price for such shares in the manner set forth above, the Management Stockholder may, during the succeeding 60-day period, sell not less than all of the shares of Stock proposed to be transferred to any ROFO Transferee on terms no less favorable to the Management Stockholder than those contained in the ROFO Notice. Promptly after such sale, the Management Stockholder shall notify the Company of the consummation thereof and shall furnish such evidence of the completion and time of completion of such sale and of the terms thereof as may reasonably be requested by the Company. If, at the end of sixty (60) days following the expiration of the 30-day period during which the Company is entitled hereunder to purchase the Stock, the Management

Stockholder has not completed the sale of such shares of the Stock as aforesaid, all of the restrictions on sale, transfer or assignment contained in this Agreement shall again be in effect with respect to such shares of the Stock.

(c) Notwithstanding anything in this Agreement to the contrary, this Section 4 shall terminate and be of no further force or effect upon the earlier of occurrence of a Change in Control or the IPO.

5. Pre-Emptive Rights.

(a) If at any time prior to the IPO, the Company issues or sells any shares of Common Stock proposed to be purchased for value, directly or indirectly, by any of the Investors or any of their respective Affiliates (the "Offered Stock"), or permits any direct or indirect subsidiary to propose such issuance or sale, each Senior Management Stockholder (together with the other Senior Management Stockholders, the "Pre-Emptive Rights Holders") shall have a preemptive right to purchase or subscribe for the number or amount of such shares of Offered Stock in the offering as such Senior Management Stockholder may elect to purchase or subscribe for, up to and including such Senior Management Stockholder's ownership percentage (not including Common Stock acquirable by exercise of options) in the Company (determined as of the time of the Board's approval of such issuance) of the total number or amount of Offered Stock proposed to be issued (the "Participation Threshold"). The Company shall provide each Senior Management Stockholder with notice of a proposed issuance or sale subject to this pre-emptive right at least 10 days prior to such issuance (the "Participation Notice") specifying the principal terms and conditions of the proposed issuance or sale, including (A) the amount and kind of Offered Stock to be included in the issuance or sale, (B) the price per share of Common Stock subject to issuance or sale, including a description of any pricing formulae and of any non-cash consideration sufficiently detailed to permit valuation thereof and (C) the name and address of the Person to whom the Offered Stock is proposed to be issued. If such Senior Management Stockholder exercises his or her pre-emptive right, he or she shall be required to pay the same consideration for each share of Offered Stock as the Company shall receive for each share of Offered Stock purchased by a Person other than a Pre-Emptive Rights Holder and as the Company shall have specified in its notice of the proposed issuance (except that if the Company or its subsidiary, as applicable, receives non-cash consideration, the Senior Management Stockholder shall have the option, if he or she so chooses, to pay in cash the Fair Market Value of such non-cash consideration). The pre-emptive right given by the Company pursuant to this Section 5(a) shall terminate if the Senior Management Stockholder shall not have notified the Company in writing of its election to exercise such right within ten (10) days after receipt of the notice of the proposed issuance; provided that such right shall become available once again if the price or any other material term of the proposed issuance shall change, in which case the parties shall again follow the procedures set forth in this Section 5(a).

Each Pre-Emptive Rights Holder desiring to accept the offer contained in the Participation Notice shall accept such offer by furnishing a written commitment to the Company or the issuing subsidiary, as the case may be, within ten (10) days after the effectiveness of the Participation Notice specifying the amount of Offered Stock (not in any event to exceed such Pre-Emptive Rights Holder's Participation Threshold) for which such Pre-Emptive Rights Holder desires to subscribe (each a "Participating Buyer"). Each Participation Buyer who does not so accept such offer in compliance with the above requirements, including the applicable time period, shall be deemed to have waived all rights

to participate in such issuance or sale, and the Company (or any of its subsidiaries, if applicable) shall thereafter be free to issue the Offered Stock to the prospective subscriber and any other Participating Buyers, at a price no less than the minimum price set forth in the Participation Notice and on other principal terms not materially more favorable to the prospective subscriber and any other Participating Buyers than those set forth in the Participation Notice, without any further obligation to such non-accepting Pre-Emptive Rights Holders pursuant to this Section 5(a). If, prior to consummation, the terms of such proposed issuance or sale shall change with the result that the price shall be less than the minimum price set forth in the Participation Notice or the other principal terms shall be materially more favorable to the prospective subscriber than those set forth in the Participation Notice, it shall be necessary for a separate Participation Notice to be furnished, and the terms and provisions of this Section 5(a) separately complied with, in order to consummate such issuance or sale pursuant to this Section 5(a).

(b) The acceptance of each Participating Buyer shall be irrevocable except as hereinafter provided, and each such Participating Buyer shall be bound and obligated to acquire in the issuance or sale on the same terms and conditions, with respect to each unit of Offered Stock issued, as the prospective subscriber, such amount of Offered Stock as such Participating Buyer shall have specified in such Participating Buyer's written commitment; provided, however, that if any of the economic terms of the issuance or sale change, including without limitation if the per share price will be greater than the per share price disclosed in the Participation Notice, or any of the other principal terms or conditions will be materially less favorable to the Participating Buyer than those described in the Participation Notice, the Company or the issuing subsidiary, as the case may be, will provide written notice thereof to each Participating Buyer and each Participating Buyer will then be given an opportunity to withdraw the offer contained in such holder's written commitment (by providing prompt (and in any event within 5 business days) notice of such withdrawal to the Company or the issuing subsidiary, whereupon such withdrawing Participating Buyers will be released from all obligations thereunder.

(c) If at the end of the 180th day following the date of the effectiveness of the Participation Notice the Company or the issuing subsidiary, as the case may be, has not completed the issuance or sale, each Participating Buyer shall be released from all obligations under the written commitment, the Participation Notice shall be null and void, and it shall be necessary for a separate Participation Notice to be furnished, and the terms and provisions of this Section 5 separately complied with, in order to consummate such Issuance pursuant to this Section 5.

(d) The preemptive rights under Section 5(a) shall not apply to (i) securities issued to officers, employees or directors (other than representatives of the Investors) of, or consultants to, the Company or its subsidiaries pursuant to profit sharing, management stock option or other management incentive plans; (ii) securities issued to non-Affiliates pursuant to any merger, consolidation, acquisition of assets or businesses or similar transaction; (iii) securities issued pursuant to a stock split or stock dividend; (iv) securities issued pursuant to the exercise of any Option, warrant or convertible security; (v) securities issued pursuant to a Public Offering; (vi) securities issued in connection with third-party debt financing; or (vii) securities issued to the Company or any of its subsidiaries.

(e) Notwithstanding anything to the contrary in the foregoing, in the event that the Company, in its reasonable judgment, needs to sell securities to the Investors prior to

the notice periods set forth in clauses (a), (b) or (c) above, the Company shall, promptly following such issuance, give the Pre-Emptive Rights Holders the opportunity to invest in Offered Stock in order to maintain its ownership percentage (measured prior to the issuance to the Investors).

6. The Management Stockholder's Right to Resell Stock and Options to the Company.

(a) Except as otherwise provided herein, and subject to Section 7(g), if, prior to the consummation of the IPO, the Management Stockholder's employment with the Company (or, if applicable, any of its subsidiaries or affiliates) terminates as a result of the death or Permanent Disability of the Management Stockholder, then the applicable Management Stockholder Entity, shall, for 365 days (the "Put Period") following the date of such termination for death or Permanent Disability, have the right to:

(i) With respect to Stock, sell to the Company, and the Company shall be required to purchase, on one occasion, all of the shares of Stock then held by the applicable Management Stockholder Entities at a per share price equal to Fair Market Value on the Repurchase Calculation Date (the "Section 6 Repurchase Price");

(ii) With respect to any outstanding Options, sell to the Company, and the Company shall be required to purchase, on one occasion, all of the exercisable Options then held by the applicable Management Stockholder Entities for an amount equal to the product of (x) the excess, if any, of the Section 6 Repurchase Price over the Option Exercise Price and (y) the number of Exercisable Option Shares, which Options shall be terminated in exchange for such payment. In the event the Management Stockholder Entity elects to sell under this Section 6(a)(ii) and the foregoing Option Excess Price is zero or a negative number, all outstanding exercisable Options granted to the Management Stockholder shall be automatically terminated without any payment in respect thereof; and

(iii) Request a statement of the Fair Market Value as of the date of the Redemption Notice.

(b) In the event the applicable Management Stockholder Entities intend to exercise their rights pursuant to Section 6(a), such Management Stockholder Entities shall send written notice to the Company, at any time during the Put Period, of their intention to sell shares of Stock in exchange for the payment referred to in Section 6(a)(i) and/or to sell such Options in exchange for the payment referred to in Section 6(a)(ii) and shall indicate the number of shares of Stock to be sold and the number of Options to be sold with payment in respect thereof (the "Redemption Notice"). The completion of the purchases shall take place at the principal office of the Company on the tenth business day after the giving of the Redemption Notice. The applicable Repurchase Price (including any payment with respect to the Options as described above) shall be paid by delivery to the applicable Management Stockholder Entities, at the option of the Company, of a certified bank check or checks in the appropriate amount payable to the order of each of the applicable Management Stockholder Entities (or by wire transfer of immediately available funds, if the Management Stockholder Entities provide to the Company wire transfer instructions) against delivery of certificates or other instruments representing the Stock so purchased and appropriate documents cancelling the Options so terminated appropriately endorsed or executed by the applicable Management Stockholder Entities or any duly authorized representative.

(c) Notwithstanding anything in this Section 6 to the contrary, if there exists and is continuing a default or an event of default on the part of the Company or any subsidiary of the Company under any loan, guarantee or other agreement under which the Company or any subsidiary of the Company has borrowed money or if the repurchase referred to in Section 6(a) (or Section 7, as the case may be) would result in a default or an event of default on the part of the Company or any subsidiary of the Company under any such agreement or if a repurchase would not be permitted under Section 170 of the Delaware General Corporation Law (the "DGCL") or would otherwise violate the DGCL or any federal or state securities laws or regulations (or if the Company reincorporates in another state, the business corporation law of such state) (each such occurrence being an "Event"), the Company shall not be obligated to repurchase any of the Stock or the Options from the applicable Management Stockholder Entities to the extent prohibited by the Event for cash but instead, with respect to such portion with respect to which cash settlement is prohibited, will satisfy its obligations with respect to the Management Stockholder Entities' exercise of their rights under Section 6(a) by delivering to the applicable Management Stockholder Entity a note with a principal amount equal to the amount payable under this Section 6 that was not paid in cash, having terms acceptable to the Company's lenders and permitted under the Company's debt instruments but which in any event (i) shall be mandatorily repayable to the extent that an Event no longer prohibits the payment of cash to the applicable Management Stockholder Entity pursuant to this Agreement; and (ii) shall bear interest at a rate equal to the effective rate of interest in respect of the Company's U.S. dollar-denominated subordinated public debt securities (including any original issue discount). Notwithstanding the foregoing and subject to Section 7(d), if an Event exists and is continuing for ninety (90) days, the Management Stockholder Entities shall be permitted by written notice to rescind any Redemption Notice with respect to that portion of the Stock and Options repurchased by the Company from the Management Stockholder Entities pursuant to this Section 6 with the note described in the foregoing sentence, provided that, upon such rescission, such note shall be immediately canceled without any action on the part of the Company or the Management Stockholder Entities and, notwithstanding anything herein or in such note to the contrary, the Company shall have no obligation to pay any amounts of principal or interest thereunder.

(d) *Effect of Change in Control*. Notwithstanding anything in this Agreement to the contrary, except for any payment obligation of the Company which has arisen prior to the occurrence of a Change in Control, this Section 6 shall terminate and be of no further force or effect upon the occurrence of such Change in Control.

7. The Company's Option to Purchase Stock and Options of the Management Stockholder Upon Certain Terminations of Employment.

(a) *Termination for Cause by the Company, Termination by the Management Stockholder without Good Reason (other than due to his death, Permanent Disability or Retirement) and other Call Events*. If, prior to the consummation of the IPO, (i) the Management Stockholder's active employment with the Company (or, if applicable, its subsidiaries or Affiliates) is terminated by the Company (or, if applicable, its subsidiaries or affiliates) for Cause or (ii) the Management Stockholder's active employment with the Company (or, if applicable, its subsidiaries or Affiliates) is terminated by the Management Stockholder without Good Reason (other than due to his death or Permanent Disability) after notice from the Company of such impermissible transfer and a reasonable opportunity to cure

such transfer (each, a "Section 7(a) Call Event"), then, subject to the provisions of Section 7(g):

(A) With respect to Purchased Stock, Rollover Stock and Option Stock issued in respect of Rollover Options, the Company may purchase all or any portion of the shares of Purchased Stock, Rollover Stock and Option Stock issued in respect of Rollover Options then held by the applicable Management Stockholder Entities at a per share purchase price equal to Fair Market Value on the Repurchase Calculation Date. Notwithstanding the foregoing, this clause (A) shall not confer any rights to the Company pursuant to a Section 7(a) Call Event specified in clause (ii) of Section 7(a) that occurs after the fifth anniversary of the Closing Date;

(B) With respect to Option Stock issued in respect of New Options, the Company may purchase all or any portion of the shares of such Option Stock then held by the applicable Management Stockholder Entities at a per share purchase price (such price, the "Option Stock Call Price") equal to the lesser of (x) the applicable price paid for such Option Stock (which shall be the Base Price for Option Stock issued in respect of New Options granted on the Closing Date) and (y) Fair Market Value on the Repurchase Calculation Date. Notwithstanding the foregoing, in the event the Company elects to repurchase under this Section 7(a)(B) pursuant to a Section 7(a) Call Event specified in clause (ii) of Section 7(a) which occurs on or after the fifth anniversary of the Closing Date, the purchase price shall be the Fair Market Value on the Repurchase Calculation Date;

(C) With respect to Rollover Options, in the event of a termination described in clause (i) of Section 7(a) above or clause (ii) of Section 7(a) so long as the termination under clause (ii) occurs prior to the fifth anniversary of the Closing Date, the Company may purchase all or any portion of the Rollover Options held by the applicable Management Stockholder Entities for an amount equal to the product of (x) the excess, if any, of the price equal to Fair Market Value on the Repurchase Calculation Date over the Option Exercise Price and (y) the number of Exercisable Option Shares (solely relating to Rollover Options), which Rollover Options shall be terminated in exchange for such payment. In the event the Company elects to repurchase under this Section 7(a)(C) and the foregoing Option Excess Price is zero or a negative number, all outstanding exercisable Rollover Options shall be automatically terminated without any payment in respect thereof. Notwithstanding the foregoing, this clause (C) shall not confer any rights to the Company pursuant to a Section 7(a) Call Event specified in clause (ii) of Section 7(a) that occurs after the fifth anniversary of the Closing Date; and

(D) With respect to New Options, in the event of a termination described in clause (ii) of Section 7(a) above, the Company may purchase all or any portion of the exercisable New Options held by the applicable Management Stockholder Entities for an amount equal to the product of (x) the excess, if any, of the Option Stock Call Price over the Option Exercise Price and (y) the number of Exercisable Option Shares (solely relating to New Options), which New Options shall be terminated in exchange for such payment. In the event the Company elects to repurchase under this Section 7(a)(D) and the foregoing Option Excess Price is zero or a negative number, all outstanding exercisable New Options shall be automatically terminated without any payment in respect thereof. Notwithstanding the foregoing, in the event the Company elects to repurchase under this Section 7(a)(D) pursuant to a Section 7(a) Call Event specified in clause (ii) of Section 7(a) which occurs on or after the fifth anniversary of the Closing Date, the purchase price shall be the Fair Market Value on the Repurchase Calculation Date.

(b) *Termination without Cause by the Company (other than due to his death or Permanent Disability), and Termination by the Management Stockholder with Good Reason*. Except as otherwise provided herein, if, prior to the consummation of the IPO, the Management Stockholder's active employment with the Company (or, if applicable, its subsidiaries or Affiliates) is terminated (i) by the Company (or, if applicable, its subsidiaries or Affiliates) without Cause (other than due to his death or Permanent Disability), or (ii) by the Management Stockholder with Good Reason or due to the Management Stockholder's Retirement (each, a "Section 7(b) Call Event") then, subject to the provisions of Section 7(g):

(A) With respect to the Option Stock issued in respect of New Options, the Company may purchase all or any portion of the shares of such Option Stock then held by the applicable Management Stockholder Entities at a per share purchase price equal to Fair Market Value on the Repurchase Calculation Date; and

(B) With respect to New Options, the Company may purchase all or any portion of the exercisable New Options held by the applicable Management Stockholder Entities for an amount equal to the product of (x) the excess, if any, of the Fair Market Value on the Repurchase Calculation Date of a share of Option Stock underlying such New Options over the Option Exercise Price and (y) the number of Exercisable Option Shares (solely relating to New Options), which New Options shall be terminated in exchange for such payment. In the event the Company elects to repurchase under this Section 7(b)(B) and the foregoing Option Excess Price is zero or a negative number, all outstanding exercisable New Options shall be automatically terminated without any payment in respect thereof.

(c) *Termination for Death or Disability*. Except as otherwise provided herein, if, prior to the consummation of the IPO, the Management Stockholder's employment with the Company (or, if applicable, its subsidiaries or affiliates) is terminated as a result of the death or Permanent Disability of the Management Stockholder (each a "Section 7(c) Call Event"), then, subject to the provisions of Section 7(g):

(A) With respect to Option Stock issued in respect of New Options, the Company may purchase all or any portion of the shares of such Option Stock then held by the applicable Management Stockholder Entities at a per share purchase price equal to Fair Market Value on the Repurchase Calculation Date; and

(B) With respect to New Options, the Company may purchase all or any portion of the exercisable New Options for an amount equal to the product of (x) the excess, if any, of Fair Market Value on the Repurchase Calculation Date of a share of Option Stock underlying such New Options over the Option Exercise Price and (y) the number of Exercisable Option Shares (solely relating to New Options), which New Options shall be terminated in exchange for such payment. In the event the Company elects to repurchase under this Section 7(c)(B) and the foregoing Option Excess Price is zero or a negative number, all outstanding exercisable stock options granted to the Management Stockholder under the Option Plan shall be automatically terminated without any payment in respect thereof.

(d) *Call Notice*. The Company shall have a period (the "Call Period") of one hundred twenty (120) days from the date of any Call Event (or, if later, with respect to a Section 7(a) Call Event, the date after discovery of, and the applicable cure period for, an impermissible transfer constituting a Section 7(a) Call Event) in which to give notice in

writing to the Management Stockholder of its election to exercise its rights and obligations pursuant to this Section 7 ("Repurchase Notice"). Notwithstanding the foregoing, the Company reserves the right to extend the Call Period to ensure that the Management Stockholder Entities are able to comply with the six-month stock ownership holding period identified in Section 7(g) below, but which shall in no event extend beyond thirty (30) days after the date that such six-month holding period expires. The completion of the purchases pursuant to the foregoing shall take place at the principal office of the Company on the tenth business day after the giving of the Repurchase Notice. The applicable Repurchase Price (including any payment with respect to the Options as described in this Section 7) shall be paid by delivery to the applicable Management Stockholder Entities of a certified bank check or checks in the appropriate amount payable to the order of each of the applicable Management Stockholder Entities (or by wire transfer of immediately available funds, if the Management Stockholder Entities provide to the Company wire transfer instructions) against delivery of certificates or other instruments representing the Stock so purchased and appropriate documents canceling the Options so terminated, appropriately endorsed or executed by the applicable Management Stockholder Entities or any duly authorized representative.

(e) *Use of Note to Satisfy Call Payment*. Notwithstanding any other provision of this Section 7 to the contrary, if there exists and is continuing any Event, the Company will, to the extent it has exercised its rights to purchase Stock or Options pursuant to this Section 7, in order to complete the purchase of any Stock or Options pursuant to this Section 7, deliver to the applicable Management Stockholder Entities (i) a cash payment for any amounts payable pursuant to this Section 7 that would not cause an Event and (ii) a note having the same terms as that provided in Section 6(c) above with a principal amount equal to the amount payable but not paid in cash pursuant to this Section 7 due to the Event. Notwithstanding the foregoing, if an Event exists and is continuing for ninety (90) days, the Management Stockholder Entities shall be permitted by written notice to cause the Company to rescind any Repurchase Notice with respect to that portion of the Stock and Options repurchased by the Company from the Management Stockholder Entities pursuant to this Section 7 with the note described in the foregoing sentence, provided that, upon such rescission, such note shall be immediately canceled without any action on the part of the Company or the Management Stockholder Entities and, notwithstanding anything herein or in such note to the contrary, the Company shall have no obligation to pay any amounts of principal or interest thereunder, and provided further that the Company shall have another thirty (30) days from the date the Event ceases to exist to give another Repurchase Notice on the terms applicable to the first Repurchase Notice.

(f) *Effect of Change in Control*. Notwithstanding anything in this Agreement to the contrary, except for any payment obligation of the Company which has arisen prior to the occurrence of a Change in Control, this Section 7 shall terminate and be of no further force or effect upon the occurrence of such Change in Control.

(g) *Effect of Accounting Principles*. Notwithstanding anything set forth in Section 6 or 7 to the contrary, in the event that it is determined by the Board that any of the provisions of either of Section 6 or 7 would result in any of the Options being classified as a liability as contemplated by FASB Statement No. 123R, Share-Based Payment, including any amendments and interpretations thereto, then the following terms shall apply:

(i) Any shares of Stock that are to be purchased by the Company pursuant to Section 6 or 7, as applicable, may only be so purchased if and when such shares have

been held by the applicable Management Stockholder Entities for at least six months; and

(ii) With respect to any exercisable Options, upon the occurrence of the applicable event identified in Section 6 giving rise to the Management Stockholder's rights thereunder or a Call Event, the Management Stockholder Entities may be required by the Company to elect, in accordance with the terms of the relevant Stock Option Agreement, to receive from the Company, on one occasion, in exchange for all of the exercisable Options then held by the applicable Management Stockholder Entities, if any, a number of shares of Stock equal to the quotient of (x) the product of (A) the excess, if any, of the Fair Market Value over the Option Exercise Price and (B) the number of shares then acquirable on exercise, divided by (y) the Fair Market Value, which Options shall be terminated in exchange for such payment of shares of Stock (such shares of Stock, the "Net Settled Stock"). (In the event the foregoing Option Excess Price is zero or a negative number, all outstanding exercisable Options shall be automatically terminated without any payment in respect thereof.) Upon the occurrence of such net settlement of all exercisable Options, the Put Period or the Call Period, as applicable, shall be deemed to be the period that is 30 days following the date that is six months after the receipt by the applicable Management Stockholder Entities of the Net Settled Stock, during which time the Company may, on delivery of Repurchase Notice (or upon delivery of a Redemption Notice), purchase (or be required to purchase in the case of Section 6) all (in the case of a purchase pursuant to Section 6) or all or any portion (in the case of a purchase pursuant to Section 7) of the Net Settled Stock held by the applicable Management Stockholder Entities, at a per share price equal to the applicable Repurchase Price for Option Stock identified in Section 6 or Section 7, as applicable.

8. Adjustment of Repurchase Price; Effect of Accounting Principles; Definitions.

(a) *Adjustment of Repurchase Price*. In determining the applicable repurchase price of the Stock and Options, as provided for in Sections 6 and 7, above, appropriate adjustments shall be made for any stock dividends, splits, combinations, recapitalizations or any other adjustment in the number of outstanding shares of Stock in order to maintain, as nearly as practicable, the intended operation of the provisions of Sections 6 and 7.

(b) *Definitions*. All capitalized terms used in this Agreement and not defined herein shall have such meaning as such terms are defined in the Option Plan. Terms used herein and as listed below shall be defined as follows:

"Act" shall have the meaning set forth in Section 2(a)(i) hereof.

"Affiliate" means with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

"Aggregate Investor Ownership Share Number" shall have the meaning set forth in Section 3(a)(i) hereof.

"Agreement" shall have the meaning set forth in the introductory paragraph.

"Applicable Rate" shall mean at any date of determination, the interest rate that the Company is then paying on its most current working capital bank financing.

"Base Price" shall have the meaning set forth in Section 1(a) hereof.

"Board" shall mean the board of directors of the Company.

"Call Events" shall mean, collectively, Section 7(a) Call Events, Section 7(b) Call Events, and Section 7(c) Call Events.

"Call Notice" shall have the meaning set forth in Section 7(d) hereof.

"Call Period" shall have the meaning set forth in Section 7(d) hereof.

"Cause" shall mean "Cause" as such term may be defined in any employment agreement or change in control agreement in effect at the time of termination of employment between the Management Stockholder and the Company or any of its subsidiaries or Affiliates; or, if there is no such employment or change in control agreement, "Cause" shall mean (i) the Management Stockholder's willful and continued failure (other than by reason of a Permanent Disability) to perform his or her material duties with respect to the Company or its subsidiaries which continues beyond ten (10) business days after a written demand for substantial performance is delivered to the Management Stockholder by the Company (the "Cure Period"), (ii) the willful or intentional engaging by the Management Stockholder in material misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, the Investors or their respective Affiliates, (iii) conviction of, or a plea of *nolo contendere* to, a crime constituting (A) a felony under the laws of the United States or any state thereof or (B) a misdemeanor for which a sentence of more than six months' imprisonment is imposed, or (iv) a willful and material breach by the Management Stockholder of this Agreement or related agreements, or the Management Stockholder's engaging in any action in breach of the restrictive covenants made by the Management Stockholder under this Agreement or any employment agreement between the Management Stockholder and the Company or any of its subsidiaries, which continues beyond the Cure Period (to the extent that, in the Board's reasonable judgment, such breach can be cured).

"Change in Control" means, in one or a series of transactions, (i) the transfer or sale of all or substantially all of the assets of the Company (or any direct or indirect parent of the Company) to an Unaffiliated Person; (ii) a merger, consolidation, recapitalization or reorganization of the Company (or any direct or indirect parent of the Company) with or into another Unaffiliated Person, or a transfer or sale of the voting stock of the Company (or any direct or indirect parent of the Company), an Investor, or any Affiliate of any of the Investors to an Unaffiliated Person, in any such event that results in more than 50% of the common stock of the Company (or any direct or indirect parent of the Company) or the resulting company being held by an Unaffiliated Person; or (iii) a merger, consolidation, recapitalization or reorganization of the Company (or any direct or indirect parent of the Company) with or into another Unaffiliated Person, or a transfer or sale by the Company (or any direct or indirect parent of the Company), an Investor or any Affiliate of the Investors, in any such event after which the Investors and their Affiliates (x) collectively own less than 15% of the Common Stock and (y) collectively have the ability to appoint less than 50% of the directors to the Board (or any resulting company after a merger). For purposes of this definition, the term "Unaffiliated Person" means a Person or Group who is not an Investor, an

Affiliate of any of the Investors, or an entity in which any Investor holds, directly or indirectly, a majority of the economic interest in such entity.

"Closing Date" shall mean the date of closing of the Merger pursuant to the Merger Agreement.

"Common Stock" shall have the meaning set forth in the third "whereas" paragraph.

"Company" shall have the meaning set forth in the introductory paragraph.

"Confidential Information" shall mean all non-public information concerning trade secret, know-how, software, developments, inventions, processes, technology, designs, the financial data, strategic business plans or any proprietary or confidential information, documents or materials in any form or media, including any of the foregoing relating to research, operations, finances, current and proposed products and services, vendors, customers, advertising and marketing, and other non-public, proprietary, and confidential information of the Restricted Group.

"Custody Agreement and Power of Attorney" shall have the meaning set forth in Section 10(e) hereof.

"DGCL" shall have the meaning set forth in Section 6(c) hereof.

"Effective Time" shall have the meaning set forth in the Merger Agreement.

"Event" shall have the meaning set forth in Section 6(c) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended (or any successor section thereto).

"Exercisable Option Shares" shall mean the shares of Common Stock that, at the time that Redemption Notice or Repurchase Notice is delivered (as applicable), could be purchased by the Management Stockholder upon exercise of his or her outstanding and exercisable Options.

"Fair Market Value" shall mean the fair market value of the Common Stock on any given date, as determined reasonably and in good faith by the Board after consultation with the Chief Executive Officer of the Company.

"Good Reason" shall mean "Good Reason" as such term may be defined in any employment agreement or change-in-control agreement in effect at the time of termination of employment between the Management Stockholder and the Company or any of its subsidiaries or Affiliates, or, if there is no such employment or change-in-control agreement, "Good Reason" shall mean (i) (A) a reduction in the Management Stockholder's base salary (other than a general reduction in base salary that affects all similarly situated employees (defined as all employees within the same pay grade as that of the Management Stockholder) in substantially the same proportions that the Board implements in good faith after consultation with the Chief Executive Officer and Chief Operating Officer of the Company); (B) a reduction in the Management Stockholder's annual incentive compensation opportunity; or (C) the reduction of benefits payable to the Management Stockholder under the Company's Supplemental Executive Retirement Plan (if the Management Stockholder is a participant in such plan), in each case other than any isolated, insubstantial and inadvertent

failure by the Company that is not in bad faith and is cured within ten (10) business days after the Management Stockholder gives the Company written notice of such event, provided that the events described in (i)(A) or (i)(B) above will not be deemed to give rise to Good Reason if employment is terminated, but Management Stockholder declines an offer of employment involving a loss of compensation of less than 15% from a purchaser, transferee, outsourced vendor, new operating entity or affiliated employer; (ii) a substantial diminution in the Management Stockholder's title, duties and responsibilities, other than any isolated, insubstantial and inadvertent failure by the Company that is not in bad faith and is cured within ten (10) business days after the Management Stockholder gives the Company written notice of such event; or (iii) a transfer of the Management Stockholder's primary workplace to a location that is more than twenty (20) miles from his or her workplace as of the date of this Agreement, provided that Good Reason shall not be deemed to occur merely because Management Stockholder's willful decision to change position or status within the Company or any of its subsidiaries causes one or more of the occurrences described in (i), (ii), or (iii) to come about.

"Group" shall mean "group," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

"Hercules Holding" shall have the meaning set forth in the first "whereas" paragraph.

"HoldCo Company Ownership Percentage" shall have the meaning set forth in the third "whereas" paragraph.

"Investor Transfer Ratio" shall have the meaning set forth in Section 3(a)(iii) hereof.

"Investors" shall have the meaning set forth in the second "whereas" paragraph.

"Investors HoldCo Ownership Percentage" shall have the meaning set forth in the second "whereas" paragraph.

"IPO" means the initial Public Offering by the Company (or any successor thereto).

"Management Stockholder" shall have the meaning set forth in the introductory paragraph.

"Management Stockholder Entities" shall mean the Management Stockholder's Trust, the Management Stockholder and the Management Stockholder's Estate, collectively.

"Management Stockholder's Estate" shall mean the conservators, guardians, executors, administrators, testamentary trustees, legatees or beneficiaries of the Management Stockholder.

"Management Stockholders Transfer Ratio" shall have the meaning set forth in Section 3(a)(ii) hereof.

"Management Stockholder's Trust" shall mean a partnership, limited liability company, corporation, trust, private foundation or custodianship, the beneficiaries of which may include only the Management Stockholder, his or her spouse (or ex-spouse) or his or her lineal descendants (including adopted) or, if at any time after any such transfer there shall be no then living spouse or lineal descendants, then to the ultimate beneficiaries of any such trust or to the estate of a deceased beneficiary.

"Merger" shall have the meaning set forth in the first "whereas" paragraph.

"Merger Agreement" shall have the meaning set forth in the first "whereas" paragraph.

"Merger Sub" shall have the meaning set forth in the first "whereas" paragraph.

"New Options" shall have the meaning set forth in the fourth "whereas" paragraph.

"New Option Agreement" shall have the meaning set forth in the fourth "whereas" paragraph.

"Notice" shall have the meaning set forth in Section 10(b) hereof.

"Offered Stock" shall have the meaning set forth in Section 5(a) hereof.

"Options" shall have the meaning set forth in the fourth "whereas" paragraph.

"Option Excess Price" shall mean the aggregate amount paid or payable by the Company in respect of Exercisable Option Shares, as determined pursuant to Section 6 or 7, as applicable.

"Option Exercise Price" shall mean the then-current weighted average exercise price of the shares of Common Stock covered by the applicable Options.

"Option Plan" shall have the meaning set forth in the fourth "whereas" paragraph.

"Option Rollover Agreement" shall have the meaning set forth in the fourth "whereas" paragraph.

"Option Stock" shall have the meaning set forth in Section 2(a) hereof.

"Option Stock Call Price" shall have the meaning set forth in Section 7(a)(B) hereof.

"Other Management Stockholders" shall have the meaning set forth in the fifth "whereas" paragraph.

"Other Management Stockholders Agreements" shall have the meaning set forth in the fifth "whereas" paragraph.

"Participating Buyer" shall have the meaning set forth in Section 5(b).

"Parties" shall have the meaning set forth in the introductory paragraph.

"Permanent Disability" shall mean "Disability" as such term is defined in any employment agreement between the Management Stockholder and the Company or any of its Subsidiaries, or, if there is no such employment agreement, shall mean "Disability" as defined in the long-term disability plan of the Company.

"Permitted Transfer" shall have the meaning set forth in Section 3(a).

"Person" shall mean "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

"Piggyback Registration Rights" shall have the meaning set forth in Section 10(a) hereof.

"Pre-Emptive Rights Holders" shall have the meaning set forth in Section 5(a) hereof.

"Proposed Registration" shall have the meaning set forth in Section 10(b) hereof.

"Public Offering" shall mean the sale of shares of Common Stock to the public subsequent to the date hereof pursuant to a registration statement under the Act which has been declared effective by the SEC (other than a registration statement on Form S-4, S-8 or any other similar form).

"Purchased Stock" shall have the meaning set forth in the fourth "whereas" paragraph.

"Put Period" shall have the meaning set forth in Section 6(a) hereof.

"Redemption Notice" shall have the meaning set forth in Section 6(b) hereof.

"Registration Rights Agreement" shall have the meaning set forth in Section 10(a) hereof.

"Repurchase Calculation Date" shall mean the last day of the month preceding the later of (i) the month in which the event giving rise to the right to repurchase occurs, or, (ii) solely in the event that Section 7(g) applies, the last day of the applicable six-month holding period referenced therein.

"Repurchase Notice" shall have the meaning set forth in Section 7(d) hereof.

"Repurchase Price" shall mean the amount to be paid in respect of the Stock and Options to be purchased by the Company pursuant to Section 6(a), Section 7(a), 7(b), or 7(c), as applicable.

"Request" shall have the meaning set forth in Section 10(b) hereof.

"Restricted Group" shall mean, collectively, the Company, its subsidiaries, the Investors and their respective affiliates.

"Retirement" shall mean the Management Stockholder's resignation (other than for Good Reason) from service with the Company or any of its subsidiaries or affiliates (i) after attaining 65 years of age or (ii) after attaining 60 years of age and completing thirty-six (36) months of service following the Closing Date.

"ROFO Notice" shall have the meaning set forth in Section 4(a) hereof.

"ROFO Transferee" shall have the meaning set forth in Section 4(a) hereof.

"Rollover Options" shall have the meaning set forth in the fourth "whereas" paragraph.

"Rollover Stock" shall have the meaning set forth in the fourth "whereas" paragraph.

"Sale Participation Agreement" shall mean that certain sale participation agreement entered into by and between the Management Stockholder and the Investors dated as of the date hereof.

"SEC" shall mean the Securities and Exchange Commission.

"Senior Management Stockholder" shall mean any of the Management Stockholder or Other Management Stockholders who have been designated as such on Schedule I hereto or the corresponding schedule of the Other Management Stockholders Agreements, as applicable.

"Stock" shall have the meaning set forth in Section 2(a) hereof.

"Stock Option Agreements" shall have the meaning set forth in the fourth "whereas" paragraph.

"transfer" shall have the meaning set forth in Section 2(a) hereof.

9. The Company's Representations and Warranties and Covenants.

(a) The Company represents and warrants to the Management Stockholder that (i) this Agreement has been duly authorized, executed and delivered by the Company and is enforceable against the Company in accordance with its terms and (ii) the Stock, when issued and delivered in accordance with the terms hereof and the other agreements contemplated hereby, will be duly and validly issued, fully paid and nonassessable.

(b) If the Company becomes subject to the reporting requirements of Section 12 of the Exchange Act, the Company will file the reports required to be filed by it under the Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder, to the extent required from time to time to enable the Management Stockholder to sell shares of Stock without registration under the Exchange Act within the limitations of the exemptions provided by (A) Rule 144 under the Act, as such Rule may be amended from time to time, or (B) any similar rule or regulation hereafter adopted by the SEC. Notwithstanding anything contained in this Section 9(b), the Company may de-register under Section 12 of the Exchange Act if it is then permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder and, in such circumstances, shall not be required hereby to file any reports which may be necessary in order for Rule 144 or any similar rule or regulation under the Act to be available. Nothing in this Section 9(b) shall be deemed to limit in any manner the restrictions on transfers of Stock contained in this Agreement.

(c) The Company will not agree to any amendment of the terms of the credit agreement entered into on the Closing Date, or to any corresponding provision in any successor or equivalent debt agreement, that imposes any limits on the Company's permission thereunder to repurchase stock, or make payments on any note, in each case under Section 6(c) or 7(e) of this Agreement, that are materially more restrictive than such provision under such credit agreement as in effect on the Closing Date if, at or prior to the time of such agreement, restrictions corresponding and proportionate thereto have not also been imposed thereunder on the payment of cash dividends on the Common Stock.

(d) The Company agrees to use its reasonable best efforts to cause Common Stock held by Management Stockholders to be converted into (or be treated in a similar way to) interests of Hercules Holding (or any other holding company above the Company) in the event that Hercules Holding (or such other holding company) engages in a transaction that would give rise to "tag along rights" under Section 1 of the Sale Participation Agreement or "Piggyback Registration Rights" under Section 10 hereto if the transaction had instead been done by the Company.

10. "Piggyback" Registration Rights. Effective after the occurrence of the initial Public Offering:

(a) A Senior Management Stockholder hereby agrees to be bound by all of the terms, conditions and obligations of the piggyback registration rights contained in Section 3 of the Registration Rights Agreement (the "Registration Rights Agreement") entered into by and among the Company and investors party thereto (the "Piggyback Registration Rights"), as in effect on the date hereof (subject to any amendments thereto to which the Senior Management Stockholder has agreed in writing to be bound), and, if any of the Investors are selling stock, shall have all of the rights and privileges of the Piggyback Registration Rights (including, without limitation, the right to participate in the initial Public Offering and any rights to indemnification and/or contribution from the Company and/or the Investors), in each case as if the Senior Management Stockholder were an original party (other than the Company) to the Registration Rights Agreement, subject to applicable and customary underwriter restrictions; provided, however, that at no time shall the Senior Management Stockholder have any rights to request registration under Section 2 of the Registration Rights Agreement. All Stock purchased or held by the applicable Management Stockholder Entities pursuant to this Agreement shall be deemed to be "Registrable Securities" as defined in the Registration Rights Agreement.

(b) In the event of a sale of Common Stock by any of the Investors in accordance with the terms of the Registration Rights Agreement, the Company will promptly notify each Senior Management Stockholder or any other Management Stockholder to whom the Board, after consultation with the Chief Executive Officer of the Company, has decided to extend the Piggyback Registration Rights, in writing (a "Piggyback Notice") of any proposed registration (a "Proposed Registration"), which Piggyback Notice shall include: the principal terms and conditions of the proposed registration, including (A) the number of the shares of Common Stock to be sold, (B) the fraction expressed as a percentage, determined by dividing the number of shares of Common Stock to be sold by the Investors by the total number of shares held by the Investors selling the shares of Common Stock, (C) the proposed per share purchase price (or an estimate thereof), and (D) the proposed date of sale. If within fifteen (15) days of the receipt by the Senior Management Stockholder or Management Stockholder, as the case may be, of such Piggyback Notice, the Company receives from the applicable Management Stockholder Entities of the Senior Management Stockholder or Management Stockholder, as the case may be, a written request (a "Request") to register shares of Stock held by the applicable Management Stockholder Entities (which Request will be irrevocable unless otherwise mutually agreed to in writing by the Senior Management Stockholder or Management Stockholder, if any, and the Company), shares of Stock will be so registered as provided in this Section 10; provided, however, that for each such registration statement only one Request, which shall be executed by the applicable Management Stockholder Entities, may be submitted for all Registrable Securities held by the applicable Management Stockholder Entities.

(c) The maximum number of shares of Stock which will be registered pursuant to a Request will be the lowest of (i) the number of shares of Stock then held by the Management Stockholder Entities, including all shares of Stock which the Management Stockholder Entities are then entitled to acquire under an unexercised Option to the extent then exercisable, multiplied by a fraction, the numerator of which is the aggregate number of shares of Stock being sold by the Investors and any affiliated or unaffiliated investment partnerships and investment limited liability companies investing with the Investors and the denominator of which is the aggregate number of shares of Stock owned by the Investors and any investment partnerships and investment limited liability companies investing with the Investors or (ii) the maximum number of shares of Stock which the Company can register in

connection with such Request in the Proposed Registration without adverse effect on the offering in the view of the managing underwriters (reduced pro rata as more fully described in subsection (d) of this Section 10 or (iii) the maximum number of shares which the Senior Management Stockholder (pro rata based upon the aggregate number of shares of Stock the Senior Management Stockholder and all Other Management Stockholders who are Senior Management Stockholders have requested to be registered) is permitted to register under the Piggyback Registration Rights.

(d) If a Proposed Registration involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of shares of Stock requested to be included in the Proposed Registration exceeds the number which can be sold in such offering, so as to be likely to have an adverse effect on the price, timing or distribution of the shares of Stock offered in such Public Offering as contemplated by the Company, then, unless the managing underwriter advises that marketing factors require a different allocation, the Company will include in the Proposed Registration (i) first, 100% of the shares of Stock the Company proposes to sell and (ii) second, to the extent of the number of shares of Stock requested to be included in such registration which, in the opinion of such managing underwriter, can be sold without having the adverse effect referred to above, the number of shares of Stock which the selling Investors and any affiliated or unaffiliated investment partnerships and investment limited liability companies investing with the selling Investors, the Senior Management Stockholder and all Other Management Stockholders who are Senior Management Stockholders and any other Persons who are entitled to piggyback or incidental registration rights in respect of Stock (together, the "Holders") have requested to be included in the Proposed Registration, such amount to be allocated pro rata among all requesting Holders on the basis of the relative number of shares of Stock then held by each such Holder (including upon exercise of all exercisable Options) (provided that any shares thereby allocated to any such Holder that exceed such Holder's request will be reallocated among the remaining requesting Holders in like manner).

(e) Upon delivering a Request a Senior Management Stockholder or other Management Stockholder having Piggyback Registration Rights pursuant to clause (b) of this Section 10 will, if requested by the Company, execute and deliver a custody agreement and power of attorney having customary terms and in form and substance reasonably satisfactory to the Company with respect to the shares of Stock to be registered pursuant to this Section 10 (a "Custody Agreement and Power of Attorney"). The Custody Agreement and Power of Attorney will provide, among other things, that the Senior Management Stockholder or Management Stockholder, as the case may be, will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates (to the extent applicable) representing such shares of Stock (duly endorsed in blank by the registered owner or owners thereof or accompanied by duly executed stock powers in blank) and irrevocably appoint said custodian and attorney-in-fact as the Senior Management Stockholder's or Management Stockholder's agent and attorney-in-fact with full power and authority to act under the Custody Agreement and Power of Attorney on the Senior Management Stockholder's or Management Stockholder's behalf with respect to the matters specified therein.

(f) If the number of shares of Stock that the Senior Management Stockholder is permitted to include in a Request pursuant to this Section 10 is limited by the fact that the Options are not exercisable at the time of such Proposed Registration, then at such time as the Options become exercisable (in whole or in part) and at any time thereafter,

the Senior Management Stockholder shall be entitled to register for public sale such additional number of shares of Stock as the Senior Management Stockholder or Management Stockholder could have registered at the time of the Proposed Registration.

(g) Subject to the transfer restrictions set forth in Section 3, upon the occurrence of a sale of Common Stock by the Investors in a Public Offering and at all times thereafter, the Company shall maintain a registration statement on Form S-8 filed with the SEC that covers all shares of Stock that the Management Stockholder could register in a public sale, in order to allow the Management Stockholder to exercise his rights set forth in Section 10(f).

(h) The Management Stockholder agrees that he will execute such other agreements as the Company may reasonably request to further evidence the provisions of this Section 10, including reasonable and customary lock-up agreements.

11. Additional Rights of Management Stockholders. Notwithstanding anything herein to the contrary, in the event that the Company receives notice of any event giving rise to any of the tag-along, pre-emptive or piggyback registration rights of Senior Management Stockholders in Sections 5 or 10 hereof or in the Sale Participation Agreement, the Board shall promptly (and in event within such period of time to allow the Management Stockholder to exercise such right, if applicable) after being informed of such notice consult with the Chief Executive Officer of the Company to determine whether and to what extent any such rights shall be granted to the Management Stockholder and the Other Management Stockholders who are not Senior Management Stockholders. Any such grant shall be effective upon, and to the extent set forth in, any applicable resolution passed by the Board, and the Company shall give prompt notice to the Management Stockholder and the Other Management Stockholders of the adoption thereof.

12. [Reserved].

13. Rights to Negotiate Repurchase Price. Nothing in this Agreement shall be deemed to restrict or prohibit the Company from purchasing, redeeming or otherwise acquiring for value shares of Stock or Options from the Management Stockholder, at any time, upon such terms and conditions, and for such price, as may be mutually agreed upon in writing between the Parties, whether or not at the time of such purchase, redemption or acquisition circumstances exist which specifically grant the Company the right to purchase, or the Management Stockholder the right to sell, shares of Stock or any Options under the terms of this Agreement; provided that no such purchase, redemption or acquisition shall be consummated, and no agreement with respect to any such purchase, redemption or acquisition shall be entered into, without the prior approval of the Board.

14. Covenant Regarding 83(b) Election. Except as the Company may otherwise agree in writing, the Management Stockholder hereby covenants and agrees that the Management Stockholder will make an election provided pursuant to Treasury Regulation Section 1.83-2 with respect to the Option Stock acquired on exercise of New Options; and the Management Stockholder further covenants and agrees that he or she will furnish the Company with copies of the forms of election the Management Stockholder files within thirty (30) days after the date hereof, and within thirty (30) days after each exercise of the Management Stockholder's Options and with evidence that each such election has been filed in a timely manner.

15. Notice of Change of Beneficiary. Immediately prior to any transfer of Stock to a Management Stockholder's Trust, the Management Stockholder shall provide the Company with a copy of the instruments creating the Management Stockholder's Trust and with the identity of the beneficiaries of the Management Stockholder's Trust. The Management Stockholder shall notify the Company as soon as practicable prior to any change in the identity of any beneficiary of the Management Stockholder's Trust.

16. Recapitalizations, etc. The provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Stock or the Options, to any and all shares of capital stock of the Company or any capital stock, partnership units or any other security evidencing ownership interests in any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for, or substitution of the Stock or the Options by reason of any stock dividend, split, reverse split, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise.

17. Management Stockholder's Employment by the Company. Nothing contained in this Agreement or in any other agreement entered into by the Company and the Management Stockholder contemporaneously with the execution of this Agreement (subject to, and except as set forth in, the applicable provisions of any offer letter, letter of employment provided to the Management Stockholder by the Company or any employment agreement entered into by and between the Management Stockholder and the Company or any of its subsidiaries) (i) obligates the Company or any subsidiary of the Company to employ the Management Stockholder in any capacity whatsoever or (ii) prohibits or restricts the Company (or any such subsidiary) from terminating the employment of the Management Stockholder at any time or for any reason whatsoever, with or without Cause, and the Management Stockholder hereby acknowledges and agrees that neither the Company nor any other person has made any representations or promises whatsoever to the Management Stockholder concerning the Management Stockholder's employment or continued employment by the Company or any subsidiary of the Company.

18. Binding Effect. The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. In the case of a transferee permitted under Section 2(a) or Section 3(a) (other than clauses (iii) or (iv) thereof) hereof, such transferee shall be deemed the Management Stockholder hereunder; provided, however, that no transferee (including without limitation, transferees referred to in Section 2(a) or Section 3(a) hereof) shall derive any rights under this Agreement unless and until such transferee has delivered to the Company a valid undertaking and becomes bound by the terms of this Agreement. No provision of this Agreement is intended to or shall confer upon any Person other than the Parties any rights or remedies hereunder or with respect hereto.

19. Amendment. This Agreement may be amended by the Company at any time upon notice to the Management Stockholder thereof; provided that any amendment (i) that materially disadvantages the Management Stockholder shall not be effective unless and until the Management Stockholder has consented thereto in writing and (ii) that disadvantages a class of stockholders in more than a de minimus way but less than a material way shall require the consent of a majority of the equity interests held by such affected class of stockholders.

20. Closing. Except as otherwise provided herein, the closing of each purchase and sale of shares of Stock pursuant to this Agreement shall take place at the principal office of the Company on the tenth business day following delivery of the notice by either Party to the other of its exercise of the right to purchase or sell such Stock hereunder.

21. Applicable Law; Jurisdiction; Arbitration; Legal Fees.

(a) The laws of the State of Delaware applicable to contracts executed and to be performed entirely in such state shall govern the interpretation, validity and performance of the terms of this Agreement.

(b) In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules by a single independent arbitrator. Such arbitration process shall take place in Nashville, TN. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof.

(c) Notwithstanding the foregoing, the Management Stockholder acknowledges and agrees that the Company, its subsidiaries, the Investors and any of their respective affiliates shall be entitled to injunctive or other relief in order to enforce the covenant not to compete, covenant not to solicit and/or confidentiality covenants as set forth in Section 27(a) of this Agreement.

(d) In the event of any arbitration or other disputes with regard to this Agreement or any other document or agreement referred to herein, each Party shall pay its own legal fees and expenses, unless otherwise determined by the arbitrator. If the Management Stockholder substantially prevails on any of his or her substantive legal claims, then the Company shall reimburse all legal fees and arbitration fees incurred by the Management Stockholder to arbitrate the dispute.

22. Assignability of Certain Rights by the Company. The Company shall have the right to assign any or all of its rights or obligations to purchase shares of Stock pursuant to Sections 4, 6 and 7 hereof.

23. Miscellaneous.

(a) In this Agreement all references to "dollars" or "$" are to United States dollars and the masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

(b) If any provision of this Agreement shall be declared illegal, void or unenforceable by any court of competent jurisdiction, the other provisions shall not be affected, but shall remain in full force and effect.

24. Withholding. The Company or its subsidiaries shall have the right to deduct from any cash payment made under this Agreement to the applicable Management

Stockholder Entities any federal, state or local income or other taxes required by law to be withheld with respect to such payment.

25. Notices. All notices and other communications provided for herein shall be in writing. Any notice or other communication hereunder shall be deemed duly given (i) upon electronic confirmation of facsimile, (ii) one business day following the date sent when sent by overnight delivery and (iii) five (5) business days following the date mailed when mailed by registered or certified mail return receipt requested and postage prepaid, in each case as follows:

(a) If to the Company, to it at the following address:

HCA Inc.
One Park Plaza
Nashville, TN 37203
Attention: General Counsel
Telecopy: (615) 344-1531

with copies to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: David J. Sorkin, Esq.
Telecopy: (212) 455-2502

(b) If to the Management Stockholder, to the Management Stockholder at the address set forth below under the Management Stockholder's signature;

or at such other address as either party shall have specified by notice in writing to the other.

26. Confidential Information; Covenant Not to Compete; Covenant Not to Solicit.

(a) In consideration of the Company entering into this Agreement with the Management Stockholder, unless otherwise provided in any employment agreement entered into by and between the Management Stockholder and the Company or any of its subsidiaries (in which case the corresponding provisions therein shall control), the Management Stockholder hereby agrees effective as of the date of the Management Stockholder's commencement of employment with the Company or its subsidiaries, without the Company's prior written consent, the Management Stockholder shall not, directly or indirectly:

(i) at any time during or after the Management Stockholder's employment with the Company or its subsidiaries, disclose any Confidential Information pertaining to the business of the Company or any of its subsidiaries, except when required to perform his or her duties to the Company or one of its subsidiaries, by law or judicial process;

(ii) at any time during the Management Stockholder's employment with the Company or its subsidiaries and for a period of two years thereafter, directly or indirectly, act as a proprietor, investor, director, officer, employee, substantial stockholder, consultant, or partner in any business that directly or indirectly competes, at the relevant determination date, with the business of the Company, any Investor or any of their respective affiliates in any geographic area where the Company or its Affiliates manufactures, produces, sells, leases, rents, licenses or otherwise provides products or services,

(iii) at any time during the Management Stockholder's employment with the Company or its subsidiaries and for a period of two years thereafter, directly or indirectly (A) solicit customers or clients of the Company, any of its subsidiaries, the Investors or any of their respective affiliates to terminate their relationship with the Company, any of its subsidiaries, the Investors or any of their respective affiliates or otherwise solicit such customers or clients to compete with any business of the Company, any of its subsidiaries, the Investors or any of their respective affiliates or (B) solicit or offer employment to any person who is, or has been at any time during the twelve (12) months immediately preceding the termination of the Management Stockholder's employment employed by the Company or any of its affiliates;

provided that in each of (ii) and (iii) above, such restrictions shall not apply with respect to any Investor or any of their affiliates that is not engaged in any business that competes, directly or indirectly, with the Company or any of its subsidiaries. If the Management

Stockholder is bound by any other agreement with the Company regarding the use or disclosure of Confidential Information, the provisions of this Agreement shall be read in such a way as to further restrict and not to permit any more extensive use or disclosure of Confidential Information. Notwithstanding the foregoing, for the purposes of Section 26(a)(ii), (x) the term "affiliates" will not include any Investor or their affiliates that are not engaged in business that is competing with the Company, and (y) the Management Stockholder may, directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if the Management Stockholder (I) is not a controlling person of, or a member of a group which controls, such person and (II) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(b) Notwithstanding clause (a) above, if at any time a court holds that the restrictions stated in such clause (a) are unreasonable or otherwise unenforceable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographic area determined to be reasonable under such circumstances by such court will be substituted for the stated period, scope or area. Because the Management Stockholder's services are unique and because the Management Stockholder has had access to Confidential Information, the parties hereto agree that money damages will be an inadequate remedy for any breach of this Agreement. In the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive relief in order to enforce, or prevent any violations of, the provisions hereof (without the posting of a bond or other security).

(c) In the event that the Management Stockholder breaches any of the provisions of Section 26(a), in addition to all other remedies that may be available to the Company, the Management Stockholder shall be required to pay to the Company any amounts actually paid to him or her by the Company in respect of any repurchase by the Company of any Options or Stock held by such Management Stockholder; provided that with respect to Option Stock, the Management Stockholder shall be required to pay to the Company only such amounts, if any, that the Management Stockholder received in excess of the exercise price paid by the Management Stockholder in acquiring such Option Stock, on a net after-tax basis.

27. Effectiveness.

Except for Sections 1, 2(a), 2(f), 2(g), 3, 17, 18, 19, 21, 23 and 25 and this Section 27, which shall become effective as of the execution and delivery of this Agreement by the Parties, this Agreement shall become effective upon the Closing and prior thereto shall be of no force or effect. If the Merger Agreement shall be terminated in accordance with its terms prior to the Closing, this Agreement shall automatically terminate and be of no force or effect.

[*Signatures on next page*.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

HCA INC.

By: _____
Name: _____
Title: _____

[*signature page to Management Stockholder's Agreement*]

MANAGEMENT STOCKHOLDER:

Name: _____

ADDRESS:

[*signature page to Management Stockholder's Agreement*]

Schedule I

PURCHASED STOCK

Number of shares of Purchased Stock: _____

Base Price: _____

NEW OPTIONS

Number of shares of Common Stock underlying New Options: _____

STATUS AS SENIOR MANAGEMENT STOCKHOLDER

☐ *Yes* ☐ *No*

Exhibit 10.13

SALE PARTICIPATION AGREEMENT

November 17, 2006

To: The Person whose name is
set forth on the signature page hereof

Dear Sir or Madam:

You have entered into an Exchange and Purchase Agreement with Hercules Holding II, LLC, a Delaware limited liability company and the parent entity of the Company ("Hercules Holding"), and/or a Management Stockholder's Agreement, dated as of the date hereof, between HCA Inc., a Delaware corporation (the "Company"), and you (the "Stockholder's Agreement") relating to (i) Rollover Stock (as defined in the Stockholder's Agreement); (ii) Rollover Options (as defined in the Stockholder's Agreement); (iii) the purchase by you of Purchased Stock (as defined in the Stockholder's Agreement); and/or (iv) the grant by the Company to you of new options (together with the Rollover Options, "Options") to purchase shares of common stock, par value $0.01 per share, of the Company ("Common Stock"). The undersigned, Bain Capital Fund IX, L.P., KKR Millennium Fund L.P., KKR 2006 Fund L.P. and ML Global Private Equity Fund, L.P. (each, an "Investor" and, collectively, the "Investors"), who each hold interests in Hercules Holding, hereby agree with you as follows, effective as of the Closing Date (as defined in the Stockholder's Agreement):

1. (a) In the event that at any time on or after the Closing Date any of the Investors (together with any of their respective affiliates, to the extent provided for in Paragraph 9 hereof, the "Selling Investors") proposes to sell, directly or indirectly, for cash or any other consideration any shares of Common Stock owned, directly or indirectly, by it, in any transaction other than a Public Offering (as defined in the Stockholder's Agreement) or a sale, directly or indirectly, to an affiliate of the Selling Investors, then, unless the Selling Investors are entitled to and do exercise the drag-along rights pursuant to Paragraph 7 below and the Drag Transaction is consummated, solely to the extent you are a Senior Management Stockholder (as defined in the Stockholder's Agreement) or the provisions hereof are otherwise applicable to you pursuant to and in accordance with Section 11 of the Stockholder's Agreement or as a result of a decision by the Board (as defined in the Stockholder's Agreement), after consultation with the Chief Executive Officer of the Company, to extend the rights under this Section 1 to you, the Selling Investors will notify you or your Management Stockholder's Estate or Management Stockholder's Trust (as such terms are defined in the Stockholder's Agreement, and collectively with you, the "Management Stockholder Entities"), as the case may be, in writing (a "Notice") of such proposed sale (a "Proposed Sale") specifying the principal terms and conditions of the Proposed Sale (the "Material Terms") including (A) the amount of Common Stock to be included in the Proposed Sale, (B) the percentage of the outstanding Common Stock at the time the Notice is given that is represented by the number of shares to be included in the Proposed Sale, (C) the price per share of Common Stock subject to the Proposed Sale, including a description of any pricing formulae and of any non-cash consideration sufficiently detailed to permit valuation thereof, (D) the Tag Along Sale Percentage of the initial Selling Investor and

(E) the name and address of the Person (as defined in the Stockholder's Agreement) to whom the Offered Stock is proposed to be issued.

(b) If, within 10 business days after the delivery of Notice under Section 1(a), the Selling Investors receive from the Management Stockholder Entities a written request (a "Request") to include in the Proposed Sale an amount of Common Stock held by the Management Stockholder Entities that does not exceed the Tag Along Sale Percentage multiplied by the total number of shares of Common Stock held by the Management Stockholder Entities in the aggregate (which Request shall be irrevocable except (a) as set forth in clauses (c) and (d) of this Section 1 below or (b) if otherwise mutually agreed to in writing by the Management Stockholder Entities and the Selling Investor(s)), the Common Stock held by you will be so included to the extent and as otherwise provided herein; provided that only one Request, which shall be executed by the Management Stockholder Entities, may be delivered with respect to any Proposed Sale for Common Stock held by the Management Stockholder Entities. Promptly after the execution of the Sale Agreement, the Selling Investors will furnish the Management Stockholder Entities with a copy of the Sale Agreement, if any. For purposes of this Section 1(b), the "Tag Along Sale Percentage" shall mean the fraction, expressed as a percentage, determined by dividing the number of shares of Common Stock to be purchased from the initial Selling Investor by the total number of shares of Common Stock owned directly or indirectly by such initial Selling Investor.

(c) Notwithstanding anything to the contrary contained in this Agreement, if any of the economic terms of the Proposed Sale change, including without limitation if the per share price will be less than the per share price disclosed in the Notice, or any of the other principal terms or conditions will be materially less favorable to the selling Management Stockholder Entities than those described in the Notice, the prospective Selling Investors will provide written notice thereof to each Management Stockholder Entity who has made a Request and each such Management Stockholder Entity will then be given an opportunity to withdraw the offer contained in such holder's Request (by providing prompt (and in any event within five (5) business days; provided that, notwithstanding the foregoing, if the proposed closing with respect to the Proposed Sale is to occur within five (5) business days or less, no later than three (3) business days prior to such closing) written notice of such withdrawal to the Selling Investors), whereupon such withdrawing Management Stockholder Entity will be released from all obligations thereunder.

(d) If the Selling Investors do not complete the Proposed Sale by the end of the 180th day following the date of the effectiveness of the Notice, each selling Management Stockholder Entity may elect to be released from all obligations under the applicable Request by notifying the Selling Investors in writing of its desire to so withdraw. Upon receipt of that withdrawal notice, the Notice of the relevant Management Stockholder Entities shall be null and void, and it will then be necessary for a separate Notice to be furnished, and the terms and provisions of clauses (a) and (b) of this Section 1 separately complied with, in order to consummate such Proposed Sale pursuant to this Section 1, unless the failure to complete such proposed sale resulted from any failure by any selling Management Stockholder Entity to comply with the terms of this Section 1.

2. (a) The number of shares of Common Stock which the Management Stockholder Entities will be permitted to include in a Proposed Sale pursuant to a Request will be

the lesser of (A) the number of shares of Common Stock such Management Stockholder Entities have offered to sell in the Proposed Sale as set forth in the Request and (B) the number of shares of Common Stock determined by multiplying (i) the number of shares of Common Stock to be included in the Proposed Sale by (ii) a fraction the numerator of which is the number of shares of Common Stock owned by the Management Stockholder Entities plus all shares of Common Stock which they are then entitled to acquire under any unexercised portion of Options, to the extent such Option is then exercisable or would become exercisable as a result of the consummation of the Proposed Sale, and the denominator of which is the total number of shares of Common Stock owned by the Management Stockholder Entities and all other Persons participating in such sale as tag-along sellers pursuant to Other Management Stockholder Agreements (as defined in the Stockholder's Agreement) or other agreements (all such participants, together with the Selling Investors, the "Tag Along Sellers") plus all shares of Common Stock which the Tag Along Sellers are then entitled to acquire under any unexercised portion of Options, to the extent such Options are then exercisable or would become exercisable as a result of the consummation of the Proposed Sale, plus all shares of Common Stock owned by the Selling Investors (the lesser of (A) or (B), the "Pro Rata Share").

(b) Any remaining shares of Common Stock subject to the Proposed Sale that would be allocated to the Tag Along Sellers if each had offered to sell a number of shares equal to the Tag Along Sale Percentage multiplied by the number of shares of Common Stock held by it shall be allocated to each Tag Along Seller in an amount up to the excess of (i) the Tag Along Sale Percentage multiplied by the number of shares of Common Stock held by such Tag Along Seller over (ii) its Pro Rata Share, or as the Tag Along Sellers and the Selling Investors and any other Persons participating in such sale may otherwise agree.

3. Except as may otherwise be provided herein, shares of Common Stock subject to a Request will be included in a Proposed Sale pursuant hereto and in any agreements with purchasers relating thereto on the same terms and subject to the same conditions applicable to the shares of Common Stock which the Selling Investors propose to sell (directly or indirectly) in the Proposed Sale (with appropriate adjustments, as determined in good faith by the Selling Investors, in the event that the Investors are proposing to transfer interests in Hercules Holding). Such terms and conditions shall include, without limitation: the sale price; the payment of fees, commissions and expenses; the provision of, and customary representations and warranties as to, information reasonably requested by the Selling Investors covering matters regarding the Management Stockholder Entities' ownership of shares; and the provision of requisite indemnification; provided that any indemnification provided by the Management Stockholder Entities shall be pro rata in proportion with the number of shares of Common Stock to be sold; provided, further, that no Management Stockholder Entity shall be required to indemnify any Person for an amount, in the aggregate, in excess of the gross proceeds received in such Proposed Sale. Notwithstanding anything to the contrary in the foregoing, if the consideration payable for shares of Common Stock is securities and a Management Stockholder Entity is not able to acquire such securities under U.S., foreign or state securities laws, such Management Stockholder Entity shall be entitled to receive an amount in cash equal to the value of any such securities such Person would otherwise be entitled to receive.

4. Upon delivering a Request, the Management Stockholder Entities will, if requested by the Selling Investors, execute and deliver a custody agreement and power of attorney in form and substance reasonably satisfactory to the Selling Investors with respect to the shares of Common Stock which are to be sold by the Management Stockholder Entities pursuant hereto (a "Custody Agreement and Power of Attorney"). The Custody Agreement and Power of Attorney will contain customary provisions and will provide, among other things, that the

Management Stockholder Entities will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates (if such shares are certificated) representing such shares of Common Stock (duly endorsed in blank by the registered owner or owners thereof) and irrevocably appoint said custodian and attorney-in-fact as the Management Stockholder Entities' agent and attorney-in-fact with full power and authority to act under the Custody Agreement and Power of Attorney on the Management Stockholder Entities' behalf with respect to the matters specified therein.

5. The Management Stockholder Entities' right pursuant hereto to participate in a Proposed Sale shall be contingent on the Management Stockholder Entities' material compliance with each of the provisions hereof and the Management Stockholder Entities' respective willingness to execute such documents in connection therewith as may be reasonably requested by the Selling Investors.

6. If the consideration to be paid in exchange for shares of Common Stock in a Proposed Sale pursuant to Section 1 includes any securities, and the receipt thereof by a Selling Investor and Management Shareholder Entity would require under applicable law (a) the registration or qualification of such securities or of any Person as a broker or dealer or agent with respect to such securities or (b) the provision to any selling Management Shareholder Entity of any information regarding the Company, its subsidiaries, such securities or the issuer thereof that would not be required to be delivered in an offering solely to a limited number of "accredited investors" under Regulation D promulgated under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder, such Selling Investor and Management Shareholder Entity shall not, subject to the following sentence, have the right to sell shares of Common Stock in such proposed sale. In such event, the Selling Investors shall have the right to cause to be paid to such selling Management Shareholder Entity in lieu thereof, against surrender of the shares of Common Stock which would have otherwise been sold by such selling Management Shareholder Entity to the prospective buyer in the proposed sale, an amount in cash equal to the Fair Market Value (as defined in the Stockholder's Agreement) of such shares of Common Stock as of the date such securities would have been issued in exchange for such shares of Common Stock.

7. (a) If any of the Investors (together with their respective affiliates) propose to transfer, directly or indirectly, a number of shares of Common Stock equal to 50% or more of the Current Selling Investors Ownership Share Number (such Person, the "Drag-Along Purchaser"), then if requested by the Investors, the Management Stockholder Entities shall be required to sell a number of shares of Common Stock equal to the aggregate number of shares of Common Stock held by the Management Stockholder Entities (including shares of Common Stock underlying exercisable Options) multiplied by a fraction, the numerator of which is the number of shares of Common Stock proposed to be sold (directly or indirectly) by the Investors (together with their respective affiliates) and the denominator of which is the Current Selling Investors Ownership Share Number (such transaction, a "Drag Transaction").

(b) Shares of Common Stock held by the Management Stockholder Entities included in a Drag Transaction will be included in any agreements with the Drag-Along Purchaser relating thereto on the same terms and subject to the same conditions applicable to the shares of Common Stock which the Investors propose to sell in the Drag Transaction (provided

that appropriate adjustments, as determined in good faith by the Investors, shall be made in the event the Investors are proposing to transfer interests in Hercules Holding). Such terms and conditions shall include, without limitation: the pro rata reduction of the number of shares of Common Stock to be sold by the Investors and the Management Stockholder Entities to be included in the Drag Transaction if required by the Drag-Along Purchaser; the sale price; the payment of fees, commissions and expenses; the provision of, and representation and warranty as to, information reasonably requested by the Investors covering matters regarding the Management Stockholder Entities' ownership of shares; and the provision of requisite indemnification; provided that any indemnification provided by the Management Stockholder Entities shall be pro rata in proportion with the number of shares of Common Stock to be sold; provided, further, that no Management Stockholder Entity shall be required to indemnify any Person for an amount, in the aggregate, in excess of the proceeds received in such Proposed Sale.

(c) Your pro rata share of any amount to be paid pursuant to Paragraph 3 or 7(b) shall be based upon the number of shares of Common Stock intended to be transferred by the Management Stockholder Entities plus the number of shares of Common Stock you would have the right to acquire under any unexercised portion of the Option which is then vested or would become vested as a result of the Proposed Sale or Drag Transaction, assuming that you receive a payment in respect of such Option.

(d) Notwithstanding anything to the contrary in the foregoing, if the consideration payable for shares of Common Stock is securities and a Management Stockholder Entity is not able to acquire such securities under U.S., foreign or state securities laws, such Management Stockholder Entity shall be entitled to receive an amount in cash equal to the value of any such securities such Person would otherwise be entitled to receive.

8. For purposes of this Agreement, the "Current Selling Investors Ownership Share Number" shall mean the sum of (x) the product of (A) the aggregate number of shares of Common Stock issued and outstanding as of the date of the proposed Drag Transaction, as applicable, times (B) the Investors HoldCo Ownership Percentage (as defined in the Stockholder's Agreement) as of such date (calculated, in the case of a Proposed Sale pursuant to Section 1, solely with respect to the Selling Investors, and with respect to a Drag Transaction, with respect to all of the Investors), times (C) the HoldCo Company Ownership Percentage (as defined in the Stockholder's Agreement) as of such date and (y) the number of shares of Common Stock owned directly by the Selling Investors (or all Investors, in the case of a Drag Transaction) and their respective affiliates as of such date.

9. The obligations of the Selling Investors hereunder shall extend only to the Management Stockholder Entities and any transferees ("Permitted Transferees") who (a) are Other Management Stockholders (as defined in the Stockholder's Agreement), (b) are party to a Management Stockholder's Agreement with the Company and (c) have acquired Common Stock pursuant to a Permitted Transfer (as defined in the Stockholder's Agreement), and none of the Management Stockholder Entities' successors or assigns, with the exception of any Permitted Transferee and only with respect to the Common Stock acquired by such Permitted Transferee pursuant to a Permitted Transfer, shall have any rights pursuant hereto.

10. If the Investors or any of them transfer, directly or indirectly, any of their interests in the Company or Hercules Holding to an affiliate of any of the Investors, such affiliate shall assume the obligations hereunder of the Investors.

11. This Agreement shall terminate and be of no further force and effect on the occurrence of the earlier of the IPO (as defined in the Stockholder's Agreement) or a Change in Control.

12. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to such party's address as set forth below or at such other address or to such other person as the party shall have furnished to each other party in writing in accordance with this provision:

If to the Investors, to them at the following addresses:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

with copies to:

Hercules Holding II, LLC
c/o Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080

Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: David J. Sorkin, Esq.
Telecopy: (212) 455-2502

If to the Company, to the Company at the following address:

HCA Inc.
One Park Plaza
Nashville, TN 37203
Attention: General Counsel
Telecopy: (615) 344-1531

with a copy to:
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: David J. Sorkin, Esq.
Telecopy: (212) 455-2502

If to you, to you at the address first set forth above herein;

If to your Management Stockholder's Estate or Management Stockholder's Trust, to the address provided to the Company by such entity.

13. The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement. In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place in Nashville, Tennessee. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator; provided that if the Management Stockholder substantially prevails on any of his or her substantive legal claims, then the Investors shall reimburse all legal fees and arbitration fees incurred by the Management Stockholder to arbitrate the dispute. Each party hereto hereby irrevocably waives any right that it may have had to bring an action in any court, domestic or foreign, or before any similar domestic or foreign authority with respect to this Agreement.

14. This Agreement may be executed in counterparts, and by different parties on separate counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

15. It is the understanding of the undersigned that you are aware that no Proposed Sale is contemplated and that such a sale may never occur.

16. This Agreement may be amended by the Investors at any time upon notice to the Management Stockholder thereof; provided that any amendment (i) that materially disadvantages the Management Stockholder shall not be effective unless and until the Management Stockholder has consented thereto in writing and (ii) that disadvantages a class of stockholders that in more than a de minimus way but less than a material way shall require the consent of a majority of the equity interests held by such affected class of stockholders.

[*Signatures on following pages*]

If the foregoing accurately sets forth our agreement, please acknowledge your acceptance thereof in the space provided below for that purpose.

Very truly yours,

BAIN CAPITAL FUND IX, L.P.

By: BAIN CAPITAL PARTNERS IX, L.P.,
its general partner

By: BAIN CAPITAL INVESTORS, LLC,
its general partner

By: _____
Name:
Title:

KKR MILLENNIUM FUND, L.P.

By: KKR ASSOCIATES MILLENNIUM L.P.,
its general partner

By: KKR MILLENNIUM GP LLC,
its general partner

By: _____
Name:
Title:

KKR 2006 FUND L.P.

By: KKR Associates 2006 L.P.
its General Partner

By: KKR 2006 GP LLC
its General Partner

By: _____
Name:
Title:

[*signature page to Sale Participation Agreement*]

ML GLOBAL PRIVATE EQUITY FUND, L.P.

By: MLGPE LTD, its General Partner

By: _____

Name:
Title:

[*signature page to Sale Participation Agreement*]

Accepted and agreed this _____ day of

_____2006.

_____

Name: _____

[*signature page to Sale Participation Agreement*]

Exhibit 10.14

FORM OF
OPTION ROLLOVER AGREEMENT

OPTION ROLLOVER AGREEMENT dated as of the date indicated on Schedule I hereto (this "Option Rollover Agreement") between HCA Inc., a Delaware corporation (the "Company"), and the individual listed on Schedule I hereto (the "Management Stockholder").

WHEREAS, on July 24, 2006, the Company, Hercules Holding II, LLC, a Delaware limited liability company ("Parent") and Hercules Acquisition Corporation, a Delaware corporation and a direct wholly owned subsidiary of Parent ("Merger Sub") entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Merger Sub will merge with and into the Company (the "Merger") with the Company continuing as the surviving corporation;

WHEREAS, the Management Stockholder currently holds options to acquire shares of common stock, par value $0.01 per share, of the Company ("HCA Options"), all of which shall become fully vested upon consummation of the Merger, pursuant to one or more of the following plans: the Company's 2005 Equity Incentive Plan, the Amended and Restated Columbia/HCA Healthcare Corporation 1992 Stock and Incentive Plan, the Columbia/HCA Corporation 2000 Equity Incentive Plan, the HCA-Hospital Corporation of America Nonqualified Initial Option Plan, and the Value Health, Inc. 1991 Stock Plan (the "HCA Plans"), and has agreed, as of the effective time of the Merger, to retain certain of such HCA Options (the "Rollover Options") in lieu of receiving the consideration specified in Section 3.3 of the Merger Agreement with respect to such options, subject to the terms and conditions of this Option Rollover Agreement; and

WHEREAS, the Management Stockholder desires to make an investment in the equity securities of the Company in connection with the Merger, and the Company desires to allow the Management Stockholder to make such an investment.

NOW THEREFORE, in consideration of the foregoing, and the covenants and promises and representations set forth herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and accepted, the parties hereto agree, subject to the Company's acceptance of the Management Stockholder's execution of this Agreement, to the following:

1. The Management Stockholder acknowledges that, in consideration of, among other good and valuable consideration, the Management Stockholder's Agreement to make an investment in, the Company has offered the Management Stockholder the opportunity to, among other good and valuable consideration, satisfy such obligation to invest, in whole or in part, pursuant to the "roll over" of certain of the HCA Options held by Management Stockholder (the "Rollover").

2. The Management Stockholder further acknowledges and agrees that from and after the effective time of the Merger:

(a) pursuant to the terms of the Merger Agreement and the HCA Plans, any HCA Options, to the extent not exercised prior to the Merger and not otherwise part of the Management Stockholder's Option Rollover Opportunity (such options being the "Cancelled Options"), will be cancelled immediately prior to the effective time of the Merger and will thereafter represent only the right to receive a cash payment equal to the number of shares of HCA Common Stock underlying the options multiplied by the amount (if any) by which $51.00 exceeds the per share option exercise price relating to such Cash Out Options, without interest and less any applicable withholding taxes (the "Option Payment"), and will no longer be exercisable for any securities of the Company, Parent or any of their respective subsidiaries, successors or assigns, all in accordance with the terms of the Merger Agreement; and

(b) in accordance with the Merger Agreement and the HCA Plans, the Management Stockholder shall have no right to receive payments in respect of any Cancelled Options, the exercise price of which are equal to or greater than $51.00 per share (i.e., the Management Stockholder's "out of the money" Options); and

(c) subject to the payment of the Option Payment, all of the Management Stockholder's rights and claims in respect of the Cancelled Options (including the Management Stockholder's "out of the money" Options) shall terminate in all respects; and

(d) all of the Management Stockholder's rights and claims in respect of the Management Stockholder's HCA Options that are (and solely to the extent) permitted pursuant to this Agreement to become Rollover Options as of the effective time of the Merger shall be limited to (i) the terms and conditions of the agreements or instruments evidencing such awards following the Rollover and the applicable HCA Plan governing such awards, to the extent amended by this Agreement, and (ii) the terms and conditions of a Management Stockholder's Agreement, to be entered into by and between HCA Inc. and the undersigned Management Stockholder effective as of the Closing Date (as defined in the Merger Agreement), and a Sale Participation Agreement, to be entered into by and between the Management Stockholder and Parent, effective as of the Closing Date.

3. The Management Stockholder hereby represents and warrants to the Company that the Management Stockholder is the sole (or joint with his or her spouse) record and beneficial owner of the HCA Options and that the Management Stockholder has not sold, transferred, conveyed, pledged or hypothecated any interest in the HCA Options, and the Management Stockholder agrees not to take any action that would cause the foregoing representations and warranties not to be true as of the effective time of the Merger.

4. The Management Stockholder agrees to retain, as Rollover Options, HCA Options as set forth on Schedule I. However, no HCA Option with a Total Rollover Value that is a negative number will be retained as a Rollover Option.

5. The terms of the Rollover Options shall be amended, effective immediately upon the Effective Time, to provide for the following:

(a) each Rollover Option shall be hereby adjusted such that (i) the exercise price per share of the common stock of the Company underlying each Rollover Option will be

$12.75 and (ii) the number of shares of common stock of the Company ("Common Stock") underlying each Rollover Option will be equal to the quotient obtained by dividing (x) the excess, if any, of (A) the product of $51.00 and the number of shares of Common Stock of underlying such Rollover Option immediately prior to the adjustment, over (B) the aggregate exercise price of such Rollover Option immediately prior to adjustment, by (y) $38.25, rounded down to the nearest whole share. Notwithstanding the foregoing, the adjustment referenced herein will not be made to any Rollover Option with respect to which doing so would cause an increase in the ratio obtained by dividing the exercise price per share of Common stock subject to such Rollover Option by $51.00. For illustrative purposes only, a hypothetical application of this provision is attached hereto as Schedule II.

(b) to the extent that doing so would not serve to create duplicative rights, each Rollover Option will be hereby amended to contain the following terms:

(i) in the event of the payment of an extraordinary dividend by the Company to its Common Stock holders, then; first, the exercise price per share of the Rollover Option shall be reduced by the amount of the dividend paid per share of Common Stock, but only to the extent the board of directors of the Company (or designated committee administering the equity plans of the Company) determines it to be permitted under applicable tax laws; and, if such reduction cannot be fully effected due to such tax laws, and it will not have adverse consequences under applicable tax laws, second, the Company shall pay to the Management Stockholder a cash payment, on a per share basis, equal to the balance of the amount of the dividend not permitted to be applied to reduce the exercise price per share of Rollover Option on the date of such dividend payment; and

(ii) each Rollover Option will be hereby amended to allow payment of the exercise price and minimum withholding taxes due in connection with exercise to be effected (in lieu of actual payment) by indication that the Management Stockholder elects to have the number of shares of Common Stock that would otherwise be issued to the Management Stockholder reduced by a number of shares having an equivalent "Fair Market Value" (as defined in the Management Stockholder's Agreement) to the payments that would otherwise be required to be made by Management Stockholder to the Company of such exercise price and taxes.

6. For purposes of this Option Rollover Agreement, "Total Rollover Value" shall mean, with respect to an HCA Option prior to adjustment pursuant to Section 5 above, the excess of (a) the product of (i) $51.00 and (ii) the number of shares of Common Stock subject to such option over (b) the aggregate exercise price per share of such option.

7. This Option Rollover Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8. This Option Rollover Agreement may be executed in counterparts, all of which shall be considered one and the same agreement, it being understood that all parties need not sign the same counterpart.

[Signatures on next page.]

Schedule I

OPTION ROLLOVER ELECTION FORM

Name of Management Stockholder: _____

Do you wish to "roll over" certain of your options to purchase shares of Common Stock of the Company which you currently hold for options to purchase shares of common stock in the Surviving Corporation pursuant to the Option Rollover Agreement? ***Please note that you may not rollover a portion of a given grant. Only whole grants may be rolled over.***
☐ Yes ☐ No

If yes, please select **either** A or B below:

A. ☐ I, Management Stockholder, agree to rollover ALL of the HCA Options (as defined in the Option Rollover Agreement).

B. ☐ I, Management Stockholder, agree to rollover each HCA Option identified in the chart below that I have designated by checking the box in the far right column:

Date of Option Grant	Expiration Date	Number of Shares of Common Stock of HCA subject to the Grant	Exercise Price Per Share	**Please check the box to the right of each HCA Option that you wish to rollover**
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐
				☐

Executed this _____ day of November, 2006 by:

_____
Management Stockholder

Accepted this _____ day of November, 2006 by:

HCA Inc.

By: _____

Name:
Title:

Schedule II

HYPOTHETICAL APPLICATION

The following example application of the conversion provisions of the Option Rollover Agreement is included for illustrative purposes only:

Example:

Assume that Joe holds an HCA Option to purchase 100 shares of HCA common stock with an exercise price of $30 per share. Joe's HCA Option has an intrinsic value of $2,100 (($51.00 — $30.00) x 100). Joe duly executes and the Company accepts an Option Rollover Agreement in which Joe agrees to roll over all of his HCA Option as a Rollover Option. Joe's Rollover Option resulting from adjustment of his HCA Option will have an exercise price per share of $12.75. The number of shares of common stock of the Company acquirable on exercise of Joe's Rollover Option will be 54 shares ($2,100 / ($38.25), rounded down to the nearest whole share). Joe's Rollover Option has an intrinsic value of $2,065.50 (($51.00 — $12.75) x 54).

Exhibit 10.15

FORM OF
STOCK OPTION AGREEMENT

THIS AGREEMENT, dated as of _____ _____, 2007 (the "Grant Date") is made by and between HCA Inc., a Delaware corporation (hereinafter referred to as the "Company"), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company or a Subsidiary or Affiliate of the Company, hereinafter referred to as the "Optionee". Any capitalized terms herein not otherwise defined in Article I shall have the meaning set forth in the 2006 Stock Incentive Plan for Key Employees of HCA Inc. and its Affiliates (the "Plan").

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (or, if no such committee is appointed, the Board of Directors of the Company) (the "Committee") has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Option provided for herein to the Optionee as an incentive for increased efforts during his term of office with the Company or its Subsidiaries or Affiliates, and has advised the Company thereof and instructed the undersigned officers to issue said Option;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary.

Section 1.1. Base Price

"Base Price" shall mean $51.00.

Section 1.2. Cause

"Cause" shall mean "Cause" as such term may be defined in any employment agreement or change-in-control agreement in effect at the time of termination of employment between the Optionee and the Company or any of its Subsidiaries or Affiliates, or, if there is no such employment or change-in-control agreement, "Cause" shall mean (i) willful and continued failure by Optionee (other than by reason of a Permanent Disability) to perform his or her material duties with respect to the Company or it Subsidiaries which continues beyond ten (10) business days after a written demand for substantial performance is delivered to Optionee by the Company (the "Cure Period"); (ii) willful or intentional engaging by Optionee in material

misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, the Investors or their respective Affiliates; (iii) conviction of, or a plea of nolo contendere to, a crime constituting (x) a felony under the laws of the United States or any state thereof or (y) a misdemeanor for which a sentence of more than six months' imprisonment is imposed; or (iv) willful and material breach of the Management Stockholder's Agreement or related agreements, or Optionee's engaging in any action in breach of restrictive covenants made by Optionee under the Management Stockholder's Agreement or any employment or change-in-control agreement between the Optionee and the Company or any of its Subsidiaries, which continues beyond the Cure Period (to the extent that, in the Board's reasonable judgment, such breach can be cured).

Section 1.3. Closing Date

"Closing Date" shall have the same meaning as that term is defined in the Merger Agreement.

Section 1.4. EBITDA Performance Option

"EBITDA Performance Option" shall mean the right and option to purchase, on the terms and conditions set forth herein, all or any part of an aggregate of the number of shares of Common Stock set forth on the signature page hereof opposite the term EBITDA Performance Option.

Section 1.5. Fiscal Year

"Fiscal Year" shall mean each of the 2007, 2008, 2009, 2010, and 2011 fiscal years of the Company (which, for the avoidance of doubt, ends on December 31 of any given calendar year).

Section 1.6. Good Reason

"Good Reason" shall mean "Good Reason" as such term may be defined in any employment agreement or change-in-control agreement in effect at the time of termination of employment between the Optionee and the Company or any of its Subsidiaries or Affiliates, or, if there is no such employment or change-in-control agreement, "Good Reason" shall mean (i) (A) a reduction in Optionee's base salary (other than a general reduction in base salary that affects all similarly situated employees (defined as all employees within the same Company pay grade as that of Optionee) in substantially the same proportions that the Board implements in good faith after consultation with the Chief Executive Officer ("CEO") and Chief Operating Officer of the Company); (B) a reduction in Optionee's annual incentive compensation opportunity; or (C) the reduction of benefits payable to Optionee under the Company's Supplemental Executive Retirement Plan (if Optionee is a participant in such plan), in each case other than any isolated, insubstantial and inadvertent failure by the Company that is not in bad faith and is cured within ten (10) business days after Optionee gives the Company written notice of such event; provided that the events described in (i)(A) or (i)(B) above will not be deemed to give rise to Good Reason if employment is terminated, but Optionee declines an offer of employment involving a loss of compensation of less than 15% from a purchaser, transferee,

outsourced vendor, new operating entity or affiliated employer; (ii) a substantial diminution in Optionee's title, duties and responsibilities, other than any isolated, insubstantial and inadvertent failure by the Company that is not in bad faith and is cured within ten (10) business days after Optionee gives the Company written notice of such event; or (iii) a transfer of Optionee's primary workplace to a location that is more than twenty (20) miles from his or her workplace as of the date of this Agreement; provided that Good Reason shall not be deemed to occur merely because Optionee's willful decision to change position or status within the Company or any of its Subsidiaries causes one or more of the occurrences described in (i), (ii), or (iii) to come about.

Section 1.7. Investor Return

"Investor Return" shall mean, on any date, as determined on a fully diluted, per Share basis, all cash proceeds actually received by the Investors after the Closing Date in respect of their shares of Common Stock, including the receipt of any cash dividends or other cash distributions thereon. The Fair Market Value of any shares of Common Stock distributed by the Investors to their limited partners shall be deemed to be "cash proceeds" for purposes of this definition.

Section 1.8. Management Stockholder's Agreement

"Management Stockholder's Agreement" shall mean that certain Management Stockholder's Agreement between the Optionee and the Company.

Section 1.9. Option

"Option" shall mean the aggregate of the Time Option, the EBITDA Performance Option, and the Return Performance Option granted under Section 2.1 of this Agreement.

Section 1.10. Merger Agreement

"Merger Agreement" shall mean the Agreement and Plan of Merger by and Among HCA Inc., Hercules Holdings II, LLC, and Hercules Acquisition Corporation, dated July 24, 2006.

Section 1.11. Permanent Disability

"Permanent Disability" shall mean "Disability" as such term is defined in any employment agreement between Optionee and the Company or any of its Subsidiaries, or, if there is no such employment agreement, "Disability" as defined in the long-term disability plan of the Company.

Section 1.12. Retirement

"Retirement" shall mean Optionee's resignation (other than for Good Reason) from service with the Company and its Service Recipients (i) after attaining 65 years of age or (ii) after attaining 60 years of age and completing thirty-six (36) months of service with the Company or any Service Recipients following the Closing Date.

Section 1.13. Return Performance Option

"Return Performance Option" shall mean the option to purchase, on the terms and conditions set forth herein, all or any part of an aggregate of the number of shares of Common Stock set forth on the signature page hereof opposite the term Return Performance Option.

Section 1.14. Secretary

"Secretary" shall mean the Secretary of the Company.

Section 1.15. Time Option

"Time Option" shall mean the right and option to purchase, on the terms and conditions set forth herein, all or any part of an aggregate of the number of shares of Common Stock set forth on the signature page hereof opposite the term Time Option.

ARTICLE II

GRANT OF OPTIONS

Section 2.1. — Grant of Options

For good and valuable consideration, on and as of the date hereof the Company irrevocably grants to the Optionee the following Stock Options: (a) the Time Option, (b) the EBITDA Performance Option, and (c) the Return Performance Option, in each case on the terms and conditions set forth in this Agreement.

Section 2.2. — Exercise Price

Subject to Section 2.4, the exercise price of the shares of Common Stock covered by the Option (the "Exercise Price") shall be as set forth on the signature page hereof.

Section 2.3. — No Guarantee of Employment

Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ of the Company or any Subsidiary or Affiliate or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries or Affiliates, which are hereby expressly reserved, to terminate the employment of the Optionee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions of, if any, the Optionee's employment agreement with the Company or offer letter provided by the Company to the Optionee.

Section 2.4. — Adjustments to Option

The Option shall be subject to the adjustment provisions of Sections 8 and 9 of the Plan, provided, however, that in the event of the payment of an extraordinary dividend by the Company to its stockholders, then; first, the Exercise Prices of the Option shall be reduced by the amount of the dividend paid, but only to the extent the Committee determines it to be permitted

under applicable tax laws and it will not have adverse tax consequences to the Optionee; and, if such reduction cannot be fully effected due to such tax laws, second, the Company shall pay to the Optionee a cash payment, on a per Share basis, equal to the balance of the amount of the dividend not permitted to be applied to reduce the Exercise Price of the applicable Option as follows: (a) for each Share subject to a vested Option, immediately upon the date of such dividend payment; and (b), for each Share subject to an unvested Option, on the date on which such Option becomes vested and exercisable with respect to such Share.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1. — Commencement of Exercisability

(a) So long as the Optionee continues to be employed by the Company or any other Service Recipients, the Option shall become exercisable pursuant to the following schedules:

(i) *Time Option*. The Time Option shall become vested and exercisable with respect to 20% of the Shares subject to such Option on each of the first five anniversaries of the Grant Date.

(ii) *EBITDA Performance Option*. The EBITDA Performance Option shall be eligible to become vested and exercisable as to 20% of the Shares subject to such Option at the end of each of the five Fiscal Years if the Company, on a consolidated basis, achieves its annual EBITDA targets as set forth in Schedule A attached hereto (each an "EBITDA Target") for the given Fiscal Year. Notwithstanding the foregoing, in the event that an EBITDA Target is not achieved in a particular Fiscal Year, then that portion of the EBITDA Performance Option that was eligible to vest but failed to vest due to the Company's failure to achieve its EBITDA Target shall nevertheless vest and become exercisable at the end of any subsequent Fiscal Year (or the 2012 fiscal year) if the cumulative EBITDA Target (each a "Cumulative EBITDA Target") set forth on Schedule A attached hereto is achieved on a cumulative basis at the end of such Fiscal Year (or the 2012 fiscal year) with respect to all then completed Fiscal Years;

(iii) *Return Performance Option*. The Return Performance Option shall be eligible to become vested and exercisable as to:

(A) 10% of the Shares subject to such Option at the end of each of the five Fiscal Years, if and to the extent that on any such date, the Investor Return is at least equal to 2.0 times the Base Price (the "2x Return Performance Option"); and

(B) 10% of the Shares subject to such Option at the end of each of the five Fiscal Years, if and to the extent that on any such date, the Investor Return is at least equal to 2.5 times the Base Price (the "2.5x Return Performance Option").

Notwithstanding the foregoing, in the event that the applicable Investor Return is not achieved in a particular Fiscal Year, then any portion of the Return Performance Option that was eligible to vest but failed to vest due to the Investor Return not achieving the applicable multiple (as set forth above) shall nevertheless vest and become exercisable on any subsequent date occurring prior to the tenth anniversary of the Grant Date, if the applicable Investor Return is achieved on such subsequent date, so long as the Optionee remains employed by the Company or any other Service Recipient.

(b) Notwithstanding the foregoing, upon the occurrence of a Change in Control:

(i) the Time Option shall become immediately exercisable as to 100% of the shares of Common Stock subject to such Option immediately prior to a Change in Control (but only to the extent such Option has not otherwise terminated or become exercisable);

(ii) the EBITDA Performance Option shall become immediately exercisable as to 100% of the shares of Common Stock subject to such Option immediately prior to a Change in Control (but only to the extent such Option has not otherwise terminated or become exercisable) if (x) the EBITDA Targets have been achieved for each of the Fiscal Years completed on or prior to such event, (y) on the date of the occurrence of such event, the Company's cumulative EBITDA for all of the Fiscal Years occurring after the Grant Date through such date meets or exceeds the Cumulative EBITDA Target for all such Fiscal Years, or (z) as a result of the Change in Control, the Investors Group achieves an Investor Return of at least 2.5 times the Base Price; provided that for purposes of clause (y) above, if the Change in Control occurs during a fiscal year, the Cumulative EBITDA Target for such fiscal year shall be equitably adjusted in good faith by the Board in consultation with the CEO of the Company to reflect that portion of the then current fiscal year that has elapsed through the date of the Change in Control; and

(iii) the Return Performance Option shall become 100% immediately exercisable as to the shares of Common Stock subject to such Option immediately prior to a Change in Control (but only to the extent such Option has not otherwise terminated or become exercisable) if, as a result of such event, (x) with respect to the Shares subject to the 2x Return Performance Option, the Investor Group achieves an Investor Return of 2.0 times the Base Price and (y) with respect to the Shares subject to the 2.5x Return Performance Option, the Investor Group achieves an Investor Return of 2.5 times the Base Price.

(c) Notwithstanding the foregoing, no Option shall become exercisable as to any additional shares of Common Stock following the termination of employment of the Optionee for any reason and any Option, which is unexercisable as of the Optionee's termination of employment, shall immediately expire without payment therefor.

Section 3.2. — Expiration of Option

Except as otherwise provided in Section 6 or 7 of the Management Stockholder's Agreement, the Optionee may not exercise the Option to any extent after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date so long as the Optionee remains employed with the Company or any Service Recipient through such date;

(b) The third anniversary of the date of the Optionee's termination of employment with the Company and all Service Recipients, if the Optionee's employment is terminated by reason of death or Permanent Disability (unless earlier terminated as provided in Section 3.2(h) below);

(c) Immediately upon the date of the Optionee's termination of employment by the Company and all Service Recipients for Cause;

(d) One hundred and eighty (180) days after the date of an Optionee's termination of employment by the Company and all Service Recipients without Cause (for any reason other than as set forth in Section 3.2(b));

(e) One hundred and eighty (180) days after the date of an Optionee's termination of employment with the Company and all Service Recipients by the Optionee for Good Reason;

(f) One hundred and eighty (180) days after the date of an Optionee's termination of employment with the Company and all Service Recipients by the Optionee upon Retirement.

(g) Thirty (30) days after the date of an Optionee's termination of employment with the Company and all Service Recipients by the Optionee without Good Reason (except due to Retirement, death or Permanent Disability);

(h) The date the Option is terminated pursuant to Section 6 or 7 of the Management Stockholder's Agreement; or

(i) At the discretion of the Company, if the Committee so determines pursuant to Section 9 of the Plan.

ARTICLE IV

EXERCISE OF OPTION

Section 4.1. — Person Eligible to Exercise

During the lifetime of the Optionee, only the Optionee (or his or her duly authorized legal representative) may exercise an Option or any portion thereof. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when an Option becomes unexercisable under Section 3.2, be exercised by his personal representative or by any person empowered to do so under the Optionee's will or under the then applicable laws of descent and distribution.

Section 4.2. — Partial Exercise

Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, however, that any partial exercise shall be for whole shares of Common Stock only.

Section 4.3. — Manner of Exercise

An Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary or his office all of the following prior to the time when the Option or such portion becomes unexercisable under Section 3.2:

(a) Notice in writing signed by the Optionee or the other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) (i) Full payment (in cash or by check or by a combination thereof) for the shares with respect to which such Option or portion thereof is exercised or (ii) indication that the Optionee elects to have the number of Shares that would otherwise be issued to the Optionee reduced by a number of Shares having an equivalent Fair Market Value to the payment that would otherwise be made by Optionee to the Company pursuant to clause (i) of this subsection (b);

(c) (i) Full payment (in cash or by check or by a combination thereof) to satisfy the minimum withholding tax obligation with respect to which such Option or portion thereof is exercised or (ii) indication that the Optionee elects to have the number of Shares that would otherwise be issued to the Optionee upon exercise of such Option (or portion thereof) reduced by a number of Shares having an aggregate Fair Market Value, on the date of such exercise, equal to the payment to satisfy the minimum withholding tax obligation that would otherwise be required to be made by the Optionee to the Company pursuant to clause (i) of this subsection (c);

(d) A bona fide written representation and agreement, in a form satisfactory to the Committee, signed by the Optionee or other person then entitled to exercise such Option or portion thereof, stating that the shares of Common Stock are being acquired for his own account, for investment and without any present intention of distributing or reselling said shares or any of them except as may be permitted under the Securities Act of 1933, as amended (the "Act"), and then applicable rules and regulations thereunder, and that the Optionee or other person then entitled to exercise such Option or portion thereof will indemnify the Company against and hold it free and harmless from any loss, damage, expense or liability resulting to the Company if any sale or distribution of the shares by such person is contrary to the representation and agreement referred to above; provided, however, that the Committee may, in its reasonable discretion, take whatever additional actions it deems reasonably necessary to ensure the observance and performance of such representation and agreement and to effect compliance with the Act and any other federal or state securities laws or regulations; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the option.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of shares acquired on exercise of an Option does not violate the Act, and may issue stop-transfer orders covering such shares. Share certificates evidencing stock issued on exercise of this Option shall bear an appropriate legend referring to the provisions of subsection (d) above and the agreements herein. The written representation and agreement referred to in subsection (d) above shall, however, not be required if the shares to be issued pursuant to such exercise have been registered under the Act, and such registration is then effective in respect of such shares.

Section 4.4. — Conditions to Issuance of Stock Certificates

The shares of stock deliverable upon the exercise of an Option, or any portion thereof, may be either previously authorized but unissued shares or issued shares, which have then been reacquired by the Company. Such shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any certificate or certificates for shares of stock purchased upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The obtaining of approval or other clearance from any state or federal governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary or advisable;

(b) The execution by the Optionee of the Management Stockholder's Agreement and a Sale Participation Agreement; and

(c) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience or as may otherwise be required by applicable law.

Section 4.5. — Rights as Stockholder

Except as otherwise provided in Section 2.4 of this Agreement, the holder of an Option shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any shares purchasable upon the exercise of the Option or any portion thereof unless and until certificates representing such shares shall have been issued by the Company to such holder.

ARTICLE V

MISCELLANEOUS

Section 5.1. — Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Optionee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Option. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

Section 5.2. — Option Not Transferable

Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.2 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 5.3. — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Optionee shall be addressed to him at the address given beneath his signature hereto. By a notice given pursuant to this Section 5.3, either party may hereafter designate a different address for notices to be given to him. Any notice, which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 5.3. Any notice shall have been deemed duly given when (i) delivered in person, (ii) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service, or (iii) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with fees prepaid) in an office regularly maintained by FedEx, UPS, or comparable non-public mail carrier.

Section 5.4. — Titles; Pronouns

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Section 5.5. — Applicability of Plan, Management Stockholder's Agreement and Sale Participation Agreement

The Option and the shares of Common Stock issued to the Optionee upon exercise of the Option shall be subject to all of the terms and provisions of the Plan, the Management Stockholder's Agreement and a Sale Participation Agreement, to the extent applicable to the Option and such Shares.

Section 5.6. — Amendment

Subject to Section 10 of the Plan, this Agreement may be amended only by a writing executed by the parties hereto, which specifically states that it is amending this Agreement.

Section 5.7. — Governing Law

The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 5.8. — Arbitration

In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules, by a single independent arbitrator. Such arbitration process shall take place within the Nashville, Tennessee metropolitan area. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator. If the Optionee substantially prevails on any of his or her substantive legal claims, then the Company shall reimburse all legal fees and arbitration fees incurred by the Optionee to arbitrate the dispute.

[*Signatures on next page*.]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

HCA INC.

By: _____

Its: _____

Option Grants:

Aggregate number of shares of Common Stock for which the **Time Option** granted hereunder is exercisable (100% of number of shares):	_____
Aggregate number of shares of Common Stock for which the **EBITDA Performance Option** granted hereunder is exercisable (100% of the number of shares):	_____
Aggregate number of shares of Common Stock for which the **Return Performance Option** granted hereunder is exercisable (100% of number of shares):	_____
Exercise Price of all options:	$51.00 per share
Grant Date:	_____, 2007

OPTIONEE:

_____

_____

Address

_____

[Signature Page of Stock Option Agreement]

Exhibit 10.16

EXCHANGE AND PURCHASE AGREEMENT

This Exchange and Purchase Agreement, dated as of November 17, 2006 (this "Agreement") by and among Hercules Holding II, LLC, a Delaware limited liability company ("Parent") and the other persons named in the signature pages hereto (the "Management Stockholders"). Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Merger Agreement (as defined below).

WHEREAS, pursuant to an Agreement and Plan of Merger, dated as of July 24, 2006 (the "Merger Agreement"), by and among Parent, Hercules Acquisition Corporation, a Delaware corporation ("Merger Sub") and HCA Inc., a Delaware corporation (the "Company"), and subject to the terms and conditions set forth in the Merger Agreement, Merger Sub will be merged with and into the Company (the "Merger"), with the Company surviving the Merger as a subsidiary of Parent; and

WHEREAS, in connection with the Merger, Parent has agreed to (i) permit the Management Stockholders, and the Management Stockholders desire, immediately prior to the Effective Time, to exchange certain shares (the "Exchanged Shares") of common stock, par value $0.01 per share, of the Company (the "Common Stock"), as specified by the Management Stockholder, for limited liability company membership interests in Parent ("Limited Liability Company Interests") immediately prior to the Effective Time, which Limited Liability Company Interests will be liquidated, immediately after the Effective Time, in exchange for shares of common stock, par value $0.01 per share, of the Surviving Corporation (the "Surviving Common Stock") and cash in lieu of fractional shares, if any, and/or (ii) purchase from each Management Stockholder, at a per share purchase price equal to the Merger Consideration, certain other shares of Common Stock owned by such Management Stockholder, as specified by the Management Stockholder; and

WHEREAS, the parties hereto intend that for U.S. federal income tax purposes, the exchange of Exchanged Shares for Limited Liability Interests in Parent followed by the immediate liquidation of such Limited Liability Interests for shares of Surviving Common Stock be disregarded and treated with respect to each Management Stockholder as an exchange by the Management Stockholder of the Exchanged Shares for the shares of Surviving Common Stock in a transaction described in section 1036 and/or section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, in which no gain or loss is recognized by the Management Stockholder, except to the extent of cash received in lieu of fractional shares.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

THE SHARE EXCHANGE AND SHARE PURCHASE

1.1 The Share Exchange.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Share Closing (as defined below), each Management Stockholder shall transfer (the "Share

Exchange") all right, title and interest in and to the shares of Common Stock set forth under the caption "ROLLOVER OF UNRESTRICTED SHARES" in the corresponding signature page for such Management Stockholder, free and clear of any Liens (as defined below), to Parent in exchange for Limited Liability Company Interests in Parent that, immediately after the Effective Time, shall be liquidated in exchange for a number of shares of Surviving Common Stock having a value immediately after the Effective Time equal to the product of (i) the number of Exchanged Shares being transferred by such Management Stockholder in the Share Exchange and (ii) $51.00, less any applicable withholding taxes. Each of the parties hereto agrees to treat, to the extent permitted by applicable law, the Share Exchange for U.S. federal tax purposes as an exchange of the Exchanged Shares for Surviving Common Stock in a transaction described in section 1036 and/or section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, in which no gain or loss is recognized by the Management Stockholder.

(b) Notwithstanding the foregoing, no certificate or scrip representing fractional shares of Surviving Common Stock shall be issued pursuant to the Share Exchange, and such fractional share interests shall not entitle the owner thereof to vote or to any rights as a stockholder of the Surviving Corporation with respect to any such fractional shares. In lieu of any such fractional shares, each Management Stockholder who would otherwise have been entitled to a fraction of a share of Surviving Common Stock pursuant to the Share Exchange in accordance with Section 1.1(a) above shall be entitled to receive from Parent a cash payment in lieu of such fractional share in an amount equal to such fraction multiplied by the per share value of the Surviving Corporation immediately after the Merger (and giving effect to any shares issued pursuant to the Share Exchange) less any applicable withholding taxes.

(c) The Limited Liability Company Interests issued in respect of the Share Exchange to each Management Stockholder may not be directly or indirectly offered, transferred, sold, assigned, pledged, hypothecated or otherwise disposed of by any Management Stockholder. Such Limited Liability Company Interests shall be uncertificated.

1.2 The Share Purchase. Upon the terms and subject to the conditions set forth in this Agreement, at the Share Closing (as defined below), Parent shall acquire (the "Share Purchase") from each Management Stockholder, and Management Stockholder shall sell, assign, transfer and deliver to Parent, all right, title and interest in and to the shares of Common Stock (the "Sold Shares") set forth under the captions "UNRESTRICTED SHARES TO BE PURCHASED BY PARENT" and "RESTRICTED SHARES TO BE PURCHASED BY PARENT" in the corresponding signature page for such Management Stockholder, free and clear of any Liens (other than those, if any, created by Parent), and Parent shall pay to such Management Stockholder in consideration therefor an aggregate cash amount equal to the product of $51.00 and the number of Sold Shares, without interest and less any applicable withholding taxes (such amount, the "Sold Share Consideration"), a portion of which, to the extent relating to proceeds in respect of Sold Shares that are currently subject to vesting or similar restrictions, may be used by such Management Stockholder upon election as set forth under the caption "AFTER-TAX PROCEEDS FROM SALE OF RESTRICTED SHARES TO BE REINVESTED IN SURVIVING CORPORATION SHARES" in his or her signature page to this Agreement, to satisfy all or a portion of the purchase price in respect of such Management Stockholder's purchase of Purchased Stock (as defined in the Management Stockholder's Agreement) pursuant to the Management Stockholder's Agreement (as defined below) (any amounts so used, the "Reinvestment Amount").

1.3 Share Closing. The closing (the "Share Closing") of the Share Exchange and Share Purchase shall take place at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York, on the date of the Closing but immediately prior to the Effective Time, provided that the conditions set forth in Section 5.1 hereof shall have been satisfied or waived on or prior thereto. At the Share Closing, (a) each of the Management Stockholders will deliver and surrender or will cause to be delivered and surrendered to Parent the certificate or certificates representing the Exchanged Shares and Sold Shares, in each case duly endorsed for transfer to Parent and/or accompanied by stock or other appropriate powers duly endorsed in blank, or such other instruments of transfer as Parent may reasonably request, including without limitation a letter of instruction to the Company's transfer agent, and a properly completed Internal Revenue Service Form W-9, and (b) Parent will deliver or cause to be delivered to each of the Management Stockholders, if applicable, an amount in cash equal to (i) the sum of (x) the Sold Share Consideration in respect of such Management Stockholder's Sold Shares and (y) any cash to be paid such Management Stockholder in lieu of fractional shares of Surviving Common Stock pursuant to Section 1.1(b) hereof less (ii) such Management Stockholder's Reinvestment Amount, if any, by certified bank check to the address designated by such Management Stockholder and set forth on his or her signature page to this Agreement. Immediately after the Closing, Parent will deliver or cause to be delivered to each of the Management Stockholders engaging in the Share Exchange, if applicable, a stock certificate or certificates representing that number of shares of Surviving Common Stock to be received by such Management Stockholder in the Share Exchange.

1.4 Closing under the Merger Agreement. In the event that the Share Closing has occurred but the Closing does not occur for any reason whatsoever, (a) each Management Stockholder shall return, as promptly as practicable, to Parent an amount in cash equal to any Sold Share Consideration and any cash received in lieu of fractional shares received by such Management Stockholder at the Share Closing (less any applicable Reinvestment Amount) and (b) Parent shall return, as promptly as practicable, to each Management Stockholder such Management Stockholder's Exchanged Shares and Sold Shares transferred to Parent at the Share Closing and, upon compliance with the foregoing, no party shall have any further rights or obligations under this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent hereby represents and warrants to the Management Stockholders as of the date hereof and the date of the Share Closing that:

2.1 Corporate Existence and Power. Parent is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

2.2 Authorization. The execution, delivery and performance by Parent of this Agreement and the consummation of the transactions contemplated hereby are within Parent's limited liability company powers and have been duly authorized by all necessary action on the part of Parent. This Agreement has been duly and validly executed and delivered by Parent. Assuming this Agreement is the valid and binding agreement of each of the Management Stockholders, this Agreement constitutes the legal, valid and binding agreement of Parent, enforceable against Parent in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of

general application affecting enforcement or creditors' rights generally and general equitable principles.

2.4 Noncontravention. The execution, delivery and performance by Parent of this Agreement does not and will not (a) violate the certificate of formation or operating agreement of Parent, (b) violate any law, rule, regulation, judgment, injunction, order or decree applicable to or binding upon Parent, (c) require any consent or other action by any person under, constitute a default under (with due notice or lapse of time or both), or give rise to any right of termination, cancellation or acceleration of any right or obligation of Parent or to a loss of any benefit to which Parent is entitled under any provisions of any agreement or other instrument binding upon Parent or any of its assets or properties or (d) result in the creation or imposition of any material mortgage, lien, pledge, charge, security interest or encumbrance (each, a "Lien") on any property or asset of Parent.

2.5 Valid Issuance of Securities. The shares of Surviving Common Stock and Limited Liability Company Interests which are being issued to the Management Stockholders hereunder will, when issued, sold and delivered in accordance with the terms hereof for the consideration expressed herein, have been duly and validly authorized and issued and will be fully paid and nonassessable.

2.6 Sufficiency of Funds. At the Share Closing, Parent will have sufficient funds necessary to pay the aggregate amount of all Sold Share Consideration (less all Reinvestment Amounts) and cash in lieu of fractional shares payable to the Management Stockholders at such time.

2.7 Company Action. Prior to the Share Closing, Parent shall use its reasonable best efforts to cause the Company to take such actions as are necessary to permit the issuance of shares of the Surviving Common Stock contemplated by this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE MANAGEMENT STOCKHOLDERS

Each Management Stockholder hereby represents and warrants, severally and not jointly, to Parent as of the date hereof and the date of the Share Closing that:

3.1 Authorization. This Agreement has been duly and validly executed and delivered by such Management Stockholder. Assuming this Agreement is the valid and binding agreement of Parent, this Agreement constitutes the legal, valid and binding agreement of such Management Stockholder, enforceable against such Management Stockholder in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement or creditors' rights generally and general equitable principles.

3.3 Noncontravention. The execution, delivery and performance by each of the Management Stockholders of this Agreement does not and will not (a) violate any law, rule, regulation, judgment, injunction, order or decree applicable to or binding upon such Management Stockholder, (b) require any consent or other action by any person under, constitute a default under (with due notice or lapse of time or both), or give rise to any right

of termination, cancellation or acceleration of any right or obligation of such Management Stockholder or to a loss of any benefit to which such Management Stockholder is entitled under any provision of any agreement or other instrument binding upon such Management Stockholder or any of his or her assets or properties or (c) result in the creation or imposition of any material Lien on any property or asset of such Management Stockholder.

3.5 Valid Title. Such Management Stockholder is the sole (or joint with his or her spouse) record and beneficial owner of the Sold Shares and Exchanged Shares which are transferred by such Management Stockholder to Parent hereunder and such Management Stockholder has good and valid title to those shares, free and clear of any preemptive rights, Liens, transfer taxes, claims, charges, assessments or encumbrances of any kind or other restrictions on transfer.

3.6 Accredited Investor Status. Such Management Stockholder is an "accredited investor" as defined in Rule 501(a) of Regulation D, as amended, under the Securities Act of 1933, as amended.

3.7 Additional Representations. Such Management Stockholder hereby makes those representations and warranties set forth in Sections 2(f) and 2(g) of the Management Stockholder's Agreement with respect to the shares of Surviving Common Stock to be received by such Management Stockholder under the Share Exchange.

ARTICLE IV

COVENANTS OF PARENT AND THE MANAGEMENT STOCKHOLDERS

4.1 Other Agreements. At or prior to the Share Closing, (a) each of the Management Stockholders and the Company shall enter into a Management Stockholder's Agreement, the form of which is attached hereto as Exhibit A (the "Management Stockholder's Agreement") and (b) Parent and each of the Management Stockholders shall enter into a Sale Participation Agreement, the form of which is attached hereto as Exhibit B (the "Sale Participation Agreement"). Each Management Stockholder acknowledges and agrees that any shares of Surviving Common Stock received at the Share Closing pursuant to the Share Exchange and such Management Stockholder's rights in respect thereof shall be subject to the terms and conditions set forth in the Management Stockholder's Agreement and Sale Participation Agreement, including without limitation the restrictions on transfer set forth therein.

4.2 Further Assurances. Parent and each Management Stockholder agree that, from time to time, whether on or after the date of the Share Closing, each of them will execute and deliver such further instruments of conveyance and transfer and take such other actions as may be necessary to carry out the purposes and intents of this Agreement.

ARTICLE V

CONDITIONS TO SHARE CLOSING; TERMINATION

5.1 Conditions to the Share Closing.

(a) Each party's respective obligations to consummate the transactions contemplated by Article I is subject to (i) the satisfaction or waiver on or prior to the Share

Closing of all conditions to closing set forth in Article VIII of the Merger Agreement (other than those conditions which by their terms are to be satisfied at Closing under the Merger Agreement) and (ii) each party to the Merger Agreement being ready, willing and able to consummate the Merger following completion of the transactions contemplated by this Agreement.

(b) Parent's obligations to consummate the transactions contemplated by Article I with respect to each Management Stockholder is further subject to (i) the representations and warranties of such Management Stockholder contained in this Agreement being true in all material respects when made and at and as of the Closing Date, as if made at and as of such date, (ii) such Management Stockholder having performed in all material respects all of its obligations hereunder required to be performed by it on or prior to the Closing Date, (iii) such Management Stockholder having executed and delivered the Sale Participation Agreement and the Management Shareholders Agreement, and (iv) such Management Stockholder shall have delivered to Parent a properly completed Internal Revenue Service Form W-9.

5.2 Termination. This Agreement shall terminate with respect to Parent and each Management Stockholder automatically without any action on the part of the parties hereto on the earlier to occur of (a) termination of the Merger Agreement in accordance with the terms thereof and (b) the Effective Time, if the transactions contemplated by Article I with respect to such Management Stockholder have not been consummated prior thereto as a result of the conditions set forth in Section 5.1 not being satisfied.

5.3 Effect of Termination. If this Agreement is terminated pursuant to Section 5.2, this Agreement shall forthwith become null and void and there shall be no liability or obligation on the part of Parent or any Management Stockholder or their Affiliates, provided that if termination pursuant to Section 5.2(b) shall result from the willful failure of a party to perform a covenant of this Agreement, such party shall not be relived of any liability for such breach prior to such termination. Nothwithstanding the foregoing, the provisions in Sections 1.4, 6.4, 6.5 and 6.6 will survive the termination hereof.

ARTICLE VI

MISCELLANEOUS

6.1 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to such party's address as set forth below or at such other address or to such other person as the party shall have furnished to each other party in writing in accordance with this provision:

if to Parent, to:

Hercules Holding II, LLC

c/o Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23

New York, NY 10080
Attention: George A. Bitar
Facsimile: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Facsimile: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Facsimile: (650) 233-6584

with copies to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: David J. Sorkin
Facsimile: (212) 455-2500

if to a Management Stockholder, at such Management Stockholder's address as set forth on his or her respective signature page hereto.

6.2 Amendments and Waivers. (c) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective; provided that, the foregoing notwithstanding, this Agreement may be amended without the consent of the Management Stockholders unless such amendment (i) materially adversely affects the rights or obligations of the Management Stockholders hereunder, in which case such amendment shall not be effective unless and until such Management Stockholders have consented thereto in writing or (ii) adversely affects the rights or obligations of the Management Stockholders hereunder in more than a de minimus way but less than a material way, in which case such amendment shall require the consent of a majority of the equity interests held by such affected class of stockholders prior to becoming effective.

(d) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

6.3 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of (a) Parent, in the case of assignment, delegation or transfer of any rights or obligations hereunder by a Management Stockholder, and (b) a majority of the Management Stockholders, in the case of assignment, delegation or transfer of any rights or obligations hereunder by Parent.

6.4 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware.

6.5 Jurisdiction; Arbitration.

(a) In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally, exclusively and conclusively settled by mandatory arbitration conducted expeditiously in accordance with the American Arbitration Association rules by a single independent arbitrator. Such arbitration process shall take place in Nashville, TN. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof.

(b) In the event of any arbitration or other disputes with regard to this Agreement or any other document or agreement referred to herein, each party to this Agreement shall pay its own legal fees and expenses, unless otherwise determined by the arbitrator. If the Management Stockholder substantially prevails on any of his or her substantive legal claims, then Parent shall reimburse all legal fees and arbitration fees incurred by the Management Stockholder to arbitrate the dispute.

6.6 Waiver Of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.7 Counterparts; Third Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective as to a particular Management Stockholder when such Management Stockholder shall have received a counterpart hereof signed by Parent. No provision of this Agreement shall confer upon any person other than the parties hereto any rights or remedies hereunder.

6.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

6.9 Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

6.10 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforced in accordance with its terms to the maximum extent permitted by law.

6.11 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first above written.

HERCULES HOLDING II, LLC

By: _____
Name:
Title:

MANAGEMENT STOCKHOLDER SIGNATURE PAGE

Name: _____
Address:

_____
_____
_____

Bank Account Information:

Bank Name:
Bank Address:

ABA #:
A/C Name:
A/C No.:

Contact:
Name:
Phone:

NOTE: YOU MAY NOT EXCHANGE OPTIONS TO PURCHASE COMMON STOCK OF THE COMPANY PURSUANT TO THIS EXCHANGE AND PURCHASE AGREEMENT.

EXCHANGED SHARES

1. Are you exchanging shares of Common Stock that you currently own for shares of common stock of the Surviving Corporation?

   ☐ Yes ☐ No

   If yes, please indicate the shares you agree to exchange in the grid below.

   If yes, please indicate the shares you agree to exchange in the grid below.

	DESCRIPTION OF EXCHANGED SHARES		
Name and Address of Registered Holder or Name and Address of Broker and the Account Number of the Broker Account in Which Shares Are Held	**Number of Shares to be Exchanged**	**Date Shares to be Exchanged were Acquired**	**Certificate Number(s) of Shares to be Exchanged, if applicable**
Total			

SOLD SHARES

2. Do you wish Parent to purchase shares of Common Stock that you currently own rather than receiving Merger Consideration (as defined in the Merger Agreement) in respect of such shares from the Company's Paying Agent pursuant to the Merger Agreement?

☐ Yes ☐ No

If yes, please indicate the shares you wish Parent to purchase in the grid below.

Name and Address of Registered Holder or Name of Broker and the Account Number of the Broker Account in Which Shares Are Held	DESCRIPTION OF SOLD SHARES		
	Number of Shares to be Sold to Parent	Date Shares to be Sold were Acquired	Certificate Number(s) of Shares to be Sold, if applicable
Total number of restricted shares			
Total number of unrestricted shares			
Total number of Sold Shares			

YOU UNDERSTAND AND AGREE THAT (I) IN ORDER TO RECEIVE ANY SHARES IN THE SURVIVING CORPORATION AND/OR ANY CASH CONSIDERATION IN RESPECT OF SHARES SOLD TO PARENT PURSUANT TO THIS EXCHANGE AND PURCHASE AGREEMENT, YOU MUST SUBMIT ANY DOCUMENTATION APPLICABLE TO YOU AS SET FORTH IN SECTION 1.3 OF THIS EXCHANGE AND PURCHASE AGREEMENT AND (II) EXECUTION OF THIS AGREEMENT CONSTITUTES ASSENT TO THE CONSUMMATION OF THE MERGER AND CONSTITUTES A WAIVER BY THE UNDERSIGNED OF ANY APPRAISAL OR DISSENTERS' RIGHTS WITH RESPECT TO ANY EXCHANGED SHARES AND SOLD SHARES UNDER THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE ("DGCL") WHETHER OR NOT THE UNDERSIGNED HAS PREVIOUSLY MADE A WRITTEN DEMAND UPON THE COMPANY AND/OR OTHERWISE COMPLIED WITH THE APPRAISAL RIGHTS PROVISIONS OF THE DGCL.

IN WITNESS WHEREOF, I hereby agree to be a party to this Agreement as a "Management Stockholder" as of the date first above written.

Signature:_____

EXHIBIT A

FORM OF MANAGEMENT STOCKHOLDER'S AGREEMENT

EXHIBIT B

FORM OF SALE PARTICIPATION AGREEMENT

Exhibit 10.20

MANAGEMENT AGREEMENT

This Management Agreement (this "Agreement") is entered into as of November 17, 2006 by and among HCA Inc., a Delaware corporation (the "Company"), Bain Capital Partners, LLC ("Bain"), Kohlberg Kravis Roberts & Co. L.P. ("KKR"), Dr. Thomas F. Frist, Jr., Patricia F. Elcan, William R. Frist and Thomas F. Frist III (each, a "Frist" and collectively, "Frist") ("Frist") and Merrill Lynch Global Partners, Inc. ("ML" and together with Bain, KKR and each Frist, the "Managers"), provided that each such entity shall cease to be a "Manager" for all purposes hereunder at such time as investment funds affiliated with or Affiliated Entities of such Manager are no longer entitled to designate any members of the Board of Managers of Hercules Holding II, LLC ("LLC"). Certain capitalized terms used herein are specifically defined in Section 6.

RECITALS

WHEREAS, each of LLC and Hercules Acquisition Corporation, a Delaware corporation ("Hercules Acquisition"), has been formed for the purpose of engaging in a transaction in which Hercules Acquisition will be merged with and into the Company, with the Company surviving (the "Merger"), pursuant to an Agreement and Plan of Merger between Hercules Acquisition, the Company and LLC dated as of July 24, 2006 (as amended from time to time, the "Merger Agreement").

WHEREAS, to enable Hercules Acquisition to engage in the Merger and related transactions, the Managers provided financial and structural advice and analysis as well as assistance with due diligence investigations and negotiations (the "Financial Advisory Services"); and

WHEREAS, the Company wants to retain the Managers to provide certain management, consulting and advisory services to the Company, and the Managers are willing to provide such services, on the terms set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Services. Each of the Managers hereby agrees that, during the term of this Agreement (the "Term"), it will provide the following management, consulting and financial and other advisory services to the Company as requested from time to time by the Board of Directors of the Company:

(a) advice in connection with the negotiation of agreements, contracts, documents and instruments relating to the Company's financing;

(b) financial, managerial and operational advice in connection with the Company's business, including, without limitation, advice with respect to the development and implementation of strategies for improving the operating and financial performance of the Company and its subsidiaries; and

(c) advice in connection with financing, acquisition, disposition, merger, combination or change of control transactions involving the Company or any of its subsidiaries (however structured).

(d) such other services (which may include financial and strategic planning and analysis, consulting services, human resources and executive recruitment services and other services) as such Manager and the Company may from time to time agree in writing.

Each of the Managers shall devote such time and efforts to the performance of services contemplated hereby as such Manager deems reasonably necessary or appropriate; *provided*, *however*, that no minimum number of hours is required to be devoted by Bain, KKR, ML or each Frist on a weekly, monthly, annual or other basis. The Company acknowledges that each of the Managers' services are not exclusive to the Company and that each Manager will render similar services to other persons and entities. The Managers and the Company understand that the Company may, at times, engage one or more investment bankers or financial advisers to provide services in addition to, but not in lieu of, services provided by the Managers under this Agreement. In providing services to the Company, each Manager will act as an independent contractor and it is expressly understood and agreed that this Agreement is not intended to create, and does not create, any partnership, agency, joint venture or similar relationship and that no party has the right or ability to contract for or on behalf of any other party or to effect any transaction for the account of any other party.

2. Payment of Fees.

(a) The Company will pay to the Managers (or such affiliates as they may respectively designate), in consideration of the Managers providing the Financial Advisory Services, an aggregate transaction fee (the "Transaction Fee") in the amount of $175,000,000, such fee being payable at the closing of the Merger. The Transaction Fee shall be divided among the Managers as follows:

Bain:	$48,611,111.11
KKR:	$48,611,111.11
ML:	$48,611,111.11
Frist[1]:	$29,166,666.67

(b) During the Term, the Company will pay to the Managers (or such affiliates as they may respectively designate), an annual fee (the "Periodic Fee") of $15,000,000, such fee to be increased annually at a rate equal to the Percentage Increase in Adjusted EBITDA over the previous year, effective as of March 31 of each such year, (the first such increase to be effective March 31, 2008) in exchange for the ongoing services provided by the Managers under Section 1 of this Agreement, such fee being payable by the Company in equal quarterly installments in arrears at the end of each

[1] To be allocated as follows: (i) Thomas F. Frist, Jr.: $10,496,208.33; (ii) Patricia F. Elcan: 6,117,416.67; (iii) Thomas F. Frist III: $4,503,800.00 and (iv) William R. Frist: $8,049,241.67.

calendar quarter. The initial quarterly Periodic Fee payment shall be pro rated to reflect the portion of the current fiscal quarter that will elapse after the Merger. The final quarterly Periodic Fee payment shall be pro rated to reflect the portion of the final quarter prior to the end of the Term. The Periodic Fee shall initially be divided among the Managers as follows: 3/15ths to Frist[2] and 4/15ths to each of Bain, KKR and ML. The allocation of the Periodic Fee shall be appropriately adjusted in the event of any changes to the proportion of the number of Shares owned in the aggregate by each Manager and its Affiliated Entities (directly, or indirectly through their holdings of units of the LLC) on the last business day in the applicable calendar quarter for which such Periodic Fee is required to be paid (provided that, for purposes of this Agreement, (i) the Bain Group and their respective Affiliated Entities shall be deemed to be investment funds affiliated with Bain; (ii) the KKR Group and their respective Affiliated Entities shall be deemed to be investment funds affiliated with KKR, (iii) the ML Group and their respective Affiliated Entities shall be deemed to be investment funds affiliated with ML; and (iv) the Family Group and their respective Family Affiliates shall be deemed to be investment funds affiliated with Frist).

(c) The Company will, for each financing, acquisition, disposition, merger, combination or change of control transaction involving the Company or any of its subsidiaries (however structured), which has a gross transaction value of at least $100,000,000, pay to the Managers (or such affiliates as they may respectively designate) an aggregate fee (the "Subsequent Fee") in connection with each such transaction equal to one percent (1%) of the gross transaction value (including the purchase price paid (whether in cash or other property) and all liabilities assumed or otherwise included in the transaction) of such transaction or such other amount as may be mutually agreed by the Company and the Requisite Members, such fee to be due and payable for the foregoing services at the closing of such transaction and, in the case of financing transactions, whether or not any such financing is actually committed or drawn upon. Each Subsequent Fee shall be divided among the Managers in the same proportion as the Periodic Fee would be apportioned if the date such Subsequent Fee is required to be paid were the last business day of a quarter.

3. Term. This Agreement shall continue in full force and effect until December 31, 2016; *provided* that this Agreement shall be automatically extended each December 31 for an additional year unless the Company or the Requisite Members provide written notice of their desire not to automatically extend the term of this Agreement to the other parties hereto at least 90 days prior to such December 31; *provided*, *however*, (a) that the Requisite Members may cause this Agreement to terminate at any time and (b) this Agreement shall terminate automatically immediately upon the consummation of an initial public offering unless the Requisite Members determine otherwise. In the event of a termination of this Agreement, the Company shall pay each of the Managers (or such affiliates as they may respectively designate) (i) all unpaid Periodic Fees (pursuant to Section 2(b) above), Subsequent Fees (pursuant to

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[2] To be allocated to each Frist, in consideration of each Frist providing the ongoing services provided by the Managers under Section 1 as follows: (i) Thomas F. Frist, Jr.: 35.987023%; (ii) Patricia F. Elcan: 20.974009%; (iii) Thomas F. Frist III: 15.441588% and (iv) William R. Frist: 27.597380%.

Section 2(c) above) and expenses (pursuant to Section 4(a) below) due with respect to periods prior to the date of termination plus (ii) the sum of the net present values (using discount rates equal to the then yield on U.S. Treasury Securities of like maturity) of the Periodic Fees that would have been payable with respect to the period from the date of termination until the expiration date in effect immediately prior to such termination. The amounts described in clause (ii) above shall be divided among the Managers in the same proportion as the Periodic Fee would be apportioned if the applicable termination date were the last business day of a quarter. Sections 4 and 5 of this Agreement and any and all accrued and unpaid obligations under Section 2 shall survive any termination of this Agreement with respect to matters occurring before, on or after the date of such termination.

4. Expenses; Indemnification.

(a) Expenses. The Company will pay on demand all Reimbursable Expenses. As used herein, "Reimbursable Expenses" means (i) all expenses incurred or accrued prior to the date on which the transactions contemplated by the Merger Agreement are consummated (the "Closing Date") by any of the Managers or their affiliates (including, in the case of Frist, the Family Group and their respective Family Affiliates) in connection with this Agreement, the Merger or any related transactions, consisting of their respective out-of-pocket expenses for travel and other incidentals in connection with such transactions (including, without limitation, all air travel (by first class on a commercial airline, by charter or by privately owned airplane, as determined by the party seeking reimbursement) and other travel related expenses) and the out-of-pocket expenses and the fees and charges of outside counsel and any other consultants or advisors retained by the Managers in connection with such transactions, (ii) reasonable out-of-pocket expenses incurred from and after the Closing Date relating to their affiliated funds' or Affiliated Entities' investment in, the operations of, or the services provided by the Managers or former Managers to, the Company or any of its affiliates from time to time (including, without limitation, all air travel (by first class on a commercial airline, by charter or by privately owned airplane, as determined by the appropriate Manager or former Manager) and other travel related expenses), *provided*, however, that the Requisite Members must approve any expenses referred to in this clause (ii) other than routine out-of-pocket expenses (it being understood that expenses of outside counsel incurred by the Managers for advice in the ordinary course regarding the investment, as well as regarding any transactions involving such investment, shall be deemed approved hereunder), and (iii) expenses incurred from and after the Closing Date by the Managers or former Managers, and their affiliates, which the Requisite Members agree are properly allocable to the Company under this Agreement.

(b) Indemnity and Liability. The Company will indemnify, exonerate and hold each of the Managers and former Managers, and each of their respective partners, shareholders, members, affiliates, directors, officers, fiduciaries, managers, controlling Persons, employees and agents and each of the partners, shareholders, members, affiliates, directors, officers, fiduciaries, managers, controlling Persons, employees and agents of each of the foregoing (collectively, the "Indemnitees") free and harmless from and against any and all actions, causes of action, suits, claims, liabilities, losses, damages and costs and out-of-pocket expenses in connection therewith (including reasonable

attorneys' fees and expenses) incurred by the Indemnitees or any of them before or after the date of this Agreement (collectively, the "Indemnified Liabilities"), as a result of, arising out of, or in any way relating to (i) this Agreement, the Merger, any transaction to which the Company is a party or any other circumstances with respect to the Company (other than any such Indemnified Liabilities to the extent such Indemnified Liabilities arise out of any breach of the LLC Agreement or any related agreements by such Indemnitee or its affiliated or associated Indemnitees or any transaction entered into after the Closing Date or (ii) operations of, or services provided by any of the Managers or former Managers to the Company, or any of its affiliates from time to time, whether pursuant to this Agreement or otherwise; *provided* that the foregoing indemnification rights shall not be available to the extent that any such Indemnified Liabilities arose on account of such Indemnitee's gross negligence or willful misconduct, and *further provided* that, if and to the extent that the foregoing undertaking may be unavailable or unenforceable for any reason, the Company hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. For purposes of this Section 4(b), none of the circumstances described in the limitations contained in the two provisos in the immediately preceding sentence shall be deemed to apply absent a final non-appealable judgment of a court of competent jurisdiction to such effect, in which case to the extent any such limitation is so determined to apply to any Indemnitee as to any previously advanced indemnity payments made by the Company, then such payments shall be promptly repaid by such Indemnitee to the Company.

The rights of any Indemnitee to indemnification hereunder will be in addition to any other rights any such person may have under any other agreement or instrument referenced above or any other agreement or instrument to which such Indemnitee is or becomes a party or is or otherwise becomes a beneficiary or under law or regulation. None of the Indemnitees shall in any event be liable to the Company or any of its affiliates for any act or omission suffered or taken by such Indemniee in connection with, relating to or arising out of this Agreement, including without limitation the services provided by such Indemniee to the Company or any of its affiliates (a) that does not constitute gross negligence or willful misconduct or (b) in excess of the fees received by the applicable Manager hereunder. If the Indemnitees related to more than one Manager or former Manager are similarly situated with respect to their interests in connection with a matter that may be an Indemnified Liability and such Indemnified Liability is not based on a Third-Party Claim, the Indemnitees may enforce their rights pursuant to this Section 4(b) with respect to such matter only with the consent of at least a majority of the Managers or former Managers whose Indemnitees are so involved. In the event that any party that was previously a Manager hereunder ceases to be a Manager in accordance with the definition thereof, the provisions hereof for the benefit of Indemnitees of such party shall inure to such Indemnitees and their successors and assigns.

5. Disclaimer and Limitation of Liability; Opportunities.

(a) Disclaimer; Standard of Care. None of the Managers or former Managers makes any representations or warranties, express or implied, in respect of the services to be provided by any Manager or former Manager hereunder. In no event shall any

Manager or former Manager be liable to the Company or any of its affiliates for any act, alleged act, omission or alleged omission that does not constitute gross negligence or willful misconduct of such Manager or former Manager as determined by a final, non-appealable determination of a court of competent jurisdiction.

(b) Limitation of Liability. In no event will any of the Managers or former Managers or any of their Indemnitees be liable to the Company or any of its affiliates or either of the other Managers or former Managers or their Indemnitees for any indirect, special, incidental or consequential damages, including, without limitation, lost profits or savings, whether or not such damages are foreseeable, or for any third party claims (whether based in contract, tort or otherwise), relating to, in connection with or arising out of this Agreement, including without limitation the services to be provided by the Managers or former Managers hereunder, or for any act or omission that does not constitute gross negligence or willful misconduct or in excess of the fees received by the applicable Manager hereunder.

6. Definitions. For purposes of this agreement, the following terms shall have the following meanings:

"Adjusted EBITDA" shall have the meaning given to such term in the Indenture dated as of November 17, 2006 between and among the Company, the guarantors listed on the signature pages thereto and The Bank of New York, as trustee, relating to the issuance of the 9 1/8% Senior Secured Notes due 2014, the 9 1/4 Senior Secured Notes due 2016 and the 9 5/8%/10 3/8% Senior Secured Toggle Notes due 2016.

"Affiliated Entities" shall have the same meaning given to it in the LLC Agreement.

"Bain Group" shall have the meaning given to such term in the LLC Agreement.

"Family Affiliates" shall have the same meaning given to it in the LLC Agreement.

"Family Group" shall have the meaning given to such term in the LLC Agreement.

"KKR Group" shall have the meaning given to such term in the LLC Agreement.

"LLC Agreement" means the Amended and Restated Limited Liability Company Agreement dated November 17, 2006 among Hercules Holding II, LLC and the other parties thereto, as the same may be amended from time to time in accordance with its terms.

"Merrill Lynch Group" shall have the meaning given to such term in the LLC Agreement.

"Percentage Increase in Adjusted EBITDA" means the amount of increase, expressed as a percentage, of the Adjusted EBITDA for the most recently completed

fiscal year as compared to the Adjusted EBITDA of the next most recently completed fiscal year; provided that if there is no such increase, then the "Percentage Increase in Adjusted EBITDA" shall be 0% for such applicable year.

"Person" means any individual or corporation, association, partnership, limited liability company, joint venture, joint stock or other company, business trust, trust, organization, or other entity of any kind.

"Requisite Members" shall have the meaning given to such term in the LLC Agreement.

"Shares" shall mean the shares of HCA Common Stock (as defined in the LLC Agreement).

"Third-Party Claim" means any (i) claim brought by a Person other than the Company, LLC, a Manager or any indemnified Person related to a Manager and (ii) any derivative claim brought in the name of the Company or LLC that is initiated by a Person other than a Manager or any indemnified Person related to a Manager.

7. Assignment, etc. Except as provided below, none of the parties hereto shall have the right to assign this Agreement without the prior written consent of each of the other parties. Notwithstanding the foregoing, (a) any Manager may assign all or part of its rights and obligations hereunder to any of its respective affiliates which provides services similar to those called for by this Agreement, in which event such Manager shall be released of its rights to fees under Section 2 and reimbursement of expenses under Section 4(a) and all of its obligations hereunder, (b) the provisions hereof for the benefit of Indemnitees of the Managers shall inure to the benefit of such Indemnitees and their successors and assigns and (c) all amounts due and owing or payable hereunder to any of the individuals identified in footnote 2 hereof shall be paid when due or owing under the terms hereof to such person's estate ; provided, that, the Company shall have received written notice of such person's death and all amounts that would be payable hereunder to any of the individuals identified in footnote 2 hereof shall, after such persons death, be payable pro rata among the other individuals identified in footnote 2.

8. Amendments and Waivers. No amendment or waiver of any term, provision or condition of this Agreement shall be effective, unless in writing and executed by the Requisite Members and the Company; *provided*, that any amendment or waiver that discriminates against or would adversely affect a Manager will require the consent of such Manager; and *provided*, *further* that any Manager may waive any portion of any fee to which it is entitled pursuant to this Agreement, and, unless otherwise directed by such Manager, such waived portion shall revert to the Company. No waiver on any one occasion shall extend to or effect or be construed as a waiver of any right or remedy on any future occasion. No course of dealing of any person nor any delay or omission in exercising any right or remedy shall constitute an amendment of this Agreement or a waiver of any right or remedy of any party hereto.

9. Governing Law: Jurisdiction.

(a) Choice of Law. This Agreement and all matters arising under or related to this Agreement shall be governed by and construed in accordance with the domestic

substantive laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

(b) Consent to Jurisdiction. Each party to this Agreement, by its execution hereof, (i) hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of Delaware for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof, (ii) hereby waives to the extent not prohibited by applicable law, and agrees not to assert, and agrees not to allow any of its subsidiaries to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court and (iii) hereby agrees not to commence or maintain any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof or thereof other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the above-named courts whether on the grounds of inconvenient forum or otherwise. Notwithstanding the foregoing, to the extent that any party hereto is or becomes a party in any litigation in connection with which it may assert indemnification rights set forth in this agreement, the court in which such litigation is being heard shall be deemed to be included in clause (i) above. Notwithstanding the foregoing, any party to this Agreement may commence and maintain an action to enforce a judgment of any of the above-named courts in any court of competent jurisdiction. Each party hereto hereby consents to service of process in any such proceeding in any manner permitted by Delaware law, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 11 hereof is reasonably calculated to give actual notice.

(c) WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 9(c) CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT AND

THE TRANSACTIONS CONTEMPLATED HEREBY. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 9(c) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

10. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior communication or agreement with respect thereto.

11. Notice. Any notices and other communications required or permitted in this Agreement shall be in writing and (a) delivered personally, (b) sent by facsimile or e-mail (if provided and the recipient acknowledges receipt thereof by reply e-mail or otherwise), or (c) sent by overnight courier, in each case, addressed as follows:

If to the Company, to it:

HCA Inc.
One Park Plaza
Nashville, Tennessee 37203
Attention: General Counsel
Email:

with copies to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Facsimile: (212) 455-2502
Attention: David Sorkin, Esq.
Email: dsorkin@stblaw.com

If to Bain, to it:

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, Massachusetts 02199
Facsimile: (617) 516-2710
Attention: John Connaughton
E-mail: jconnaughton@baincapital.com

with copies to:

Ropes & Gray LLP
One International Place
Boston, Massachusetts 02110
Facsimile: (617) 951-7050
Attention: R. Newcomb Stillwell, Esq.

Julie H. Jones, Esq.
E-mail: nstillwell@ropesgray.com
jjones@ropesgray.com

If to KKR, to it:

c/o Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Facsimile: (650) 233-6561
Attention: Michael Michelson
E-mail: michm@kkr.com

with copies to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Facsimile: (212) 455-2502
Attention: David Sorkin, Esq.
Sean Rodgers, Esq.
E-mail: dsorkin@stblaw.com
srodgers@stblaw.com

If to ML, to it:

c/o Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Facsimile: (212) 449-1119
Attention: George A. Bitar
Christopher Birosak

with copies (which shall not constitute notice) to:

c/o Proskauer Rose LLP
1585 Broadway
New York, NY 10036-8299
Facsimile: (212) 969-2900

Attention: James P. Gerkis, Esq.
Jeffery A. Horwitz, Esq.

and a copy to:

Merrill Lynch Global Private Equity
Strategic M&A and Private Equity Counsel

Four World Financial Center, Floor 23
New York, NY 10080
Facsimile: (212) 449-7902
Attention: Frank J. Marinaro, Esq.

If to Frist, to it:

c/o Dr. Thomas F. Frist, Jr.
3100 West End Ave., Suite 500
Nashville, TN 372034
Telecopy: (615) 385-9101

with copies to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Attention: John Evangelakos, Esq.
Telecopy: (212) 558-3588

Unless otherwise specified herein, such notices or other communications shall be deemed effective and duly given upon actual receipt (or refusal of receipt). Each of the parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other parties hereto.

12. Severability. In the event that any provision hereof would, under applicable law, be invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law. The provisions hereof are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

13. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one instrument. A facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original.

14. Payments. Each payment made pursuant to Section 2, 3 or 4 shall be paid by wire transfer of immediately available federal funds to the accounts specified to the Company in writing prior to such payment.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement (or caused this Agreement to be executed on its behalf by its officer or representative thereunto duly authorized) under seal as of the date first above written.

HCA INC.

By: /s/ R. Milton Johnson
Name: R. Milton Johnson
Title: Executive Vice President and Chief Financial Officer

[Management Agreement Signature Page]

HERCULES HOLDING II, LLC

By: /s/ Chris Gordon
Name: Chris Gordon
Title: President

[Management Agreement Signature Page]

BAIN CAPITAL PARTNERS, LLC

By: /s/ Stephen G. Pagliuca
Name: Stephen G. Pagliuca
Title: Managing Director

[Management Agreement Signature Page]

KOHLBERG KRAVIS ROBERTS & CO. L.P.

By: **KKR & CO. LLC, its general partner**

By: /s/ Michael W. Michelson
Name: Michael W. Michelson
Title: Member

[Management Agreement Signature Page]

MERRILL LYNCH GLOBAL PARTNERS, INC.

By: /s/ George A. Bitar
Name: George A. Bitar
Title: Managing Director

[Management Agreement Signature Page]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement (or \ caused this Agreement to be executed on its behalf by its officers or representatives as thereunto duly authorized) under seal as of the date that above written.

HCA INC.

By: _____
Name:
Title:

BAIN CAPITAL PARTNERS, LLC

By: _____
Name:
Title:

KOHLBERG FRAVIS ROBERTS CO, L.P.

By: **KKR & CO. LLC, its general partner**

By: _____
Name:
Title:

MERRILL LYNCH GLOBAL PARTNERS, INC.

By: _____
Name: Nathan Thorne
Title: President

By: /s/ Thomas F. Frist, Jr.
Name: Dr. Thomas F. Frist, Jr.

By: /s/ Patricia F. Elcan
Name: Patricia F. Elcan

By: /s/ William R. Frist
Name: William R. Frist

By: /s/ Thomas F. Frist III
Name: Thomas F. Frist III

Exhibit 10.22 (c)

SECOND AMENDMENT TO THE
HCA SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

This is the Second Amendment to the HCA Supplemental Executive Retirement Plan, as effective July 1, 2001 (the "Plan"). Under Section 8.1 of the Plan, the Board of Directors of HCA Inc. has the right to amend the Plan in the following particulars. Accordingly, the Board of Directors hereby amends the Plan in the following particulars effective as of November 16, 2006, except as otherwise noted.

1.

The definition of Actuarial Factors is revised effective January 1, 2007 to read as follows:

"Actuarial Factors" means (a) interest at the long-term Applicable Federal Rate under Code section 1274(d) or any successor thereto as of the first day of November preceding the Plan Year in which the Participant's Retirement, death, Disability, or termination with Benefit rights under Section 5.3 or 6.2 occurs, and (b) mortality based on the prevailing commissioners' standard table (described in Code section 807(d)(5)(A)) used in determining reserves for group annuity contracts.

2.

A revised definition of Change in Control is adopted, to replace the existing definition, and to read as follows:

"Change in Control" means: (a) a change in ownership of the Company; (b) a change in effective control of the Company; or (c) a change in the ownership of a substantial portion of the assets of the Company. For purposes of the preceding sentence: (a) a "change in ownership of the Company" means the acquisition by one person or entity or a group of persons and/or entities of greater than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (when such acquirer(s) previously owned less than fifty percent (50%) of the value and voting power of such stock); (b) a "change in effective control of the Company" means either: (i) the acquisition by one person or entity or a group of persons and/or entities within a 12-month period of ownership of stock of the Company possessing 35 percent (35%) or more of the total voting power; or (ii) a replacement of a majority of the Board during a 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to such appointment or election; and (c) a "change in ownership of a substantial portion of the assets of the Company" means acquisition by any person or entity or a group of persons and/or entities during a 12-month period of assets from the Company that have a total gross fair market value equal to or more than 40 percent (40%) of the total gross fair market value of all of the assets of the Company immediately prior to acquisition, provided that a sale to a related person or entity or a group of related persons and/or entities will not constitute a change in ownership of a substantial portion of the assets of the Company. The foregoing provisions will be interpreted in accordance with the

applicable final regulations issued under Code Section 409A with respect to the definition of a change in control.

3.

Section 2.2 is revised to read as follows:

2.2 Election to Participate Not Necessary. An Employee chosen by the Board or the Committee to participate need not take any action in order to participate. Only those Employees listed on Schedule A shall be eligible to participate.

4.

Section 3.1 is revised to read as follows:

3.1 Benefit Amount.

(a) The amount of a Participant's annual Benefit in the form of a life annuity beginning as of the first day of the month coincident with or next following Normal Retirement shall be based on the following formula:

(1) Schedule A Accrual Rate Percentage (i.e., 2.2% or 2.4%) for the Participant multiplied by the Participant's Years of Service, multiplied by the Participant's Pay Average; less

(2) The life annuity amount calculated as of the first day of the month coincident with or next following the Normal Retirement date, produced by the sum of the employer-provided amount of (1) the accrued benefits under the Qualified Plans, (2) the Qualified Plans' Distribution Amount, (3) the accrued benefits under the Nonqualified Plans, and (4) the Nonqualified Plans' Distribution Amount, utilizing the Actuarial Factors to convert any amount or benefit to a life annuity.

(b) The amount of a participant's annual Benefit in the form of a life annuity beginning as of the first day of the month coincident with or next following Early Retirement shall be based on the following formula:

(1) Schedule A Accrual Rate Percentage (i.e., 2.2% or 2.4%) for the Participant multiplied by the Participant's Years of Service, multiplied by the Participant's Pay Average; with such amount then reduced by three percent (3%) for each year that Retirement occurs before age 62, provided that, in the case of a fractional part of a year, this reduction factor will be adjusted by straight-line interpolation; less

(2) The life annuity amount calculated as of the first day of the month coincident with or next following the Early Retirement date, produced by the sum of the employer-provided amount of (1) the accrued benefits under the Qualified Plans, (2) the Qualified Plans' Distribution Amount, (3) the accrued benefits under the Nonqualified Plans, and (4) the Nonqualified Plans' Distribution Amount, utilizing the Actuarial Factors to convert any amount or benefit to a life annuity.

Subject to the provisions of Article V and the provisions of Section 6.2, should a Participant retire or cease working for the Employer prior to satisfying the Retirement conditions, he shall receive nothing from the Plan. Benefits payments will be made monthly.

5.

Section 4.1 is revised to read as follows:

4.1 Benefit Payments.

(a) Subject to subsections (c) and (d) below, a Participant who is entitled to a Benefit pursuant to Section 3.1 upon Early Retirement or Normal Retirement will be paid that Benefit in the form of a life annuity supplied by the Company from its general assets. Except as provided in Section 5.3, payment of annuity Benefits pursuant to this subsection (a) or subsection (b) will commence as of the first day of the month coincident with or next following the date that is six (6) months after the date of Retirement, provided that Retirement will not be deemed to occur and payments will not commence until base compensation payments cease, with respect to a Participant who ceases working at the request of Employer prior to expiration of payments of base compensation pursuant to his employment agreement. Annuity payments will be calculated as of the first day of the month coincident with or next following the Early or Normal Retirement date, and a lump-sum payment amount of the first six monthly payments plus interest earnings calculated at the interest rate of the Actuarial Factors will be paid with the first annuity payment, to cover the full months after the applicable Early or Normal Retirement date and prior to the initial payment date.

(b) If a life annuity is the applicable Retirement Benefit form, in lieu of a life annuity, a married Participant may elect to receive his Benefit in the form of a joint and 50%, 75% or 100% survivor annuity payable over the joint lives of the Participant and the spouse which is actuarially equivalent (utilizing Actuarial Factors) to the life annuity. In the event of such an election, if the Participant is not married as of his Retirement date, his Benefit will

be paid in the form of a life annuity, and no survivor benefits will be paid to anyone after the death of the Participant.

(c) A Participant who experiences Retirement or a termination with Benefit rights under Section 5.3 on or after January 1, 2007 will receive his Benefit in the form of a lump-sum distribution in cash if (1) the Participant elects the lump-sum distribution Retirement Benefit prior to 2008 (or prior to the first day of participation, with respect to an individual who first becomes a Participant after 2007), (2) the Participant fails to elect the annuity form of payment with respect to his Retirement Benefits prior to 2008 (or prior to the first day of participation, with respect to an individual who first becomes a Participant after 2007), or (3) notwithstanding anything in clauses (1) or (2) to the contrary, the Participant experiences Retirement on or prior to June 1, 2007 or experiences a termination with Benefit rights under Section 5.3 during 2007, and has not elected an annuity form of Retirement Benefits payment prior to 2007. Any lump sum will be paid on or as soon as administratively feasible following the first day of the month coincident with or next following the date that is six (6) months after the date of Retirement, provided that Retirement will not be deemed to occur and the lump-sum payment will not be made until base compensation payments cease, with respect to a Participant who ceases working at the request of Employer prior to expiration of payments of base compensation pursuant to his employment agreement. Any lump-sum distribution payment will be calculated as of the first day of the month coincident with or next following the Early or Normal Retirement date, and the lump-sum payment amount will include interest earnings from such calculation date through the payment date at the interest rate of the Actuarial Factors.

(d) Notwithstanding the preceding provisions of this Section 4.1 or any other provision of the Plan, in the case of a Participant who experiences a Retirement, terminates employment with Benefit rights under Section 5.3, incurs a Disability, or dies on or after January 1, 2006, the Committee shall pay the Participant's Benefit in a lump-sum distribution in cash if the present value of the Benefit, as calculated using Actuarial Factors as the first day of the month coincident with or next following Retirement, termination with Benefit rights under Section 5.3, death or Disability (whichever is applicable), does not exceed $1,000,000.

(e) Should a Benefit payment be delayed and the primary cause thereof is not any action(s) or failure(s) to act of the Participant or other payee, then the late payment will bear interest at the interest rate of the Actuarial Factors. If an annuity is elected, in lieu of the Company making payments from its general assets, at its discretion, the Committee may utilize Company assets to purchase

an annuity from a commercial annuity supplier to fund the annuity. Benefit payments will be calculated as of the first day of a month.

6.

Section 4.3 is amended by addition of the following paragraph, to follow the last sentence thereof:

Section 4.3 will not apply to any Participant who retires in 2007 and begins receiving payment of his Benefits (or receives all of his Benefits) in 2007. Instead, the provisions of Section 4.1 will apply.

7.

Section 5.1, relating to death benefits, is revised to read as follows:

5.1 Death.

(a) Subject to subsection (b) below and Section 4.1(d), in the event of the death of a married Participant prior to Retirement, but after attainment of age 55, an annuity will be supplied for the benefit of the Participant's surviving spouse with payments beginning as soon as administratively feasible following death which shall provide the surviving spouse with payments for life equal to the 100% survivor portion of a joint and 100% survivor annuity which could have been provided (assuming eligibility conditions met) for the Participant and spouse with the Participant's Benefit as determined on the day immediately preceding the date of the Participant's death. The Early Retirement factors supplied in Section 3.1(b)(1) will be utilized to calculate the Benefit that would exist if a life annuity was payable. (Such Benefit amount will then be utilized to calculate the actual survivor annuity Benefit.) Subject to subsection (b), in the event of death of a married Participant prior to age 55, annuity will be supplied for the Participant's surviving spouse with payments beginning as soon as administratively feasible following death which will supply the surviving spouse with payments for life equal to the 100% survivor portion of a joint and 100% survivor annuity which could have been provided (assuming eligibility conditions were met) for the Participant and spouse with the Participant's Benefit as determined on the day immediately preceding the date of the Participant's death. The Early Retirement factors supplied in Section 3.1(b)(1) will be utilized to calculate the Benefit at age 55, and such age 55 Benefit shall then be reduced by Actuarial Factors to the date of death, to calculate the Benefit that would exist if a single life annuity was payable. (Such Benefit amount shall then be utilized to calculate the actual survivor annuity Benefit.) Subject to subsection (b), should a married Participant die after Retirement, but before his Benefit payments begin and before a benefits

election form has been received by the Committee, then an annuity will be supplied for the benefit of the Participant's surviving spouse with payments beginning as soon as administratively feasible following death which will supply the surviving spouse with payments for life equal to the 50% survivor portion of a joint and 50% survivor annuity which could have been provided for the Participant and spouse with the Participant's Benefit as determined on the day immediately preceding the date of the Participant's death. No death benefits shall exist whatsoever for a single Participant.

(b) The death benefit payable pursuant to subsection (a) with respect to a married Participant who dies on or after January 1, 2007 will be paid to the Participant's surviving spouse in a lump sum in cash if (1) the Participant elects the lump-sum distribution death Benefit form prior to 2008 (or prior to the first day of participation, with respect to an individual who first becomes a Participant after 2007), (2) the Participant fails to elect the annuity form of payment with respect to his death Benefits prior to 2008 (or prior to the first day of participation with respect to an individual who first becomes a Participant after 2007), or (3) notwithstanding anything in clauses (1) or (2) to the contrary, the Participant dies in 2007 and did not elect an annuity with respect to his death Benefit prior to 2007. The lump-sum distribution will be calculated as of the first day of the month coincident with or next following the Participant's death, and it will be actuarially equivalent (based on the Actuarial Factors) to the survivor benefit of the applicable joint and survivor annuity commencing on such date. Any lump sum will be paid on or as soon as administratively feasible following the date of death. Interest earnings will not be paid. If a lump sum election has been made and there is no surviving spouse, no benefits whatsoever will be paid.

8.

Section 5.2, relating to disability benefits, is revised to read as follows:

5.2 <u>Disability</u>.

(a) Subject to subsection (b) below and Section 4.1(d), in the event of the Disability of a Participant prior to Retirement, the Benefit amount determined as of the date of Disability shall be utilized to supply an annuity (either a life annuity or a joint and survivor annuity) pursuant to the annuity terms of Sections 3.1 and 4.1 with payments to begin at age 55 (or immediately, if the Participant has already attained age 55), provided that if payments begin prior to age 62, they shall be reduced in accordance with the Early Retirement provisions of Section 3.1. Subject to subsection (b), a single Participant shall receive a life annuity, and a married

Participant shall receive either a life annuity or a joint and survivor annuity.

(b) In the case of a Participant who incurs a Disability on or after January 1, 2007, the Disability Benefit payable pursuant to subsection (a) will be paid to the Participant in a lump sum in cash if (1) the Participant elects the lump-sum distribution Disability benefit form prior to 2008 (or prior to the first day of participation, with respect to an individual who first becomes a Participant after 2007), (2) the Participant fails to elect the annuity form of payment with respect to his Disability Benefit prior to 2008 (or prior to the first day of participation with respect to an individual who first becomes a Participant after 2007); or (3) notwithstanding anything in clause (1) or (2) to the contrary, the Participant becomes Disabled in 2007 and did not elect an annuity with respect to his Disability Benefit prior to 2007. The lump-sum distribution will be calculated as of the first day of the month coincident with or next following the date of Disability, and it will be actuarially equivalent (based on the Actuarial Factors) to the life annuity determined under subsection (a). Any lump sum will be paid on or as soon as administratively feasible following the date of Disability. The lump-sum payment amount will include interest earnings from such calculation date through the payment date at the interest rate of the Actuarial Factors.

(c) Notwithstanding the foregoing provisions of this section, if any payment in this section 5.2 would reduce the amount payable to the Participant under any disability program of the Employer, payments hereunder shall not be made or commenced until such time as the payments would not result in a reduction in such disability benefits.

9.

Section 5.3, relating to a Change in Control, is revised to read as follows:

5.3 **Change in Control.** In the event of a Change in Control, with respect to Participants actively employed on the date of the Change in Control: (a) the Normal Retirement age will be age 60 (instead of age 62 with ten (10) Years of Service or age 65), without reduction of Benefits ordinarily applicable to Early Retirement; (b) all Benefits will be payable beginning at age 60, or prior to age 60 if the Participant attains age 55 with twenty (20) or more Years of Service, with the reductions ordinarily applicable to Early Retirement in accordance with Section 3.1 for each year or partial year of payments prior to age 60, (c) the Benefit form provisions of Section 4.1 applicable to Retirement will apply, except that (i) in accordance with the payment provisions of Section 4.1, a Participant who elected to receive a lump-sum distribution for Retirement Benefits will be paid his Benefits in a lump-sum on or as soon as administratively feasible

following the first day of the month coincident or next following the date that is six (6) months after his date of termination of employment following a Change in Control, and (ii) in accordance with the lump-sum payment provision of Section 4.1, a Participant who elected to receive annuity Retirement Benefits will be paid his Benefits in a lump-sum distribution on or as soon as administratively feasible following the first day of the month coincident or next following the date that is six (6) months after termination of employment following a Change in Control, if the present value of his Benefit does not exceed $1,000,000, as calculated using the Actuarial Factors on the first day of the month coincident with or next following termination of employment; and (d) subject to the first two sentences of Section 6.1, all Benefits shall be nonforfeitable. In the event of termination of employment of Employee by Employer (or the successor employer) when Cause does not exist, or a termination of employment by the Employee when Good Reason exists, within six (6) months before or after the Change in Control, in addition to the provisions described in the preceding sentence, an additional three (3) Years of Service shall be granted (not to exceed 25, in total) and the noncompete provisions of Section 6.3 will not apply. In the event of a Change in Control as a result of consummation of the July 24, 2006 merger agreement between HCA Inc., Hercules Holding II, LLC and Hercules Acquisition Corporation, with respect to Plan Participants as of July 24, 2006, except as otherwise required by law, the Plan will not be terminated and, subject to the Plan's limitations on benefit accrual, benefit accruals will not cease, on or after the consummation of such merger, until such time as all such Participants have become fully vested (or have had the opportunity to become fully vested) in the maximum Benefits available as of July 24, 2006.

10.

The following two sentences are added to Section 6.2, to follow the second sentence thereof:

If Benefits are so granted, such Benefits will be paid in a lump-sum distribution in cash as soon as administratively feasible after six (6) months have passed since the date that the Participant ceased to be an Employee. Such Benefits will include interest earnings calculated at the interest rate of the Actuarial Factors.

11.

All provisions of the Plan not inconsistent herewith are hereby ratified and confirmed.

Exhibit 10.26

HCA INC.
2007 SENIOR OFFICER PERFORMANCE EXCELLENCE PROGRAM

Purpose and Administration of the Program

The 2007 Senior Officer Performance Excellence Program (the "Program") has been established by HCA Inc. (the "Company") to encourage outstanding performance from its senior officers. Subject to applicable law, all designations, determinations, interpretations, and other decisions under or with respect to the Program or any award shall be within the sole discretion of the Compensation Committee (the "Committee"), may be made at any time and shall be final, conclusive and binding upon all persons. Designations, determinations, interpretations, and other decisions made by the Committee with respect to the Program or any award need not be uniform and may be made selectively among Participants (as defined below), whether or not such Participants are similarly situated.

Participation

All officers of the Company who have been designated by the Board of Directors as "executive officers" of the Company during 2007 (the "Fiscal Year") are eligible to receive an award pursuant to the Program.

Incentive Calculation and Payment of Awards

The Committee will make awards pursuant to the Program as set forth on Schedule A hereto, such awards to be made on such terms as the Committee may prescribe based on the performance criteria set forth on Schedule A hereto and such other factors as it may deem appropriate. The targets for the performance criteria shall be determined by the Committee in its discretion within the first three months of the Fiscal Year. The Committee shall determine whether and to what extent each performance or other goal has been met. Awards shall be paid within the three months following the end of the Fiscal Year, or as soon as thereafter practicable after financial results for the Fiscal Year are known. No awards will be paid to a Participant if the Committee determines that the Participant's conduct during the Fiscal Year was inconsistent with the Company's stated mission and values, the Code of Conduct or the Corporate Integrity Agreement. Awards pursuant to the Program will be paid in cash and on such other terms as the Committee may prescribe. Except as the Committee may otherwise determine in its sole and absolute discretion, termination of a Participant's employment prior to the end of the Fiscal Year, other than for reasons of death or disability, will result in the forfeiture of the award by the Participant, and no payments shall be made with respect thereto. This Program is not a "qualified" plan for federal income tax purposes, and any payments are subject to applicable tax withholding requirements.

Adjustments for Unusual or Nonrecurring Events

The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting any Participant, the Company, or any subsidiary or affiliate, or the financial statements of the Company or of any subsidiary or affiliate; in the event of changes in applicable laws, regulations or accounting principles; or in the event the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Program. The Committee is also authorized to adjust performance targets or awards (other than with respect to performance awards to Named Executive Officers) to avoid unwarranted penalties or windfalls.

No Right to Employment

The grant of an award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any subsidiary or affiliate.

No Trust or Fund Created

Neither the Program nor any award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any subsidiary or affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any subsidiary or affiliate pursuant to an award, such right shall be no greater than the right of any unsecured general creditor of the Company or any subsidiary or affiliate.

No Rights to Awards

No person shall have any claim to be granted any award and there is no obligation for uniformity of treatment among Participants. The terms and conditions of awards, if any, need not be the same with respect to each Participant.

Schedule A

2007 Measures and Weightings

	EBITDA[2]	Other[3]
Named Executive Officers[1]	100%	—
All other Senior Officers	80%	20%

1 Named Executive Officers shall include the Chairman and Chief Executive Officer, the President and Chief Operating Officer, the Executive Vice President and Chief Financial Officer, and the Group Presidents.

2 Eastern, Central, Western and Outpatient Group executives' EBITDA goals will be based 50% on group performance and 50% on overall Company performance. For the purposes of this calculation, EBITDA means earnings before income taxes, depreciation and amortization (but excluding any expenses for share-based compensation under FAS-123R with respect to any awards granted under the Program), as determined in good faith by the Board in consultation with the Chief Executive Officer.

3 Other measures may include patient, physician, employee or client satisfaction, or other individual goals.

2007 Named Executive Officer PEP Opportunities:

Each Participant in the Program is assigned an annual award target expressed as a percentage of salary. The annual award targets and maximums (as percentages of base salary) for officers who were designated as Named Executive Officers for 2007 are as set forth below.

	2007 Target	2007 Maximum
Chairman & CEO	120%	240%
President & COO	90%	180%
Executive Vice President &CFO and Group Presidents	60%	120%

The annual award targets for senior officers other than the Named Executive Officers range from 30% to 50% of base salary, with maximums ranging from 60% to 100% of base salary. Participants shall receive 100% of the target award for target performance, 50% of the target award for a minimum acceptable (threshold) level of performance, and a maximum of 200% of the target award for maximum performance. Payouts between threshold and maximum shall be calculated by the Committee in its sole discretion using interpolation. The threshold, target and maximum performance levels shall be set by the Committee in its sole discretion.

Exhibit 10.27(a)

EMPLOYMENT AGREEMENT
Jack O. Bovender Jr.

This EMPLOYMENT AGREEMENT (the "Agreement") dated November 16, 2006 is entered into by and between Hercules Holding II, LLC (the "Company") and Jack O. Bovender Jr. (the "Executive").

In connection with the merger contemplated under that certain Agreement and Plan of Merger by and among HCA Inc. ("HCA"), the Company and Hercules Acquisition Corporation, dated July 24, 2006 (the "Merger Agreement", and such transaction being the "Merger") the Company desires to employ Executive and to enter into an agreement embodying the terms of such employment, effective as of the consummation of the Merger (the "Closing");

After the Closing, the Company will own substantially all of the stock of HCA; and

Executive desires to accept such employment and enter into such an agreement.

In consideration of the promises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment; Effectiveness. Subject to the occurrence of the Closing, Executive shall be employed by HCA Management Services, L.P., an affiliate of HCA existing solely as an employment vehicle for corporate employees of HCA, on the terms and subject to the conditions set forth in this Agreement until Executive's employment is terminated in accordance with Section 7 of this Agreement (the "Employment Term"). Notwithstanding any other provision of this Agreement, the operative provisions of this Agreement shall become effective only upon the Closing Date (as defined in the Merger Agreement). In the event the Merger Agreement is terminated for any reason without the Closing Date having occurred, this Agreement shall be terminated without further obligation or liability of either party. Upon the Closing, the Company will cause HCA to assume this Agreement and all references to "Company" contained herein shall at all times thereafter refer to HCA.

2. Position.

a. During the Employment Term, Executive shall serve as the Chairman and Chief Executive Officer of HCA. In such position, Executive shall have such duties, authority and responsibility as shall be determined from time to time by the Board of Directors of HCA (the "Board"), which duties, authority and responsibility are consistent with his existing position with HCA with respect to the business of HCA. For so long as Executive is an officer with the Company, Executive shall serve as a member of the Board. Executive shall, if requested, also serve as a member of the Board of Directors of any affiliate of the Company, without additional compensation.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which

would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; provided that nothing herein shall preclude Executive, subject to the prior approval of the Board, from accepting appointment to or continue to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 8.

3. Base Salary. During the Employment Term, HCA shall pay Executive a base salary at the annual rate of $1,620,228, payable in regular installments in accordance with HCA's normal payroll practices. The Board will review Executive's salary annually, and Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined in the sole discretion of the Board, based upon such review. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

4. Annual Bonus.

a. With respect to the 2006 fiscal year, Executive shall be eligible to receive the annual bonus to which Executive is otherwise entitled under the HCA 2006 Senior Officer Performance Excellence Program as a "covered officer" (as defined therein), to be paid at the target level on the Closing Date; pursuant to such program, and as set forth in the Merger Agreement.

b. With respect to each full fiscal year of HCA (a "Fiscal Year") occurring during the Employment Term, beginning with the 2007 Fiscal Year, Executive shall be eligible to earn, pursuant to an annual bonus program to be adopted by the Board, an annual bonus award (an "Annual Bonus") equal to a percentage of Executive's Base Salary, based upon the extent to which annual performance targets established by the Board are met or exceeded. The Annual Bonus, if any, shall be paid to Executive within two and one-half (2.5) months after the end of the applicable Fiscal Year. For the 2007 Fiscal Year, Executive shall be eligible to earn a target bonus of (i) 120% of Base Salary (the "Target Bonus") if annual performance targets are met, (ii) 50% of the Target Bonus if a lower "threshold" level of performance is achieved, or (iii) two times the Target Bonus if "maximum" performance goals are achieved, with the Annual Bonus amount being interpolated, in the sole discretion of the Board, in the event that performance results exceed "threshold" goals but do not exceed "maximum" goals. For the 2007 Fiscal Year, "target" performance will be $4,407 million in EBITDA (which will be calculated in the same way it is calculated for purposes of the vesting of options granted under the New Option Plan (as defined below) that vest based on the attainment of EBITDA targets), "threshold" performance will be 96.4%% of "target" and "maximum" performance will be 103.6% "of target" performance (with appropriate adjustments by the Board for extraordinary transactions and changes in capital expenditures). With respect to the 2008 Fiscal Year, the Board shall in good faith attempt to provide Annual Bonus opportunities to Executive that are consistent with those applicable to the 2007 Fiscal Year, unless doing so would be adverse to the interests of HCA, the Company or their shareholders. For later fiscal years, the Board will set bonus opportunities in consultation with the Chief Executive Officer of HCA.

5. Employee Benefits and Business Expenses. During the Employment Term, Executive shall be entitled to participate in HCA's pension and welfare benefit, deferred

compensation, cash incentive compensation and perquisite plans as in effect from time to time for senior executives of HCA (collectively "Employee Benefits"). In addition, during the Employment Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by HCA in accordance with HCA's policies. During the Employment Term, HCA shall also (a) provide Executive with Director's and Officer's indemnification and insurance coverage to the extent that the Board determines to be reasonable, in its sole discretion, for a company of the nature and size of HCA and (b) shall continue Executive's participation in HCA's Supplemental Executive Retirement Plan until such time as Executive has become fully vested in the maximum benefit available to the Executive under that plan (including achieving the maximum years of service) in accordance with the terms of the Merger Agreement.

6. Equity Arrangements.

a. In connection with the Merger, Executive shall (i) participate in the equity compensation program established by HCA effective as of the Closing, pursuant to which, on the Closing, Executive shall receive a grant of options to purchase shares of common stock of HCA (with an exercise price of $51.00 per share) pursuant to a stock incentive plan to be adopted by HCA (the "New Options", and any shares of common stock acquired upon exercise of such New Options, "Option Stock", with the plan being the "New Option Plan"), (ii) be permitted to rollover existing HCA stock options and/or shares of HCA common stock (or have such options and/or shares cashed out in connection with the Merger and (iii) execute a stockholder's agreement and such other related agreements that are in forms reasonably acceptable to Executive and the Company (such agreements, together with the option grant and stock incentive plan, the "Equity Agreements"). Executive's New Options (ignoring Executive's possible receipt of 2x Time Options, as defined and discussed below in Section 6(b)) will cover approximately 0.0375 times 10% of the fully diluted equity of HCA on the Closing Date (10% of the fully diluted equity of HCA on the Closing Date being the "Option Pool").

b. HCA will reserve 10% of the Option Pool to be granted on the following terms (these options being the "2x Time Options"). HCA agrees that after Closing Date, it will grant 100% of the 2x Time Options to one or more of Jack Bovender, Richard Bracken, R. Milton Johnson, Samuel Hazen, W. Paul Rutledge, Beverly Wallace, and Charles Hall (the "Tier 1 Executives"). The individual allocations will be based upon each executive's contribution to HCA and the Company between the Closing and the date of grant as determined by the Board in consultation with the Chief Executive Officer (provided that the fact that Jack Bovender may have retired prior to the grant date will not be held against him in making such allocation and shall not preclude him from receiving 2x Time Options). A percentage of the 2x Time Options will be vested and exercisable on the date of grant, such percentage corresponding to the percentage of the period measured between the Closing Date and the fifth anniversary of the Closing Date that has elapsed as of the grant date. The 2x Time Options will otherwise vest pursuant to the schedule generally used in connection with HCA's other time-vesting options, subject to continued employment (or special provisions governing retirement as may be mutually agreed to by an Executive and the Company or HCA). The 2x Time Options will have an exercise price of $102 per share (subject to adjustment to take into account any share splits, extraordinary cash dividends, or other adjustment events under Section 8 of the New Option Plan, in any case made on or after Closing). The Board will in good faith attempt to time the

grant of the 2x Time Options relatively near in time to but before the earlier of (i) a "Change in Control" or "Public Offering" as defined in the New Option Plan or (ii) the time at which the Board in its good faith judgment, believes that it is likely that the fair market value per share of HCA common stock will soon thereafter exceed the proposed exercise price of the 2x Time Options, but not later than the fifth anniversary of the Closing Date. The form of the award agreement for the 2x Time Options will otherwise be consistent with the terms of time-vesting options that the Executive is granted in connection with the Closing. If an executive's employment is terminated, then any 2x Time Options which are forfeited (or 2x option shares which are repurchased) would be re-issued to the other then-remaining Tier 1 Executives or the person who is chosen to replace the forfeiting Tier 1 Executive.

c. In connection with the foregoing, Executive hereby acknowledges his or her commitment to invest in the Company or HCA as agreed to in that certain Management Investment Letter agreement between the Executive and the Company, in an amount as described under the sub-heading "Equity Roll Over Commitments" in HCA's definitive proxy statement filed October 17, 2006.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Company at least 90 days advance written notice of any resignation of Executive's employment; provided, however, that the Company may elect to accelerate the effective date of such resignation, and such acceleration shall not be deemed a termination of Executive's employment without Cause (as defined below) by the Company. Notwithstanding any other provision of this Agreement, and subject to the provisions of the Equity Agreements, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates.

a. By the Company For Cause or By Executive Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company for Cause (as defined below) and shall terminate automatically upon Executive's voluntary resignation without Good Reason (as defined below).

(ii) For purposes of this Agreement, "Cause" shall mean Executive's:

(A) willful and continued failure to perform his or her material duties with respect to the Company or it subsidiaries which continues beyond ten (10) business days after a written demand for substantial performance is delivered to Executive by the Company (the "Cure Period"); or

(B) willful or intentional engaging by Executive in material misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, the Sponsor Group (as defined in Section 8 below) or their respective affiliates; or

(C) conviction of, or a plea of *nolo contendere* to, a crime constituting (x) a felony under the laws of the United States or any state thereof or (y) a misdemeanor for which a sentence of more than six months' imprisonment is imposed; or

(D) willful and material breach of the Equity Agreements, or Executive's engaging in any action in breach of the covenants set forth in Section 8, which continues beyond the Cure Period (to the extent that, in the Board's reasonable judgment, such breach can be cured).

For purposes of this Section 7(a)(ii), an action will not be considered "willful" unless taken in bad faith or without the reasonable belief that it was in the best interest of HCA.

(iii) If Executive's employment is terminated by the Company for Cause or if Executive voluntarily resigns without Good Reason (other than due to Executive's death or Disability (as defined in Section 7(b) below)), Executive shall be entitled to receive:

(A) any Base Salary earned, but unpaid, through the date of termination;

(B) any Annual Bonus earned, but unpaid, as of the date of termination for the immediately preceding Fiscal Year, paid in accordance with Section 4 (except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement with HCA);

(C) reimbursement, within 60 days following submission by Executive to the Company and HCA of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with HCA policy prior to the date of Executive's termination; so long as claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company and HCA within 90 days following the date of Executive's termination of employment; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of HCA, (the amounts described in clauses (A) through (D) hereof being referred to as the "Accrued Rights").

Following such termination of Executive's employment by the Company for Cause or voluntary resignation by Executive without Good Reason (other than due to Executive's death or Disability), except as set forth in this Section 7(a)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Company if Executive becomes disabled (within the meaning of Section 409A of the Internal Revenue Code (such incapacity is hereinafter referred to as "Disability")). Any question as to the existence of the Disability of

Executive as to which Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of this Agreement, and the Company shall bear the costs of retaining the independent physician.

(ii) Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights; and

(B) a pro rata portion of the Annual Bonus, if any, that Executive would have been entitled to receive pursuant to Section 4 hereof for the Fiscal Year in which such termination occurs, based upon HCA's actual results for the year of termination and the percentage of the Fiscal Year that shall have elapsed through the date of Executive's termination of employment, payable to Executive pursuant to Section 4 had Executive's employment not terminated (a "Prorated Bonus").

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 7(b)(ii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

c. By the Company Without Cause or By Executive Due to Voluntary Resignation for Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company without Cause (other than by reason of Executive's Disability) and shall terminate automatically upon Executive's voluntary resignation for Good Reason.

(ii) For purposes of this Agreement, "Good Reason" shall mean:

(A) (I) a reduction in Executive's Base Salary (other than a general reduction in Base Salary that affects all similarly situated employees (defined as all employees within the same HCA pay grade as that of Executive) in substantially the same proportions that the Board implements in good faith after consultation with the Chief Executive Officer and Chief Operating Officer of HCA), or (II) a reduction in Executive's annual incentive compensation opportunity, or (III) the reduction of benefits payable to Executive under HCA's Supplemental Executive Retirement Plan, in each case other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(B) a substantial diminution in Executive's title, duties and responsibilities, other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(C) a transfer of Executive's primary workplace to a location that is more than twenty (20) miles from his or her workplace as of the date of this Agreement.

(iii) If Executive's employment is terminated by the Company without Cause (other than by reason of Executive's Disability), or if Executive voluntarily resigns with Good Reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) subject to Executive's execution and delivery of a general release of claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive's continued compliance with the provisions of Sections 8 and 9, payment of an amount equal to the product of (I) three times the sum of (II) Executive's (x) then Base Salary and (y) Annual Bonus paid or payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which such termination occurs, payable over a two-year period (or such shorter period as may be required by applicable tax laws) (the "Severance Period");

(C) a Prorated Bonus;

(D) continued coverage under HCA's group health plans during the Severance Period on the same basis as such coverage was provided immediately prior to Executive's termination of employment; provided that, in order to facilitate such coverage, the Executive, in accordance with HCA's policies in effect at the time of Executive's termination, agrees to elect continuation coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (the amounts described in clauses (B), (C) and (D) hereof being referred to as the "Severance Benefits");

(E) notwithstanding any provision to the contrary in the New Option, Executive's vested New Options will remain exercisable until the first anniversary of the termination of Executive's employment.

Following Executive's termination of employment by the Company without Cause (other than by reason of Executive's Disability) or voluntary resignation with Good Reason by Executive, Executive shall be permitted to choose to have Executive's covenants described in Section 8(a)(i) (as well as any similar covenant in HCA's shareholder's agreement) waived in lieu of receiving the Severance Benefits; and, except as set forth in this Section 7(c)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

d. Retirement. Notwithstanding any provisions to the contrary in the New Options or HCA's shareholder's agreement, in the event of (i) any termination of Executive's employment after Executive has attained 62 years of age (other than a termination by the Company for Cause) or (ii) a termination of the Executive's employment by the Company without Cause, then (A) neither the Executive nor the Company shall have any put or call rights with respect to Executive's New Options or Option Stock, (B) the unvested New Options held by the Executive that vest solely based on the passage of time will vest as if Executive's employment had continued through the next three anniversaries of their date of grant, (C) the unvested New Options held by Executive that are performance options will remain outstanding and will vest, if at all, on the next three dates that they would have otherwise vested had Executive's employment continued, based upon the extent to which performance goals are met, (D) Executive's New Options will remain exercisable until the second anniversary of the last date on which his performance-based New Options are eligible to vest, except that Executive's New Options that are granted with a strike price equal to two times that of his performance-based New Options will remain exercisable until the fifth anniversary of the last date on which his performance-based New Options are eligible to vest, and (E) continued coverage under HCA's group health plans (on the same basis as such coverage was provided immediately prior to Executive's termination of employment) for Executive and his spouse as of the date of this Agreement until, in each case, the Executive and his spouse attains 65 years of age. The provisions of this Section 7(d) are in addition to (and not in lieu of) the provisions of Sections 7(a)(iii), 7(b)(ii) and 7(c)(iii).

e. Notice of Termination. Any purported termination of employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11(i) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

f. Board/Committee Resignation. Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the Board (and any committees thereof) and the Board of Directors (and any committees thereof) of any of the Company's affiliates to which the Executive was appointed as a result of Executive's employment with the Company or was appointed at the direction of the Sponsor Group.

8. Non-Competition; Non-Solicitation.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and, subject to the provisions of Section 7(c)(iii), accordingly agrees as follows:

(i) During the Employment Term and, for a period of twenty-four (24) months following the date Executive ceases to be employed hereunder for any reason (the "Restricted Period"), Executive will not directly or indirectly:

(A) engage in any business that competes with the business of the Company or its affiliates (including businesses which the Company or its affiliates have specific plans to conduct in the future, as to which the Company or its affiliates have taken steps towards commencing and as to which Executive has participated in such planning) in any geographical area where the Company or its affiliates manufactures, produces, sells, leases, rents, licenses or otherwise provides its products or services (a "Competitive Business");

(B) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(D) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement) between the Company or any of its affiliates and customers, clients, or suppliers of the Company or its affiliates.

(ii) Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if Executive (x) is not a controlling person of, or a member of a group which controls, such person and (y) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(iii) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates; or

(B) hire any such employee who was employed by the Company or its affiliates as of the date of Executive's termination of employment with the Company or who left the employment of the Company or its affiliates coincident with, or within one year prior to, the termination of Executive's employment with the Company.

(iv) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company or its affiliates any consultant then under contract with the Company or its affiliates.

(v) Notwithstanding the foregoing, the term "affiliates" as used in Section 8(a) will not include any member of the Sponsor Group (as defined below) or their affiliates that are not engaged in Competitive Business. For purposes of this Agreement, the term "Sponsor Group" shall mean Bain Capital Partners LLC, Kohlberg Kravis Roberts & Co. L.P., and Merrill Lynch Global Private Equity.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 8 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

9. Confidentiality.

a. Executive will not at any time (whether during or after Executive's employment hereunder): (i) retain or use for the benefit, purposes or account of Executive or any other Person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information —including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals — concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

b. "Confidential Information" shall not include any information that is (i) generally known to the industry or the public other than as a result of Executive's breach of this covenant or any breach of other confidentiality obligations by third parties; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by law to be disclosed; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

c. Except as required by law, Executive will not disclose to anyone, other than Executive's immediate family and legal or financial advisors, the existence or contents of this Agreement; provided that Executive may disclose to any prospective future employer the provisions of Sections 8 and 9 of this Agreement provided they agree to maintain the confidentiality of such terms.

d. Upon termination of Executive's employment hereunder, Executive shall (i) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (ii) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries (including Executive's personal rolodex) that do not contain any Confidential Information; and (iii) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

10. Specific Performance; Forfeiture of Certain Equity.

a. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8 or Section 9 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

b. In the event that the Executive breaches these covenants during the Restricted Period, in addition to other remedies, the Company will be entitled to recover any payments made by the Company to the Executive in respect of the repurchase of the Executive's New Options and Option Stock (except that, with respect to the Option Stock, such recovery will be limited to only the amounts, if any, that the Executive received in excess of the exercise price paid by the Executive in acquiring such Option Stock, on a net after-tax basis).

11. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to conflicts of laws principles thereof.

b. Dispute Resolution. Except as otherwise provided in Section 10 of this Agreement, any controversy, dispute, or claim arising out of, in connection with, or in relation to, the interpretation, performance or breach of this Agreement, including, without limitation, the validity, scope, and enforceability of this section, may at the election of any party, be solely and finally settled by arbitration conducted in Nashville, Tennessee, by and in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, or any successor organization and with the Expedited Procedures thereof (collectively, the "Rules"). Each of the parties hereto agrees that such arbitration shall be conducted by a single arbitrator selected in accordance with the Rules; provided that such arbitrator shall be experienced in deciding cases concerning the matter which is the subject of the dispute. Any of the parties may demand arbitration by written notice to the other and to the Arbitrator set forth in this Section 11(b) ("Demand for Arbitration"). Each of the parties agrees that if possible, the award shall be made in writing no more than 30 days following the end of the proceeding. Any award rendered by the arbitrator(s) shall be final and binding and judgment may be entered on it in any court of competent jurisdiction. Each of the parties hereto agrees to treat as confidential the results of any arbitration (including, without limitation, any findings of fact and/or law made by the arbitrator) and not to disclose such results to any unauthorized person. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable. In the event of any arbitration with regard to this Agreement, each party shall pay its own legal fees and expenses, provided, however, that the parties agree to share the cost of the Arbitrator's fees. If Executive substantially prevails on any of his substantive legal claims, then the Company shall pay all legal fees incurred by Executive to arbitrate the dispute, and all arbitration fees.

c. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive hereunder. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

d. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

e. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

f. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is (i) an affiliate of the Company, so long as such affiliate maintains sufficient assets to satisfy the Company's obligation hereunder, (ii) a successor in interest to substantially all of the

business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor person or entity.

g. No Set Off; No Mitigation. The Company's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment, taking into account the provisions of Section 8 of this Agreement.

h. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

i. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to Hercules Holding II, LLC, to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to HCA Inc., to

HCA Inc.
One Park Plaza
Nashville, TN 37203
Attn: General Counsel
Telecopy: (615) 344-1531

and copies to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to Executive:

To the Executive's address of record on the books of the Company.

j. Prior Agreements. This Agreement supercedes all prior agreements and understandings (including verbal agreements) between Executive and the Company and/or its affiliates regarding the terms and conditions of Executive's employment with the Company and/or its affiliates.

k. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. The Company shall pay to Executive reasonable fees, and reimburse Executive's reasonable related business expenses incurred by Executive in connection with Executive's provision of such services. This provision shall survive any termination of this Agreement.

l. Withholding Taxes. The Company or HCA may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

n. Compliance with Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be so interpreted. Notwithstanding anything herein to the contrary, (i) if at the time of Executive's termination of employment hereunder Executive is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, the parties agree to restructure the payments or benefits to comply with Section 409A of the Code in a manner which does not diminish the value of such payments and benefits to the Executive.

o. Future Change in Control. The Company and the Executive agree to work together in good faith to try to address any issues posed by Sections 280G and 4999 of

the Code that could arise as a result of a change in control of HCA (within the meaning of Section 280G of the Code) that occurs after the Closing.

p. Option Adjustment. The Company agrees to indemnify Executive against any adverse tax consequences (including, without limitation, under Section 409A and 4999 of the Code), if any, that result from the adjustment by the Company or HCA of stock options held by the Executive in connection with the Merger or the payment of any extraordinary cash dividends after the Closing. For the avoidance of doubt, this indemnity does not extend to tax consequences that arise upon the "cash out" of Executive's existing HCA stock options on the Closing (or otherwise upon the exercise of Executive's stock options).

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

HERCULES HOLDING II, LLC
/s/ Chris Gordon

By: Chris Gordon
Title: President

JACK O. BOVENDER JR.
/s/ Jack O. Bovender, Jr.

Exhibit 10.27(b)

EMPLOYMENT AGREEMENT
Richard M. Bracken

This EMPLOYMENT AGREEMENT (the "Agreement") dated November 16, 2006 is entered into by and between Hercules Holding II, LLC (the "Company") and Richard M. Bracken (the "Executive").

In connection with the merger contemplated under that certain Agreement and Plan of Merger by and among HCA Inc. ("HCA"), the Company and Hercules Acquisition Corporation, dated July 24, 2006 (the "Merger Agreement", and such transaction being the "Merger") the Company desires to employ Executive and to enter into an agreement embodying the terms of such employment, effective as of the consummation of the Merger (the "Closing");

After the Closing, the Company will own substantially all of the stock of HCA; and

Executive desires to accept such employment and enter into such an agreement.

In consideration of the promises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment; Effectiveness. Subject to the occurrence of the Closing, Executive shall be employed by HCA Management Services, L.P., an affiliate of HCA existing solely as an employment vehicle for corporate employees of HCA, on the terms and subject to the conditions set forth in this Agreement until Executive's employment is terminated in accordance with Section 7 of this Agreement (the "Employment Term"). Notwithstanding any other provision of this Agreement, the operative provisions of this Agreement shall become effective only upon the Closing Date (as defined in the Merger Agreement). In the event the Merger Agreement is terminated for any reason without the Closing Date having occurred, this Agreement shall be terminated without further obligation or liability of either party. Upon the Closing, the Company will cause HCA to assume this Agreement and all references to "Company" contained herein shall at all times thereafter refer to HCA.

2. Position.

a. During the Employment Term, Executive shall serve as the President and Chief Operating Officer of HCA. In such position, Executive shall have such duties, authority and responsibility as shall be determined from time to time by the Chief Executive Officer, which duties, authority and responsibility are consistent with his existing position with HCA with respect to the business of HCA. For so long as Executive is an officer with the Company, Executive shall serve as a member of the Board of Directors of HCA (the "Board"). Executive shall, if requested, also serve as a member of the Board of Directors of any affiliate of the Company, without additional compensation.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which

would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; provided that nothing herein shall preclude Executive, subject to the prior approval of the Board, from accepting appointment to or continue to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 8.

3. Base Salary. During the Employment Term, HCA shall pay Executive a base salary at the annual rate of $1,060,872, payable in regular installments in accordance with HCA's normal payroll practices. The Board will review Executive's salary annually, and Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined in the sole discretion of the Board, based upon such review. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

4. Annual Bonus.

a. With respect to the 2006 fiscal year, Executive shall be eligible to receive the annual bonus to which Executive is otherwise entitled under the HCA 2006 Senior Officer Performance Excellence Program as a "covered officer" (as defined therein), to be paid at the target level on the Closing Date; pursuant to such program, and as set forth in the Merger Agreement.

b. With respect to each full fiscal year of HCA (a "Fiscal Year") occurring during the Employment Term, beginning with the 2007 Fiscal Year, Executive shall be eligible to earn, pursuant to an annual bonus program to be adopted by the Board, an annual bonus award (an "Annual Bonus") equal to a percentage of Executive's Base Salary, based upon the extent to which annual performance targets established by the Board are met or exceeded. The Annual Bonus, if any, shall be paid to Executive within two and one-half (2.5) months after the end of the applicable Fiscal Year. For the 2007 Fiscal Year, Executive shall be eligible to earn a target bonus of (i) 90% of Base Salary (the "Target Bonus") if annual performance targets are met, (ii) 50% of the Target Bonus if a lower "threshold" level of performance is achieved, or (iii) two times the Target Bonus if "maximum" performance goals are achieved, with the Annual Bonus amount being interpolated, in the sole discretion of the Board, in the event that performance results exceed "threshold" goals but do not exceed "maximum" goals. For the 2007 Fiscal Year, "target" performance will be $4,407 million in EBITDA (which will be calculated in the same way it is calculated for purposes of the vesting of options granted under the New Option Plan (as defined below) that vest based on the attainment of EBITDA targets), "threshold" performance will be 96.4%% of "target" and "maximum" performance will be 103.6% "of target" performance (with appropriate adjustments by the Board for extraordinary transactions and changes in capital expenditures). With respect to the 2008 Fiscal Year, the Board shall in good faith attempt to provide Annual Bonus opportunities to Executive that are consistent with those applicable to the 2007 Fiscal Year, unless doing so would be adverse to the interests of HCA, the Company or their shareholders. For later fiscal years, the Board will set bonus opportunities in consultation with the Chief Executive Officer of HCA.

5. Employee Benefits and Business Expenses. During the Employment Term, Executive shall be entitled to participate in HCA's pension and welfare benefit, deferred

compensation, cash incentive compensation and perquisite plans as in effect from time to time for senior executives of HCA (collectively "Employee Benefits"). In addition, during the Employment Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by HCA in accordance with HCA's policies. During the Employment Term, HCA shall also (a) provide Executive with Director's and Officer's indemnification and insurance coverage to the extent that the Board determines to be reasonable, in its sole discretion, for a company of the nature and size of HCA and (b) shall continue Executive's participation in HCA's Supplemental Executive Retirement Plan until such time as Executive has become fully vested in the maximum benefit available to the Executive under that plan (including achieving the maximum years of service) in accordance with the terms of the Merger Agreement.

6. Equity Arrangements.

a. In connection with the Merger, Executive shall (i) participate in the equity compensation program established by HCA effective as of the Closing, pursuant to which, on the Closing, Executive shall receive a grant of options to purchase shares of common stock of HCA (with an exercise price of $51.00 per share) pursuant to a stock incentive plan to be adopted by HCA (the "New Options", and any shares of common stock acquired upon exercise of such New Options, "Option Stock", with the plan being the "New Option Plan"), (ii) be permitted to rollover existing HCA stock options and/or shares of HCA common stock (or have such options and/or shares cashed out in connection with the Merger and (iii) execute a stockholder's agreement and such other related agreements that are in forms reasonably acceptable to Executive and the Company (such agreements, together with the option grant and stock incentive plan, the "Equity Agreements"). Executive's New Options (ignoring Executive's possible receipt of 2x Time Options, as defined and discussed below in Section 6(b)) will cover approximately 0.0328125 times 10% of the fully diluted equity of HCA on the Closing Date (10% of the fully diluted equity of HCA on the Closing Date being the "Option Pool").

b. HCA will reserve 10% of the Option Pool to be granted on the following terms (these options being the "2x Time Options"). HCA agrees that after Closing Date, it will grant 100% of the 2x Time Options to one or more of Jack Bovender, Richard Bracken, R. Milton Johnson, Samuel Hazen, W. Paul Rutledge, Beverly Wallace, and Charles Hall (the "Tier 1 Executives"). The individual allocations will be based upon each executive's contribution to HCA and the Company between the Closing and the date of grant as determined by the Board in consultation with the Chief Executive Officer (provided that the fact that Jack Bovender may have retired prior to the grant date will not be held against him in making such allocation and shall not preclude him from receiving 2x Time Options). A percentage of the 2x Time Options will be vested and exercisable on the date of grant, such percentage corresponding to the percentage of the period measured between the Closing Date and the fifth anniversary of the Closing Date that has elapsed as of the grant date. The 2x Time Options will otherwise vest pursuant to the schedule generally used in connection with HCA's other time-vesting options, subject to continued employment (or special provisions governing retirement as may be mutually agreed to by an Executive and the Company or HCA). The 2x Time Options will have an exercise price of $102 per share (subject to adjustment to take into account any share splits, extraordinary cash dividends, or other adjustment events under Section 8 of the New Option Plan, in any case made on or after Closing). The Board will in good faith attempt to time the

grant of the 2x Time Options relatively near in time to but before the earlier of (i) a "Change in Control" or "Public Offering" as defined in the New Option Plan or (ii) the time at which the Board in its good faith judgment, believes that it is likely that the fair market value per share of HCA common stock will soon thereafter exceed the proposed exercise price of the 2x Time Options, but not later than the fifth anniversary of the Closing Date. The form of the award agreement for the 2x Time Options will otherwise be consistent with the terms of time-vesting options that the Executive is granted in connection with the Closing. If an executive's employment is terminated, then any 2x Time Options which are forfeited (or 2x option shares which are repurchased) would be re-issued to the other then-remaining Tier 1 Executives or the person who is chosen to replace the forfeiting Tier 1 Executive.

c. In connection with the foregoing, Executive hereby acknowledges his or her commitment to invest in the Company or HCA as agreed to in that certain Management Investment Letter agreement between the Executive and the Company, in an amount as described under the sub-heading "Equity Roll Over Commitments" in HCA's definitive proxy statement filed October 17, 2006.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Company at least 90 days advance written notice of any resignation of Executive's employment; provided, however, that the Company may elect to accelerate the effective date of such resignation, and such acceleration shall not be deemed a termination of Executive's employment without Cause (as defined below) by the Company. Notwithstanding any other provision of this Agreement, and subject to the provisions of the Equity Agreements, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates.

a. By the Company For Cause or By Executive Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company for Cause (as defined below) and shall terminate automatically upon Executive's voluntary resignation without Good Reason (as defined below).

(ii) For purposes of this Agreement, "Cause" shall mean Executive's:

(A) willful and continued failure to perform his or her material duties with respect to the Company or it subsidiaries which continues beyond ten (10) business days after a written demand for substantial performance is delivered to Executive by the Company (the "Cure Period"); or

(B) willful or intentional engaging by Executive in material misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, the Sponsor Group (as defined in Section 8 below) or their respective affiliates; or

(C) conviction of, or a plea of *nolo contendere* to, a crime constituting (x) a felony under the laws of the United States or any state thereof or (y) a misdemeanor for which a sentence of more than six months' imprisonment is imposed; or

(D) willful and material breach of the Equity Agreements, or Executive's engaging in any action in breach of the covenants set forth in Section 8, which continues beyond the Cure Period (to the extent that, in the Board's reasonable judgment, such breach can be cured).

For purposes of this Section 7(a)(ii), an action will not be considered "willful" unless taken in bad faith or without the reasonable belief that it was in the best interest of HCA.

(iii) If Executive's employment is terminated by the Company for Cause or if Executive voluntarily resigns without Good Reason (other than due to Executive's death or Disability (as defined in Section 7(b) below)), Executive shall be entitled to receive:

(A) any Base Salary earned, but unpaid, through the date of termination;

(B) any Annual Bonus earned, but unpaid, as of the date of termination for the immediately preceding Fiscal Year, paid in accordance with Section 4 (except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement with HCA);

(C) reimbursement, within 60 days following submission by Executive to the Company and HCA of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with HCA policy prior to the date of Executive's termination; so long as claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company and HCA within 90 days following the date of Executive's termination of employment; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of HCA, (the amounts described in clauses (A) through (D) hereof being referred to as the "Accrued Rights").

Following such termination of Executive's employment by the Company for Cause or voluntary resignation by Executive without Good Reason (other than due to Executive's death or Disability), except as set forth in this Section 7(a)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Company if Executive becomes disabled (within the meaning of Section 409A of the Internal Revenue Code (such incapacity is hereinafter referred to as "Disability")). Any question as to the existence of the Disability of

Executive as to which Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of this Agreement, and the Company shall bear the costs of retaining the independent physician.

(ii) Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights; and

(B) a pro rata portion of the Annual Bonus, if any, that Executive would have been entitled to receive pursuant to Section 4 hereof for the Fiscal Year in which such termination occurs, based upon HCA's actual results for the year of termination and the percentage of the Fiscal Year that shall have elapsed through the date of Executive's termination of employment, payable to Executive pursuant to Section 4 had Executive's employment not terminated (a "Prorated Bonus").

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 7(b)(ii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

c. By the Company Without Cause or By Executive Due to Voluntary Resignation for Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company without Cause (other than by reason of Executive's Disability) and shall terminate automatically upon Executive's voluntary resignation for Good Reason.

(ii) For purposes of this Agreement, "Good Reason" shall mean:

(A) (I) a reduction in Executive's Base Salary (other than a general reduction in Base Salary that affects all similarly situated employees (defined as all employees within the same HCA pay grade as that of Executive) in substantially the same proportions that the Board implements in good faith after consultation with the Chief Executive Officer and Chief Operating Officer of HCA), or (II) a reduction in Executive's annual incentive compensation opportunity, or (III) the reduction of benefits payable to Executive under HCA's Supplemental Executive Retirement Plan, in each case other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(B) a substantial diminution in Executive's title, duties and responsibilities, other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(C) a transfer of Executive's primary workplace to a location that is more than twenty (20) miles from his or her workplace as of the date of this Agreement.

(iii) If Executive's employment is terminated by the Company without Cause (other than by reason of Executive's Disability), or if Executive voluntarily resigns with Good Reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) subject to Executive's execution and delivery of a general release of claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive's continued compliance with the provisions of Sections 8 and 9, payment of an amount equal to the product of (I) three times the sum of (II) Executive's (x) then Base Salary and (y) Annual Bonus paid or payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which such termination occurs, payable over a two-year period (or such shorter period as may be required by applicable tax laws) (the "Severance Period");

(C) a Prorated Bonus;

(D) continued coverage under HCA's group health plans during the Severance Period on the same basis as such coverage was provided immediately prior to Executive's termination of employment; provided that, in order to facilitate such coverage, the Executive, in accordance with HCA's policies in effect at the time of Executive's termination, agrees to elect continuation coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (the amounts described in clauses (B), (C) and (D) hereof being referred to as the "Severance Benefits");

(E) notwithstanding any provision to the contrary in the New Option, Executive's vested New Options will remain exercisable until the first anniversary of the termination of Executive's employment.

Following Executive's termination of employment by the Company without Cause (other than by reason of Executive's Disability) or voluntary resignation with Good Reason by Executive, Executive shall be permitted to choose to have Executive's covenants described in Section 8(a)(i) (as well as any similar covenant in HCA's shareholder's agreement) waived in lieu of receiving the Severance Benefits; and, except as set forth in this Section 7(c)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

d. Notice of Termination. Any purported termination of employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11(i) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

e. Board/Committee Resignation. Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the Board (and any committees thereof) and the Board of Directors (and any committees thereof) of any of the Company's affiliates to which the Executive was appointed as a result of Executive's employment with the Company or was appointed at the direction of the Sponsor Group.

8. Non-Competition; Non-Solicitation.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and, subject to the provisions of Section 7(c)(iii), accordingly agrees as follows:

(i) During the Employment Term and, for a period of twenty-four (24) months following the date Executive ceases to be employed hereunder for any reason (the "Restricted Period"), Executive will not directly or indirectly:

(A) engage in any business that competes with the business of the Company or its affiliates (including businesses which the Company or its affiliates have specific plans to conduct in the future, as to which the Company or its affiliates have taken steps towards commencing and as to which Executive has participated in such planning) in any geographical area where the Company or its affiliates manufactures, produces, sells, leases, rents, licenses or otherwise provides its products or services (a "Competitive Business");

(B) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(D) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement)

between the Company or any of its affiliates and customers, clients, or suppliers of the Company or its affiliates.

(ii) Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if Executive (x) is not a controlling person of, or a member of a group which controls, such person and (y) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(iii) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates; or

(B) hire any such employee who was employed by the Company or its affiliates as of the date of Executive's termination of employment with the Company or who left the employment of the Company or its affiliates coincident with, or within one year prior to, the termination of Executive's employment with the Company.

(iv) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company or its affiliates any consultant then under contract with the Company or its affiliates.

(v) Notwithstanding the foregoing, the term "affiliates" as used in Section 8(a) will not include any member of the Sponsor Group (as defined below) or their affiliates that are not engaged in Competitive Business. For purposes of this Agreement, the term "Sponsor Group" shall mean Bain Capital Partners LLC, Kohlberg Kravis Roberts & Co. L.P., and Merrill Lynch Global Private Equity.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 8 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

9. Confidentiality.

a. Executive will not at any time (whether during or after Executive's employment hereunder): (i) retain or use for the benefit, purposes or account of Executive or any other Person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information —including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals — concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

b. "Confidential Information" shall not include any information that is (i) generally known to the industry or the public other than as a result of Executive's breach of this covenant or any breach of other confidentiality obligations by third parties; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by law to be disclosed; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

c. Except as required by law, Executive will not disclose to anyone, other than Executive's immediate family and legal or financial advisors, the existence or contents of this Agreement; provided that Executive may disclose to any prospective future employer the provisions of Sections 8 and 9 of this Agreement provided they agree to maintain the confidentiality of such terms.

d. Upon termination of Executive's employment hereunder, Executive shall (i) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (ii) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries (including Executive's personal rolodex) that do not contain any Confidential Information; and (iii) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

10. Specific Performance; Forfeiture of Certain Equity.

a. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8 or Section 9 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

b. In the event that the Executive breaches these covenants during the Restricted Period, in addition to other remedies, the Company will be entitled to recover any payments made by the Company to the Executive in respect of the repurchase of the Executive's New Options and Option Stock (except that, with respect to the Option Stock, such recovery will be limited to only the amounts, if any, that the Executive received in excess of the exercise price paid by the Executive in acquiring such Option Stock, on a net after-tax basis).

11. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to conflicts of laws principles thereof.

b. Dispute Resolution. Except as otherwise provided in Section 10 of this Agreement, any controversy, dispute, or claim arising out of, in connection with, or in relation to, the interpretation, performance or breach of this Agreement, including, without limitation, the validity, scope, and enforceability of this section, may at the election of any party, be solely and finally settled by arbitration conducted in Nashville, Tennessee, by and in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, or any successor organization and with the Expedited Procedures thereof (collectively, the "Rules"). Each of the parties hereto agrees that such arbitration shall be conducted by a single arbitrator selected in accordance with the Rules; provided that such arbitrator shall be experienced in deciding cases concerning the matter which is the subject of the dispute. Any of the parties may demand arbitration by written notice to the other and to the Arbitrator set forth in this Section 11(b) ("Demand for Arbitration"). Each of the parties agrees that if possible, the award shall be made in writing no more than 30 days following the end of the proceeding. Any award rendered by the arbitrator(s) shall be final and binding and judgment may be entered on it in any court of competent jurisdiction. Each of the parties hereto agrees to treat as confidential the results of any arbitration (including, without limitation, any findings of fact and/or law made by the arbitrator) and not to disclose such results to any unauthorized person. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable. In the event of any arbitration with regard to this Agreement, each party shall pay its own legal fees and expenses, provided, however, that the parties agree to share the cost of the Arbitrator's fees. If Executive substantially prevails on any of his substantive legal claims, then the Company shall pay all legal fees incurred by Executive to arbitrate the dispute, and all arbitration fees.

c. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive hereunder. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

d. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

e. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

f. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is (i) an affiliate of the Company, so long as such affiliate maintains sufficient assets to satisfy the Company's obligation hereunder, (ii) a successor in interest to substantially all of the business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor person or entity.

g. No Set Off; No Mitigation. The Company's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment, taking into account the provisions of Section 8 of this Agreement.

h. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

i. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to Hercules Holding II, LLC, to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to HCA Inc., to

HCA Inc.
One Park Plaza
Nashville, TN 37203
Attn: General Counsel
Telecopy: (615) 344-1531

and copies to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to Executive:

To the Executive's address of record on the books of the Company.

j. Prior Agreements. This Agreement supercedes all prior agreements and understandings (including verbal agreements) between Executive and the Company and/or its affiliates regarding the terms and conditions of Executive's employment with the Company and/or its affiliates.

k. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. The Company shall pay to Executive reasonable fees, and reimburse Executive's reasonable related business expenses incurred by Executive in connection with Executive's provision of such services. This provision shall survive any termination of this Agreement.

l. Withholding Taxes. The Company or HCA may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

n. Compliance with Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be so interpreted. Notwithstanding anything herein to the contrary, (i) if at the time of Executive's termination of employment hereunder Executive is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, the parties agree to restructure the payments or benefits to comply with Section 409A of the Code in a manner which does not diminish the value of such payments and benefits to the Executive.

o. Future Change in Control. The Company and the Executive agree to work together in good faith to try to address any issues posed by Sections 280G and 4999 of the Code that could arise as a result of a change in control of HCA (within the meaning of Section 280G of the Code) that occurs after the Closing.

p. Option Adjustment. The Company agrees to indemnify Executive against any adverse tax consequences (including, without limitation, under Section 409A and 4999 of the Code), if any, that result from the adjustment by the Company or HCA of stock options held by the Executive in connection with the Merger or the payment of any extraordinary cash dividends after the Closing. For the avoidance of doubt, this indemnity does not extend to tax consequences that arise upon the "cash out" of Executive's existing HCA stock options on the Closing (or otherwise upon the exercise of Executive's stock options).

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

HERCULES HOLDING II, LLC
/s/ Chris Gordon

By: Chris Gordon
Title: President

RICHARD M. BRACKEN
/s/ Richard M. Bracken

Exhibit 10.27(c)

EMPLOYMENT AGREEMENT
R. Milton Johnson

This EMPLOYMENT AGREEMENT (the "Agreement") dated November 16, 2006 is entered into by and between Hercules Holding II, LLC (the "Company") and R. Milton Johnson (the "Executive").

In connection with the merger contemplated under that certain Agreement and Plan of Merger by and among HCA Inc. ("HCA"), the Company and Hercules Acquisition Corporation, dated July 24, 2006 (the "Merger Agreement", and such transaction being the "Merger") the Company desires to employ Executive and to enter into an agreement embodying the terms of such employment, effective as of the consummation of the Merger (the "Closing");

After the Closing, the Company will own substantially all of the stock of HCA; and

Executive desires to accept such employment and enter into such an agreement.

In consideration of the promises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment; Effectiveness. Subject to the occurrence of the Closing, Executive shall be employed by HCA Management Services, L.P., an affiliate of HCA existing solely as an employment vehicle for corporate employees of HCA, on the terms and subject to the conditions set forth in this Agreement until Executive's employment is terminated in accordance with Section 7 of this Agreement (the "Employment Term"). Notwithstanding any other provision of this Agreement, the operative provisions of this Agreement shall become effective only upon the Closing Date (as defined in the Merger Agreement). In the event the Merger Agreement is terminated for any reason without the Closing Date having occurred, this Agreement shall be terminated without further obligation or liability of either party. Upon the Closing, the Company will cause HCA to assume this Agreement and all references to "Company" contained herein shall at all times thereafter refer to HCA.

2. Position.

a. During the Employment Term, Executive shall serve as the Executive Vice President and Chief Financial Officer of HCA. In such position, Executive shall have such duties, authority and responsibility as shall be determined from time to time by the Chief Executive Officer which duties, authority and responsibility are consistent with his existing position with HCA with respect to the business of HCA. Executive shall, if requested, also serve as a member of the Board of Directors of any affiliate of the Company, without additional compensation.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the rendition of such services either directly or indirectly,

without the prior written consent of the Board of Directors of HCA (the "Board"); provided that nothing herein shall preclude Executive, subject to the prior approval of the Board, from accepting appointment to or continue to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 8.

3. Base Salary. During the Employment Term, HCA shall pay Executive a base salary at the annual rate of $750,379, payable in regular installments in accordance with HCA's normal payroll practices. The Board will review Executive's salary annually, and Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined in the sole discretion of the Board, based upon such review. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

4. Annual Bonus.

a. With respect to the 2006 fiscal year, Executive shall be eligible to receive the annual bonus to which Executive is otherwise entitled under the HCA 2006 Senior Officer Performance Excellence Program as a "covered officer" (as defined therein), to be paid at the target level on the Closing Date; pursuant to such program, and as set forth in the Merger Agreement.

b. With respect to each full fiscal year of HCA (a "Fiscal Year") occurring during the Employment Term, beginning with the 2007 Fiscal Year, Executive shall be eligible to earn, pursuant to an annual bonus program to be adopted by the Board, an annual bonus award (an "Annual Bonus") equal to a percentage of Executive's Base Salary, based upon the extent to which annual performance targets established by the Board are met or exceeded. The Annual Bonus, if any, shall be paid to Executive within two and one-half (2.5) months after the end of the applicable Fiscal Year. For the 2007 Fiscal Year, Executive shall be eligible to earn a target bonus of (i) 60% of Base Salary (the "Target Bonus") if annual performance targets are met, (ii) 50% of the Target Bonus if a lower "threshold" level of performance is achieved, or (iii) two times the Target Bonus if "maximum" performance goals are achieved, with the Annual Bonus amount being interpolated, in the sole discretion of the Board, in the event that performance results exceed "threshold" goals but do not exceed "maximum" goals. For the 2007 Fiscal Year, "target" performance will be $4,407 million in EBITDA (which will be calculated in the same way it is calculated for purposes of the vesting of options granted under the New Option Plan (as defined below) that vest based on the attainment of EBITDA targets), "threshold" performance will be 96.4%% of "target" and "maximum" performance will be 103.6% "of target" performance (with appropriate adjustments by the Board for extraordinary transactions and changes in capital expenditures). With respect to the 2008 Fiscal Year, the Board shall in good faith attempt to provide Annual Bonus opportunities to Executive that are consistent with those applicable to the 2007 Fiscal Year, unless doing so would be adverse to the interests of HCA, the Company or their shareholders. For later fiscal years, the Board will set bonus opportunities in consultation with the Chief Executive Officer of HCA.

5. Employee Benefits and Business Expenses. During the Employment Term, Executive shall be entitled to participate in HCA's pension and welfare benefit, deferred

compensation, cash incentive compensation and perquisite plans as in effect from time to time for senior executives of HCA (collectively "Employee Benefits"). In addition, during the Employment Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by HCA in accordance with HCA's policies. During the Employment Term, HCA shall also (a) provide Executive with Director's and Officer's indemnification and insurance coverage to the extent that the Board determines to be reasonable, in its sole discretion, for a company of the nature and size of HCA and (b) shall continue Executive's participation in HCA's Supplemental Executive Retirement Plan until such time as Executive has become fully vested in the maximum benefit available to the Executive under that plan (including achieving the maximum years of service) in accordance with the terms of the Merger Agreement.

6. Equity Arrangements.

a. In connection with the Merger, Executive shall (i) participate in the equity compensation program established by HCA effective as of the Closing, pursuant to which, on the Closing, Executive shall receive a grant of options to purchase shares of common stock of HCA (with an exercise price of $51.00 per share) pursuant to a stock incentive plan to be adopted by HCA (the "New Options", and any shares of common stock acquired upon exercise of such New Options, "Option Stock", with the plan being the "New Option Plan"), (ii) be permitted to rollover existing HCA stock options and/or shares of HCA common stock (or have such options and/or shares cashed out in connection with the Merger and (iii) execute a stockholder's agreement and such other related agreements that are in forms reasonably acceptable to Executive and the Company (such agreements, together with the option grant and stock incentive plan, the "Equity Agreements"). Executive's New Options (ignoring Executive's possible receipt of 2x Time Options, as defined and discussed below in Section 6(b)) will cover approximately 0.0234375 times 10% of the fully diluted equity of HCA on the Closing Date (10% of the fully diluted equity of HCA on the Closing Date being the "Option Pool").

b. HCA will reserve 10% of the Option Pool to be granted on the following terms (these options being the "2x Time Options"). HCA agrees that after Closing Date, it will grant 100% of the 2x Time Options to one or more of Jack Bovender, Richard Bracken, R. Milton Johnson, Samuel Hazen, W. Paul Rutledge, Beverly Wallace, and Charles Hall (the "Tier 1 Executives"). The individual allocations will be based upon each executive's contribution to HCA and the Company between the Closing and the date of grant as determined by the Board in consultation with the Chief Executive Officer (provided that the fact that Jack Bovender may have retired prior to the grant date will not be held against him in making such allocation and shall not preclude him from receiving 2x Time Options). A percentage of the 2x Time Options will be vested and exercisable on the date of grant, such percentage corresponding to the percentage of the period measured between the Closing Date and the fifth anniversary of the Closing Date that has elapsed as of the grant date. The 2x Time Options will otherwise vest pursuant to the schedule generally used in connection with HCA's other time-vesting options, subject to continued employment (or special provisions governing retirement as may be mutually agreed to by an Executive and the Company or HCA). The 2x Time Options will have an exercise price of $102 per share (subject to adjustment to take into account any share splits, extraordinary cash dividends, or other adjustment events under Section 8 of the New Option Plan, in any case made on or after Closing). The Board will in good faith attempt to time the

grant of the 2x Time Options relatively near in time to but before the earlier of (i) a "Change in Control" or "Public Offering" as defined in the New Option Plan or (ii) the time at which the Board in its good faith judgment, believes that it is likely that the fair market value per share of HCA common stock will soon thereafter exceed the proposed exercise price of the 2x Time Options, but not later than the fifth anniversary of the Closing Date. The form of the award agreement for the 2x Time Options will otherwise be consistent with the terms of time-vesting options that the Executive is granted in connection with the Closing. If an executive's employment is terminated, then any 2x Time Options which are forfeited (or 2x option shares which are repurchased) would be re-issued to the other then-remaining Tier 1 Executives or the person who is chosen to replace the forfeiting Tier 1 Executive.

c. In connection with the foregoing, Executive hereby acknowledges his or her commitment to invest in the Company or HCA as agreed to in that certain Management Investment Letter agreement between the Executive and the Company, in an amount as described under the sub-heading "Equity Roll Over Commitments" in HCA's definitive proxy statement filed October 17, 2006.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Company at least 90 days advance written notice of any resignation of Executive's employment; provided, however, that the Company may elect to accelerate the effective date of such resignation, and such acceleration shall not be deemed a termination of Executive's employment without Cause (as defined below) by the Company. Notwithstanding any other provision of this Agreement, and subject to the provisions of the Equity Agreements, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates.

a. By the Company For Cause or By Executive Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company for Cause (as defined below) and shall terminate automatically upon Executive's voluntary resignation without Good Reason (as defined below).

(ii) For purposes of this Agreement, "Cause" shall mean Executive's:

(A) willful and continued failure to perform his or her material duties with respect to the Company or it subsidiaries which continues beyond ten (10) business days after a written demand for substantial performance is delivered to Executive by the Company (the "Cure Period"); or

(B) willful or intentional engaging by Executive in material misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, the Sponsor Group (as defined in Section 8 below) or their respective affiliates; or

(C) conviction of, or a plea of *nolo contendere* to, a crime constituting (x) a felony under the laws of the United States or any state thereof or (y) a misdemeanor for which a sentence of more than six months' imprisonment is imposed; or

(D) willful and material breach of the Equity Agreements, or Executive's engaging in any action in breach of the covenants set forth in Section 8, which continues beyond the Cure Period (to the extent that, in the Board's reasonable judgment, such breach can be cured).

For purposes of this Section 7(a)(ii), an action will not be considered "willful" unless taken in bad faith or without the reasonable belief that it was in the best interest of HCA.

(iii) If Executive's employment is terminated by the Company for Cause or if Executive voluntarily resigns without Good Reason (other than due to Executive's death or Disability (as defined in Section 7(b) below)), Executive shall be entitled to receive:

(A) any Base Salary earned, but unpaid, through the date of termination;

(B) any Annual Bonus earned, but unpaid, as of the date of termination for the immediately preceding Fiscal Year, paid in accordance with Section 4 (except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement with HCA);

(C) reimbursement, within 60 days following submission by Executive to the Company and HCA of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with HCA policy prior to the date of Executive's termination; so long as claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company and HCA within 90 days following the date of Executive's termination of employment; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of HCA, (the amounts described in clauses (A) through (D) hereof being referred to as the "Accrued Rights").

Following such termination of Executive's employment by the Company for Cause or voluntary resignation by Executive without Good Reason (other than due to Executive's death or Disability), except as set forth in this Section 7(a)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Company if Executive becomes disabled (within the meaning of Section 409A of the Internal Revenue Code (such incapacity is hereinafter referred to as "Disability")). Any question as to the existence of the Disability of

Executive as to which Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of this Agreement, and the Company shall bear the costs of retaining the independent physician.

(ii) Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights; and

(B) a pro rata portion of the Annual Bonus, if any, that Executive would have been entitled to receive pursuant to Section 4 hereof for the Fiscal Year in which such termination occurs, based upon HCA's actual results for the year of termination and the percentage of the Fiscal Year that shall have elapsed through the date of Executive's termination of employment, payable to Executive pursuant to Section 4 had Executive's employment not terminated (a "Prorated Bonus").

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 7(b)(ii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

c. By the Company Without Cause or By Executive Due to Voluntary Resignation for Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company without Cause (other than by reason of Executive's Disability) and shall terminate automatically upon Executive's voluntary resignation for Good Reason.

(ii) For purposes of this Agreement, "Good Reason" shall mean:

(A) (I) a reduction in Executive's Base Salary (other than a general reduction in Base Salary that affects all similarly situated employees (defined as all employees within the same HCA pay grade as that of Executive) in substantially the same proportions that the Board implements in good faith after consultation with the Chief Executive Officer and Chief Operating Officer of HCA), or (II) a reduction in Executive's annual incentive compensation opportunity, or (III) the reduction of benefits payable to Executive under HCA's Supplemental Executive Retirement Plan, in each case other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(B) a substantial diminution in Executive's title, duties and responsibilities, other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(C) a transfer of Executive's primary workplace to a location that is more than twenty (20) miles from his or her workplace as of the date of this Agreement.

(iii) If Executive's employment is terminated by the Company without Cause (other than by reason of Executive's Disability), or if Executive voluntarily resigns with Good Reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) subject to Executive's execution and delivery of a general release of claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive's continued compliance with the provisions of Sections 8 and 9, payment of an amount equal to the product of (I) three times the sum of (II) Executive's (x) then Base Salary and (y) Annual Bonus paid or payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which such termination occurs, payable over a two-year period (or such shorter period as may be required by applicable tax laws) (the "Severance Period");

(C) a Prorated Bonus;

(D) continued coverage under HCA's group health plans during the Severance Period on the same basis as such coverage was provided immediately prior to Executive's termination of employment; provided that, in order to facilitate such coverage, the Executive, in accordance with HCA's policies in effect at the time of Executive's termination, agrees to elect continuation coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (the amounts described in clauses (B), (C) and (D) hereof being referred to as the "Severance Benefits");

(E) notwithstanding any provision to the contrary in the New Option, Executive's vested New Options will remain exercisable until the first anniversary of the termination of Executive's employment.

Following Executive's termination of employment by the Company without Cause (other than by reason of Executive's Disability) or voluntary resignation with Good Reason by Executive, Executive shall be permitted to choose to have Executive's covenants described in Section 8(a)(i) (as well as any similar covenant in HCA's shareholder's agreement) waived in lieu of receiving the Severance Benefits; and, except as set forth in this Section 7(c)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

d. Notice of Termination. Any purported termination of employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11(i) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

e. Board/Committee Resignation. Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the Board (and any committees thereof) and the Board of Directors (and any committees thereof) of any of the Company's affiliates to which the Executive was appointed as a result of Executive's employment with the Company or was appointed at the direction of the Sponsor Group.

8. Non-Competition; Non-Solicitation.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and, subject to the provisions of Section 7(c)(iii), accordingly agrees as follows:

(i) During the Employment Term and, for a period of twenty-four (24) months following the date Executive ceases to be employed hereunder for any reason (the "Restricted Period"), Executive will not directly or indirectly:

(A) engage in any business that competes with the business of the Company or its affiliates (including businesses which the Company or its affiliates have specific plans to conduct in the future, as to which the Company or its affiliates have taken steps towards commencing and as to which Executive has participated in such planning) in any geographical area where the Company or its affiliates manufactures, produces, sells, leases, rents, licenses or otherwise provides its products or services (a "Competitive Business");

(B) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(D) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement)

between the Company or any of its affiliates and customers, clients, or suppliers of the Company or its affiliates.

(ii) Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if Executive (x) is not a controlling person of, or a member of a group which controls, such person and (y) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(iii) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates; or

(B) hire any such employee who was employed by the Company or its affiliates as of the date of Executive's termination of employment with the Company or who left the employment of the Company or its affiliates coincident with, or within one year prior to, the termination of Executive's employment with the Company.

(iv) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company or its affiliates any consultant then under contract with the Company or its affiliates.

(v) Notwithstanding the foregoing, the term "affiliates" as used in Section 8(a) will not include any member of the Sponsor Group (as defined below) or their affiliates that are not engaged in Competitive Business. For purposes of this Agreement, the term "Sponsor Group" shall mean Bain Capital Partners LLC, Kohlberg Kravis Roberts & Co. L.P., and Merrill Lynch Global Private Equity.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 8 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

9. Confidentiality.

a. Executive will not at any time (whether during or after Executive's employment hereunder): (i) retain or use for the benefit, purposes or account of Executive or any other Person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information —including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals — concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

b. "Confidential Information" shall not include any information that is (i) generally known to the industry or the public other than as a result of Executive's breach of this covenant or any breach of other confidentiality obligations by third parties; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by law to be disclosed; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

c. Except as required by law, Executive will not disclose to anyone, other than Executive's immediate family and legal or financial advisors, the existence or contents of this Agreement; provided that Executive may disclose to any prospective future employer the provisions of Sections 8 and 9 of this Agreement provided they agree to maintain the confidentiality of such terms.

d. Upon termination of Executive's employment hereunder, Executive shall (i) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (ii) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries (including Executive's personal rolodex) that do not contain any Confidential Information; and (iii) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

10. Specific Performance; Forfeiture of Certain Equity.

a. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8 or Section 9 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

b. In the event that the Executive breaches these covenants during the Restricted Period, in addition to other remedies, the Company will be entitled to recover any payments made by the Company to the Executive in respect of the repurchase of the Executive's New Options and Option Stock (except that, with respect to the Option Stock, such recovery will be limited to only the amounts, if any, that the Executive received in excess of the exercise price paid by the Executive in acquiring such Option Stock, on a net after-tax basis).

11. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to conflicts of laws principles thereof.

b. Dispute Resolution. Except as otherwise provided in Section 10 of this Agreement, any controversy, dispute, or claim arising out of, in connection with, or in relation to, the interpretation, performance or breach of this Agreement, including, without limitation, the validity, scope, and enforceability of this section, may at the election of any party, be solely and finally settled by arbitration conducted in Nashville, Tennessee, by and in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, or any successor organization and with the Expedited Procedures thereof (collectively, the "Rules"). Each of the parties hereto agrees that such arbitration shall be conducted by a single arbitrator selected in accordance with the Rules; provided that such arbitrator shall be experienced in deciding cases concerning the matter which is the subject of the dispute. Any of the parties may demand arbitration by written notice to the other and to the Arbitrator set forth in this Section 11(b) ("Demand for Arbitration"). Each of the parties agrees that if possible, the award shall be made in writing no more than 30 days following the end of the proceeding. Any award rendered by the arbitrator(s) shall be final and binding and judgment may be entered on it in any court of competent jurisdiction. Each of the parties hereto agrees to treat as confidential the results of any arbitration (including, without limitation, any findings of fact and/or law made by the arbitrator) and not to disclose such results to any unauthorized person. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable. In the event of any arbitration with regard to this Agreement, each party shall pay its own legal fees and expenses, provided, however, that the parties agree to share the cost of the Arbitrator's fees. If Executive substantially prevails on any of his substantive legal claims, then the Company shall pay all legal fees incurred by Executive to arbitrate the dispute, and all arbitration fees.

c. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive hereunder. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

d. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

e. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

f. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is (i) an affiliate of the Company, so long as such affiliate maintains sufficient assets to satisfy the Company's obligation hereunder, (ii) a successor in interest to substantially all of the business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor person or entity.

g. No Set Off; No Mitigation. The Company's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment, taking into account the provisions of Section 8 of this Agreement.

h. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

i. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to Hercules Holding II, LLC, to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to HCA Inc., to

HCA Inc.
One Park Plaza
Nashville, TN 37203
Attn: General Counsel
Telecopy: (615) 344-1531

and copies to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to Executive:

To the Executive's address of record on the books of the Company.

j. Prior Agreements. This Agreement supercedes all prior agreements and understandings (including verbal agreements) between Executive and the Company and/or its affiliates regarding the terms and conditions of Executive's employment with the Company and/or its affiliates.

k. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. The Company shall pay to Executive reasonable fees, and reimburse Executive's reasonable related business expenses incurred by Executive in connection with Executive's provision of such services. This provision shall survive any termination of this Agreement.

l. Withholding Taxes. The Company or HCA may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

n. Compliance with Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be so interpreted. Notwithstanding anything herein to the contrary, (i) if at the time of Executive's termination of employment hereunder Executive is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, the parties agree to restructure the payments or benefits to comply with Section 409A of the Code in a manner which does not diminish the value of such payments and benefits to the Executive.

o. Future Change in Control. The Company and the Executive agree to work together in good faith to try to address any issues posed by Sections 280G and 4999 of the Code that could arise as a result of a change in control of HCA (within the meaning of Section 280G of the Code) that occurs after the Closing.

p. Option Adjustment. The Company agrees to indemnify Executive against any adverse tax consequences (including, without limitation, under Section 409A and 4999 of the Code), if any, that result from the adjustment by the Company or HCA of stock options held by the Executive in connection with the Merger or the payment of any extraordinary cash dividends after the Closing. For the avoidance of doubt, this indemnity does not extend to tax consequences that arise upon the "cash out" of Executive's existing HCA stock options on the Closing (or otherwise upon the exercise of Executive's stock options).

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

HERCULES HOLDING II, LLC
/s/ Chris Gordon

By: Chris Gordon
Title: President

R. MILTON JOHNSON
/s/ R. Milton Johnson

Exhibit 10.27(d)

EMPLOYMENT AGREEMENT
Samuel N. Hazen

This EMPLOYMENT AGREEMENT (the "Agreement") dated November 16, 2006 is entered into by and between Hercules Holding II, LLC (the "Company") and Samuel N. Hazen (the "Executive").

In connection with the merger contemplated under that certain Agreement and Plan of Merger by and among HCA Inc. ("HCA"), the Company and Hercules Acquisition Corporation, dated July 24, 2006 (the "Merger Agreement", and such transaction being the "Merger") the Company desires to employ Executive and to enter into an agreement embodying the terms of such employment, effective as of the consummation of the Merger (the "Closing");

After the Closing, the Company will own substantially all of the stock of HCA; and

Executive desires to accept such employment and enter into such an agreement.

In consideration of the promises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment; Effectiveness. Subject to the occurrence of the Closing, Executive shall be employed by HCA Management Services, L.P., an affiliate of HCA existing solely as an employment vehicle for corporate employees of HCA, on the terms and subject to the conditions set forth in this Agreement until Executive's employment is terminated in accordance with Section 7 of this Agreement (the "Employment Term"). Notwithstanding any other provision of this Agreement, the operative provisions of this Agreement shall become effective only upon the Closing Date (as defined in the Merger Agreement). In the event the Merger Agreement is terminated for any reason without the Closing Date having occurred, this Agreement shall be terminated without further obligation or liability of either party. Upon the Closing, the Company will cause HCA to assume this Agreement and all references to "Company" contained herein shall at all times thereafter refer to HCA.

2. Position.

a. During the Employment Term, Executive shall serve as the President-Western Group of HCA. In such position, Executive shall have such duties, authority and responsibility as shall be determined from time to time by the Chief Executive Officer which duties, authority and responsibility are consistent with his existing position with HCA with respect to the business of HCA. Executive shall, if requested, also serve as a member of the Board of Directors of any affiliate of the Company, without additional compensation.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board of Directors of HCA (the "Board"); provided that

nothing herein shall preclude Executive, subject to the prior approval of the Board, from accepting appointment to or continue to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 8.

3. Base Salary. During the Employment Term, HCA shall pay Executive a base salary at the annual rate of $788,672, payable in regular installments in accordance with HCA's normal payroll practices. The Board will review Executive's salary annually, and Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined in the sole discretion of the Board, based upon such review. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

4. Annual Bonus.

a. With respect to the 2006 fiscal year, Executive shall be eligible to receive the annual bonus to which Executive is otherwise entitled under the HCA 2006 Senior Officer Performance Excellence Program as a "covered officer" (as defined therein), to be paid at the target level on the Closing Date; pursuant to such program, and as set forth in the Merger Agreement.

b. With respect to each full fiscal year of HCA (a "Fiscal Year") occurring during the Employment Term, beginning with the 2007 Fiscal Year, Executive shall be eligible to earn, pursuant to an annual bonus program to be adopted by the Board, an annual bonus award (an "Annual Bonus") equal to a percentage of Executive's Base Salary, based upon the extent to which annual performance targets established by the Board are met or exceeded. The Annual Bonus, if any, shall be paid to Executive within two and one-half (2.5) months after the end of the applicable Fiscal Year. For the 2007 Fiscal Year, Executive shall be eligible to earn a target bonus of (i) 60% of Base Salary (the "Target Bonus") if annual performance targets are met, (ii) 50% of the Target Bonus if a lower "threshold" level of performance is achieved, or (iii) two times the Target Bonus if "maximum" performance goals are achieved, with the Annual Bonus amount being interpolated, in the sole discretion of the Board, in the event that performance results exceed "threshold" goals but do not exceed "maximum" goals. For the 2007 Fiscal Year, "target" performance will be based 50% on $4,407 million in EBITDA for HCA and 50% on $2,193 million in EBITDA for the Western Group (which will be calculated in the same way it is calculated for purposes of the vesting of options granted under the New Option Plan (as defined below) that vest based on the attainment of EBITDA targets), "threshold" performance will be 96.4%% of "target" and "maximum" performance will be 103.6% "of target" performance (with appropriate adjustments by the Board for extraordinary transactions and changes in capital expenditures). With respect to the 2008 Fiscal Year, the Board shall in good faith attempt to provide Annual Bonus opportunities to Executive that are consistent with those applicable to the 2007 Fiscal Year, unless doing so would be adverse to the interests of HCA, the Company or their shareholders. For later fiscal years, the Board will set bonus opportunities in consultation with the Chief Executive Officer of HCA.

5. Employee Benefits and Business Expenses. During the Employment Term, Executive shall be entitled to participate in HCA's pension and welfare benefit, deferred

compensation, cash incentive compensation and perquisite plans as in effect from time to time for senior executives of HCA (collectively "Employee Benefits"). In addition, during the Employment Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by HCA in accordance with HCA's policies. During the Employment Term, HCA shall also (a) provide Executive with Director's and Officer's indemnification and insurance coverage to the extent that the Board determines to be reasonable, in its sole discretion, for a company of the nature and size of HCA and (b) shall continue Executive's participation in HCA's Supplemental Executive Retirement Plan until such time as Executive has become fully vested in the maximum benefit available to the Executive under that plan (including achieving the maximum years of service) in accordance with the terms of the Merger Agreement.

6. Equity Arrangements.

a. In connection with the Merger, Executive shall (i) participate in the equity compensation program established by HCA effective as of the Closing, pursuant to which, on the Closing, Executive shall receive a grant of options to purchase shares of common stock of HCA (with an exercise price of $51.00 per share) pursuant to a stock incentive plan to be adopted by HCA (the "New Options", and any shares of common stock acquired upon exercise of such New Options, "Option Stock", with the plan being the "New Option Plan"), (ii) be permitted to rollover existing HCA stock options and/or shares of HCA common stock (or have such options and/or shares cashed out in connection with the Merger and (iii) execute a stockholder's agreement and such other related agreements that are in forms reasonably acceptable to Executive and the Company (such agreements, together with the option grant and stock incentive plan, the "Equity Agreements"). Executive's New Options (ignoring Executive's possible receipt of 2x Time Options, as defined and discussed below in Section 6(b)) will cover approximately 0.01500 times 10% of the fully diluted equity of HCA on the Closing Date (10% of the fully diluted equity of HCA on the Closing Date being the "Option Pool").

b. HCA will reserve 10% of the Option Pool to be granted on the following terms (these options being the "2x Time Options"). HCA agrees that after Closing Date, it will grant 100% of the 2x Time Options to one or more of Jack Bovender, Richard Bracken, R. Milton Johnson, Samuel Hazen, W. Paul Rutledge, Beverly Wallace, and Charles Hall (the "Tier 1 Executives"). The individual allocations will be based upon each executive's contribution to HCA and the Company between the Closing and the date of grant as determined by the Board in consultation with the Chief Executive Officer (provided that the fact that Jack Bovender may have retired prior to the grant date will not be held against him in making such allocation and shall not preclude him from receiving 2x Time Options). A percentage of the 2x Time Options will be vested and exercisable on the date of grant, such percentage corresponding to the percentage of the period measured between the Closing Date and the fifth anniversary of the Closing Date that has elapsed as of the grant date. The 2x Time Options will otherwise vest pursuant to the schedule generally used in connection with HCA's other time-vesting options, subject to continued employment (or special provisions governing retirement as may be mutually agreed to by an Executive and the Company or HCA). The 2x Time Options will have an exercise price of $102 per share (subject to adjustment to take into account any share splits, extraordinary cash dividends, or other adjustment events under Section 8 of the New Option Plan, in any case made on or after Closing). The Board will in good faith attempt to time the

grant of the 2x Time Options relatively near in time to but before the earlier of (i) a "Change in Control" or "Public Offering" as defined in the New Option Plan or (ii) the time at which the Board in its good faith judgment, believes that it is likely that the fair market value per share of HCA common stock will soon thereafter exceed the proposed exercise price of the 2x Time Options, but not later than the fifth anniversary of the Closing Date. The form of the award agreement for the 2x Time Options will otherwise be consistent with the terms of time-vesting options that the Executive is granted in connection with the Closing. If an executive's employment is terminated, then any 2x Time Options which are forfeited (or 2x option shares which are repurchased) would be re-issued to the other then-remaining Tier 1 Executives or the person who is chosen to replace the forfeiting Tier 1 Executive.

c. In connection with the foregoing, Executive hereby acknowledges his or her commitment to invest in the Company or HCA as agreed to in that certain Management Investment Letter agreement between the Executive and the Company, in an amount as described under the sub-heading "Equity Roll Over Commitments" in HCA's definitive proxy statement filed October 17, 2006.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Company at least 90 days advance written notice of any resignation of Executive's employment; provided, however, that the Company may elect to accelerate the effective date of such resignation, and such acceleration shall not be deemed a termination of Executive's employment without Cause (as defined below) by the Company. Notwithstanding any other provision of this Agreement, and subject to the provisions of the Equity Agreements, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates.

a. By the Company For Cause or By Executive Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company for Cause (as defined below) and shall terminate automatically upon Executive's voluntary resignation without Good Reason (as defined below).

(ii) For purposes of this Agreement, "Cause" shall mean Executive's:

(A) willful and continued failure to perform his or her material duties with respect to the Company or it subsidiaries which continues beyond ten (10) business days after a written demand for substantial performance is delivered to Executive by the Company (the "Cure Period"); or

(B) willful or intentional engaging by Executive in material misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, the Sponsor Group (as defined in Section 8 below) or their respective affiliates; or

(C) conviction of, or a plea of *nolo contendere* to, a crime constituting (x) a felony under the laws of the United States or any state thereof or (y) a misdemeanor for which a sentence of more than six months' imprisonment is imposed; or

(D) willful and material breach of the Equity Agreements, or Executive's engaging in any action in breach of the covenants set forth in Section 8, which continues beyond the Cure Period (to the extent that, in the Board's reasonable judgment, such breach can be cured).

For purposes of this Section 7(a)(ii), an action will not be considered "willful" unless taken in bad faith or without the reasonable belief that it was in the best interest of HCA.

(iii) If Executive's employment is terminated by the Company for Cause or if Executive voluntarily resigns without Good Reason (other than due to Executive's death or Disability (as defined in Section 7(b) below)), Executive shall be entitled to receive:

(A) any Base Salary earned, but unpaid, through the date of termination;

(B) any Annual Bonus earned, but unpaid, as of the date of termination for the immediately preceding Fiscal Year, paid in accordance with Section 4 (except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement with HCA);

(C) reimbursement, within 60 days following submission by Executive to the Company and HCA of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with HCA policy prior to the date of Executive's termination; so long as claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company and HCA within 90 days following the date of Executive's termination of employment; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of HCA, (the amounts described in clauses (A) through (D) hereof being referred to as the "Accrued Rights").

Following such termination of Executive's employment by the Company for Cause or voluntary resignation by Executive without Good Reason (other than due to Executive's death or Disability), except as set forth in this Section 7(a)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Company if Executive becomes disabled (within the meaning of Section 409A of the Internal Revenue Code (such incapacity is hereinafter referred to as "Disability")). Any question as to the existence of the Disability of

Executive as to which Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of this Agreement, and the Company shall bear the costs of retaining the independent physician.

(ii) Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights; and

(B) a pro rata portion of the Annual Bonus, if any, that Executive would have been entitled to receive pursuant to Section 4 hereof for the Fiscal Year in which such termination occurs, based upon HCA's actual results for the year of termination and the percentage of the Fiscal Year that shall have elapsed through the date of Executive's termination of employment, payable to Executive pursuant to Section 4 had Executive's employment not terminated (a "Prorated Bonus").

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 7(b)(ii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

c. By the Company Without Cause or By Executive Due to Voluntary Resignation for Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company without Cause (other than by reason of Executive's Disability) and shall terminate automatically upon Executive's voluntary resignation for Good Reason.

(ii) For purposes of this Agreement, "Good Reason" shall mean:

(A) (I) a reduction in Executive's Base Salary (other than a general reduction in Base Salary that affects all similarly situated employees (defined as all employees within the same HCA pay grade as that of Executive) in substantially the same proportions that the Board implements in good faith after consultation with the Chief Executive Officer and Chief Operating Officer of HCA), or (II) a reduction in Executive's annual incentive compensation opportunity, or (III) the reduction of benefits payable to Executive under HCA's Supplemental Executive Retirement Plan, in each case other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(B) a substantial diminution in Executive's title, duties and responsibilities, other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(C) a transfer of Executive's primary workplace to a location that is more than twenty (20) miles from his or her workplace as of the date of this Agreement.

(iii) If Executive's employment is terminated by the Company without Cause (other than by reason of Executive's Disability), or if Executive voluntarily resigns with Good Reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) subject to Executive's execution and delivery of a general release of claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive's continued compliance with the provisions of Sections 8 and 9, payment of an amount equal to the product of (I) two times the sum of (II) Executive's (x) then Base Salary and (y) Annual Bonus paid or payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which such termination occurs, payable over a two-year period (or such shorter period as may be required by applicable tax laws) (the "Severance Period");

(C) a Prorated Bonus;

(D) continued coverage under HCA's group health plans during the Severance Period on the same basis as such coverage was provided immediately prior to Executive's termination of employment; provided that, in order to facilitate such coverage, the Executive, in accordance with HCA's policies in effect at the time of Executive's termination, agrees to elect continuation coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (the amounts described in clauses (B), (C) and (D) hereof being referred to as the "Severance Benefits");

(E) notwithstanding any provision to the contrary in the New Option, Executive's vested New Options will remain exercisable until the first anniversary of the termination of Executive's employment.

Following Executive's termination of employment by the Company without Cause (other than by reason of Executive's Disability) or voluntary resignation with Good Reason by Executive, Executive shall be permitted to choose to have Executive's covenants described in Section 8(a)(i) (as well as any similar covenant in HCA's shareholder's agreement) waived in lieu of receiving the Severance Benefits; and, except as set forth in this Section 7(c)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

d. Notice of Termination. Any purported termination of employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11(i) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

e. Board/Committee Resignation. Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the Board (and any committees thereof) and the Board of Directors (and any committees thereof) of any of the Company's affiliates to which the Executive was appointed as a result of Executive's employment with the Company or was appointed at the direction of the Sponsor Group.

8. Non-Competition; Non-Solicitation.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and, subject to the provisions of Section 7(c)(iii), accordingly agrees as follows:

(i) During the Employment Term and, for a period of twenty-four (24) months following the date Executive ceases to be employed hereunder for any reason (the "Restricted Period"), Executive will not directly or indirectly:

(A) engage in any business that competes with the business of the Company or its affiliates (including businesses which the Company or its affiliates have specific plans to conduct in the future, as to which the Company or its affiliates have taken steps towards commencing and as to which Executive has participated in such planning) in any geographical area where the Company or its affiliates manufactures, produces, sells, leases, rents, licenses or otherwise provides its products or services (a "Competitive Business");

(B) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(D) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement)

between the Company or any of its affiliates and customers, clients, or suppliers of the Company or its affiliates.

(ii) Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if Executive (x) is not a controlling person of, or a member of a group which controls, such person and (y) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(iii) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates; or

(B) hire any such employee who was employed by the Company or its affiliates as of the date of Executive's termination of employment with the Company or who left the employment of the Company or its affiliates coincident with, or within one year prior to, the termination of Executive's employment with the Company.

(iv) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company or its affiliates any consultant then under contract with the Company or its affiliates.

(v) Notwithstanding the foregoing, the term "affiliates" as used in Section 8(a) will not include any member of the Sponsor Group (as defined below) or their affiliates that are not engaged in Competitive Business. For purposes of this Agreement, the term "Sponsor Group" shall mean Bain Capital Partners LLC, Kohlberg Kravis Roberts & Co. L.P., and Merrill Lynch Global Private Equity.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 8 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

9. Confidentiality.

a. Executive will not at any time (whether during or after Executive's employment hereunder): (i) retain or use for the benefit, purposes or account of Executive or any other Person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information —including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals — concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

b. "Confidential Information" shall not include any information that is (i) generally known to the industry or the public other than as a result of Executive's breach of this covenant or any breach of other confidentiality obligations by third parties; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by law to be disclosed; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

c. Except as required by law, Executive will not disclose to anyone, other than Executive's immediate family and legal or financial advisors, the existence or contents of this Agreement; provided that Executive may disclose to any prospective future employer the provisions of Sections 8 and 9 of this Agreement provided they agree to maintain the confidentiality of such terms.

d. Upon termination of Executive's employment hereunder, Executive shall (i) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (ii) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries (including Executive's personal rolodex) that do not contain any Confidential Information; and (iii) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

10. Specific Performance; Forfeiture of Certain Equity.

a. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8 or Section 9 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

b. In the event that the Executive breaches these covenants during the Restricted Period, in addition to other remedies, the Company will be entitled to recover any payments made by the Company to the Executive in respect of the repurchase of the Executive's New Options and Option Stock (except that, with respect to the Option Stock, such recovery will be limited to only the amounts, if any, that the Executive received in excess of the exercise price paid by the Executive in acquiring such Option Stock, on a net after-tax basis).

11. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to conflicts of laws principles thereof.

b. Dispute Resolution. Except as otherwise provided in Section 10 of this Agreement, any controversy, dispute, or claim arising out of, in connection with, or in relation to, the interpretation, performance or breach of this Agreement, including, without limitation, the validity, scope, and enforceability of this section, may at the election of any party, be solely and finally settled by arbitration conducted in Nashville, Tennessee, by and in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, or any successor organization and with the Expedited Procedures thereof (collectively, the "Rules"). Each of the parties hereto agrees that such arbitration shall be conducted by a single arbitrator selected in accordance with the Rules; provided that such arbitrator shall be experienced in deciding cases concerning the matter which is the subject of the dispute. Any of the parties may demand arbitration by written notice to the other and to the Arbitrator set forth in this Section 11(b) ("Demand for Arbitration"). Each of the parties agrees that if possible, the award shall be made in writing no more than 30 days following the end of the proceeding. Any award rendered by the arbitrator(s) shall be final and binding and judgment may be entered on it in any court of competent jurisdiction. Each of the parties hereto agrees to treat as confidential the results of any arbitration (including, without limitation, any findings of fact and/or law made by the arbitrator) and not to disclose such results to any unauthorized person. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable. In the event of any arbitration with regard to this Agreement, each party shall pay its own legal fees and expenses, provided, however, that the parties agree to share the cost of the Arbitrator's fees. If Executive substantially prevails on any of his substantive legal claims, then the Company shall pay all legal fees incurred by Executive to arbitrate the dispute, and all arbitration fees.

c. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive hereunder. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

d. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

e. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

f. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is (i) an affiliate of the Company, so long as such affiliate maintains sufficient assets to satisfy the Company's obligation hereunder, (ii) a successor in interest to substantially all of the business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor person or entity.

g. No Set Off; No Mitigation. The Company's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment, taking into account the provisions of Section 8 of this Agreement.

h. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

i. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to Hercules Holding II, LLC, to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to HCA Inc., to

HCA Inc.
One Park Plaza
Nashville, TN 37203
Attn: General Counsel
Telecopy: (615) 344-1531

and copies to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to Executive:

To the Executive's address of record on the books of the Company.

j. Prior Agreements. This Agreement supercedes all prior agreements and understandings (including verbal agreements) between Executive and the Company and/or its affiliates regarding the terms and conditions of Executive's employment with the Company and/or its affiliates.

k. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. The Company shall pay to Executive reasonable fees, and reimburse Executive's reasonable related business expenses incurred by Executive in connection with Executive's provision of such services. This provision shall survive any termination of this Agreement.

l. Withholding Taxes. The Company or HCA may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

n. Compliance with Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be so interpreted. Notwithstanding anything herein to the contrary, (i) if at the time of Executive's termination of employment hereunder Executive is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, the parties agree to restructure the payments or benefits to comply with Section 409A of the Code in a manner which does not diminish the value of such payments and benefits to the Executive.

o. Future Change in Control. The Company and the Executive agree to work together in good faith to try to address any issues posed by Sections 280G and 4999 of the Code that could arise as a result of a change in control of HCA (within the meaning of Section 280G of the Code) that occurs after the Closing.

p. Option Adjustment. The Company agrees to indemnify Executive against any adverse tax consequences (including, without limitation, under Section 409A and 4999 of the Code), if any, that result from the adjustment by the Company or HCA of stock options held by the Executive in connection with the Merger or the payment of any extraordinary cash dividends after the Closing. For the avoidance of doubt, this indemnity does not extend to tax consequences that arise upon the "cash out" of Executive's existing HCA stock options on the Closing (or otherwise upon the exercise of Executive's stock options).

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

HERCULES HOLDING II, LLC
/s/ Chris Gordon

By: Chris Gordon
Title: President

SAMUEL N. HAZEN
/s/ Samuel N. Hazen

Exhibit 10.27(e)

EMPLOYMENT AGREEMENT
William P. Rutledge

This EMPLOYMENT AGREEMENT (the "Agreement") dated November 16, 2006 is entered into by and between Hercules Holding II, LLC (the "Company") and William P. Rutledge (the "Executive").

In connection with the merger contemplated under that certain Agreement and Plan of Merger by and among HCA Inc. ("HCA"), the Company and Hercules Acquisition Corporation, dated July 24, 2006 (the "Merger Agreement", and such transaction being the "Merger") the Company desires to employ Executive and to enter into an agreement embodying the terms of such employment, effective as of the consummation of the Merger (the "Closing");

After the Closing, the Company will own substantially all of the stock of HCA; and

Executive desires to accept such employment and enter into such an agreement.

In consideration of the promises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment; Effectiveness. Subject to the occurrence of the Closing, Executive shall be employed by HCA Management Services, L.P., an affiliate of HCA existing solely as an employment vehicle for corporate employees of HCA, on the terms and subject to the conditions set forth in this Agreement until Executive's employment is terminated in accordance with Section 7 of this Agreement (the "Employment Term"). Notwithstanding any other provision of this Agreement, the operative provisions of this Agreement shall become effective only upon the Closing Date (as defined in the Merger Agreement). In the event the Merger Agreement is terminated for any reason without the Closing Date having occurred, this Agreement shall be terminated without further obligation or liability of either party. Upon the Closing, the Company will cause HCA to assume this Agreement and all references to "Company" contained herein shall at all times thereafter refer to HCA.

2. Position.

a. During the Employment Term, Executive shall serve as the President-Central Group of HCA. In such position, Executive shall have such duties, authority and responsibility as shall be determined from time to time by the Chief Executive Officer, which duties, authority and responsibility are consistent with his existing position with HCA with respect to the business of HCA. Executive shall, if requested, also serve as a member of the Board of Directors of any affiliate of the Company, without additional compensation.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board of Directors of HCA (the "Board"); provided that

nothing herein shall preclude Executive, subject to the prior approval of the Board, from accepting appointment to or continue to serve on any board of directors or trustees of any business corporation or any charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 8.

3. Base Salary. During the Employment Term, HCA shall pay Executive a base salary at the annual rate of $650,000 payable in regular installments in accordance with HCA's normal payroll practices. The Board will review Executive's salary annually, and Executive shall be entitled to such increases in Executive's base salary, if any, as may be determined in the sole discretion of the Board, based upon such review. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

4. Annual Bonus.

a. With respect to the 2006 fiscal year, Executive shall be eligible to receive the annual bonus to which Executive is otherwise entitled under the HCA 2006 Senior Officer Performance Excellence Program as a "covered officer" (as defined therein), to be paid at the target level on the Closing Date; pursuant to such program, and as set forth in the Merger Agreement.

b. With respect to each full fiscal year of HCA (a "Fiscal Year") occurring during the Employment Term, beginning with the 2007 Fiscal Year, Executive shall be eligible to earn, pursuant to an annual bonus program to be adopted by the Board, an annual bonus award (an "Annual Bonus") equal to a percentage of Executive's Base Salary, based upon the extent to which annual performance targets established by the Board are met or exceeded. The Annual Bonus, if any, shall be paid to Executive within two and one-half (2.5) months after the end of the applicable Fiscal Year. For the 2007 Fiscal Year, Executive shall be eligible to earn a target bonus of (i) 60% of Base Salary (the "Target Bonus") if annual performance targets are met, (ii) 50% of the Target Bonus if a lower "threshold" level of performance is achieved, or (iii) two times the Target Bonus if "maximum" performance goals are achieved, with the Annual Bonus amount being interpolated, in the sole discretion of the Board, in the event that performance results exceed "threshold" goals but do not exceed "maximum" goals. For the 2007 Fiscal Year, "target" performance will be based 50% on $4,407 million in EBITDA for HCA and 50% on $989 million EBITDA for the Central Group (which will be calculated in the same way it is calculated for purposes of the vesting of options granted under the New Option Plan (as defined below) that vest based on the attainment of EBITDA targets), "threshold" performance will be 96.4%% of "target" and "maximum" performance will be 103.6% "of target" performance (with appropriate adjustments by the Board for extraordinary transactions and changes in capital expenditures). With respect to the 2008 Fiscal Year, the Board shall in good faith attempt to provide Annual Bonus opportunities to Executive that are consistent with those applicable to the 2007 Fiscal Year, unless doing so would be adverse to the interests of HCA, the Company or their shareholders. For later fiscal years, the Board will set bonus opportunities in consultation with the Chief Executive Officer of HCA.

5. Employee Benefits and Business Expenses. During the Employment Term, Executive shall be entitled to participate in HCA's pension and welfare benefit, deferred

compensation, cash incentive compensation and perquisite plans as in effect from time to time for senior executives of HCA (collectively "Employee Benefits"). In addition, during the Employment Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by HCA in accordance with HCA's policies. During the Employment Term, HCA shall also (a) provide Executive with Director's and Officer's indemnification and insurance coverage to the extent that the Board determines to be reasonable, in its sole discretion, for a company of the nature and size of HCA and (b) shall continue Executive's participation in HCA's Supplemental Executive Retirement Plan until such time as Executive has become fully vested in the maximum benefit available to the Executive under that plan (including achieving the maximum years of service) in accordance with the terms of the Merger Agreement.

6. Equity Arrangements.

a. In connection with the Merger, Executive shall (i) participate in the equity compensation program established by HCA effective as of the Closing, pursuant to which, on the Closing, Executive shall receive a grant of options to purchase shares of common stock of HCA (with an exercise price of $51.00 per share) pursuant to a stock incentive plan to be adopted by HCA (the "New Options", and any shares of common stock acquired upon exercise of such New Options, "Option Stock", with the plan being the "New Option Plan"), (ii) be permitted to rollover existing HCA stock options and/or shares of HCA common stock (or have such options and/or shares cashed out in connection with the Merger and (iii) execute a stockholder's agreement and such other related agreements that are in forms reasonably acceptable to Executive and the Company (such agreements, together with the option grant and stock incentive plan, the "Equity Agreements"). Executive's New Options (ignoring Executive's possible receipt of 2x Time Options, as defined and discussed below in Section 6(b)) will cover approximately 0.013125 times 10% of the fully diluted equity of HCA on the Closing Date (10% of the fully diluted equity of HCA on the Closing Date being the "Option Pool").

b. HCA will reserve 10% of the Option Pool to be granted on the following terms (these options being the "2x Time Options"). HCA agrees that after Closing Date, it will grant 100% of the 2x Time Options to one or more of Jack Bovender, Richard Bracken, R. Milton Johnson, Samuel Hazen, W. Paul Rutledge, Beverly Wallace, and Charles Hall (the "Tier 1 Executives"). The individual allocations will be based upon each executive's contribution to HCA and the Company between the Closing and the date of grant as determined by the Board in consultation with the Chief Executive Officer (provided that the fact that Jack Bovender may have retired prior to the grant date will not be held against him in making such allocation and shall not preclude him from receiving 2x Time Options). A percentage of the 2x Time Options will be vested and exercisable on the date of grant, such percentage corresponding to the percentage of the period measured between the Closing Date and the fifth anniversary of the Closing Date that has elapsed as of the grant date. The 2x Time Options will otherwise vest pursuant to the schedule generally used in connection with HCA's other time-vesting options, subject to continued employment (or special provisions governing retirement as may be mutually agreed to by an Executive and the Company or HCA). The 2x Time Options will have an exercise price of $102 per share (subject to adjustment to take into account any share splits, extraordinary cash dividends, or other adjustment events under Section 8 of the New Option Plan, in any case made on or after Closing). The Board will in good faith attempt to time the

grant of the 2x Time Options relatively near in time to but before the earlier of (i) a "Change in Control" or "Public Offering" as defined in the New Option Plan or (ii) the time at which the Board in its good faith judgment, believes that it is likely that the fair market value per share of HCA common stock will soon thereafter exceed the proposed exercise price of the 2x Time Options, but not later than the fifth anniversary of the Closing Date. The form of the award agreement for the 2x Time Options will otherwise be consistent with the terms of time-vesting options that the Executive is granted in connection with the Closing. If an executive's employment is terminated, then any 2x Time Options which are forfeited (or 2x option shares which are repurchased) would be re-issued to the other then-remaining Tier 1 Executives or the person who is chosen to replace the forfeiting Tier 1 Executive.

c. In connection with the foregoing, Executive hereby acknowledges his or her commitment to invest in the Company or HCA as agreed to in that certain Management Investment Letter agreement between the Executive and the Company, in an amount as described under the sub-heading "Equity Roll Over Commitments" in HCA's definitive proxy statement filed October 17, 2006.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time and for any reason; provided that Executive will be required to give the Company at least 90 days advance written notice of any resignation of Executive's employment; provided, however, that the Company may elect to accelerate the effective date of such resignation, and such acceleration shall not be deemed a termination of Executive's employment without Cause (as defined below) by the Company. Notwithstanding any other provision of this Agreement, and subject to the provisions of the Equity Agreements, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates.

a. By the Company For Cause or By Executive Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company for Cause (as defined below) and shall terminate automatically upon Executive's voluntary resignation without Good Reason (as defined below).

(ii) For purposes of this Agreement, "Cause" shall mean Executive's:

(A) willful and continued failure to perform his or her material duties with respect to the Company or it subsidiaries which continues beyond ten (10) business days after a written demand for substantial performance is delivered to Executive by the Company (the "Cure Period"); or

(B) willful or intentional engaging by Executive in material misconduct that causes material and demonstrable injury, monetarily or otherwise, to the Company, the Sponsor Group (as defined in Section 8 below) or their respective affiliates; or

(C) conviction of, or a plea of *nolo contendere* to, a crime constituting (x) a felony under the laws of the United States or any state thereof or (y) a misdemeanor for which a sentence of more than six months' imprisonment is imposed; or

(D) willful and material breach of the Equity Agreements, or Executive's engaging in any action in breach of the covenants set forth in Section 8, which continues beyond the Cure Period (to the extent that, in the Board's reasonable judgment, such breach can be cured).

For purposes of this Section 7(a)(ii), an action will not be considered "willful" unless taken in bad faith or without the reasonable belief that it was in the best interest of HCA.

(iii) If Executive's employment is terminated by the Company for Cause or if Executive voluntarily resigns without Good Reason (other than due to Executive's death or Disability (as defined in Section 7(b) below)), Executive shall be entitled to receive:

(A) any Base Salary earned, but unpaid, through the date of termination;

(B) any Annual Bonus earned, but unpaid, as of the date of termination for the immediately preceding Fiscal Year, paid in accordance with Section 4 (except to the extent payment is otherwise deferred pursuant to any applicable deferred compensation arrangement with HCA);

(C) reimbursement, within 60 days following submission by Executive to the Company and HCA of appropriate supporting documentation, for any unreimbursed business expenses properly incurred by Executive in accordance with HCA policy prior to the date of Executive's termination; so long as claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company and HCA within 90 days following the date of Executive's termination of employment; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of HCA, (the amounts described in clauses (A) through (D) hereof being referred to as the "Accrued Rights").

Following such termination of Executive's employment by the Company for Cause or voluntary resignation by Executive without Good Reason (other than due to Executive's death or Disability), except as set forth in this Section 7(a)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Company if Executive becomes disabled (within the meaning of Section 409A of the Internal Revenue Code (such incapacity is hereinafter referred to as "Disability")). Any question as to the existence of the Disability of

Executive as to which Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of this Agreement, and the Company shall bear the costs of retaining the independent physician.

(ii) Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Rights; and

(B) a pro rata portion of the Annual Bonus, if any, that Executive would have been entitled to receive pursuant to Section 4 hereof for the Fiscal Year in which such termination occurs, based upon HCA's actual results for the year of termination and the percentage of the Fiscal Year that shall have elapsed through the date of Executive's termination of employment, payable to Executive pursuant to Section 4 had Executive's employment not terminated (a "Prorated Bonus").

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 7(b)(ii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

c. By the Company Without Cause or By Executive Due to Voluntary Resignation for Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company without Cause (other than by reason of Executive's Disability) and shall terminate automatically upon Executive's voluntary resignation for Good Reason.

(ii) For purposes of this Agreement, "Good Reason" shall mean:

(A) (I) a reduction in Executive's Base Salary (other than a general reduction in Base Salary that affects all similarly situated employees (defined as all employees within the same HCA pay grade as that of Executive) in substantially the same proportions that the Board implements in good faith after consultation with the Chief Executive Officer and Chief Operating Officer of HCA), or (II) a reduction in Executive's annual incentive compensation opportunity, or (III) the reduction of benefits payable to Executive under HCA's Supplemental Executive Retirement Plan, in each case other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(B) a substantial diminution in Executive's title, duties and responsibilities, other than any isolated, insubstantial and inadvertent failure by the Company or HCA that is not in bad faith and is cured within ten (10) business days after Executive gives the Company written notice of such event; or

(C) a transfer of Executive's primary workplace to a location that is more than twenty (20) miles from his or her workplace as of the date of this Agreement.

(iii) If Executive's employment is terminated by the Company without Cause (other than by reason of Executive's Disability), or if Executive voluntarily resigns with Good Reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) subject to Executive's execution and delivery of a general release of claims against the Company and its affiliates in a form reasonably acceptable to the Company and Executive's continued compliance with the provisions of Sections 8 and 9, payment of an amount equal to the product of (I) two times the sum of (II) Executive's (x) then Base Salary and (y) Annual Bonus paid or payable in respect of the Fiscal Year immediately preceding the Fiscal Year in which such termination occurs, payable over a two-year period (or such shorter period as may be required by applicable tax laws) (the "Severance Period");

(C) a Prorated Bonus;

(D) continued coverage under HCA's group health plans during the Severance Period on the same basis as such coverage was provided immediately prior to Executive's termination of employment; provided that, in order to facilitate such coverage, the Executive, in accordance with HCA's policies in effect at the time of Executive's termination, agrees to elect continuation coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (the amounts described in clauses (B), (C) and (D) hereof being referred to as the "Severance Benefits");

(E) notwithstanding any provision to the contrary in the New Option, Executive's vested New Options will remain exercisable until the first anniversary of the termination of Executive's employment.

Following Executive's termination of employment by the Company without Cause (other than by reason of Executive's Disability) or voluntary resignation with Good Reason by Executive, Executive shall be permitted to choose to have Executive's covenants described in Section 8(a)(i) (as well as any similar covenant in HCA's shareholder's agreement) waived in lieu of receiving the Severance Benefits; and, except as set forth in this Section 7(c)(iii) or the Equity Agreements, Executive shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

d. Notice of Termination. Any purported termination of employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11(i) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

e. Board/Committee Resignation. Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the Board (and any committees thereof) and the Board of Directors (and any committees thereof) of any of the Company's affiliates to which the Executive was appointed as a result of Executive's employment with the Company or was appointed at the direction of the Sponsor Group.

8. Non-Competition; Non-Solicitation.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and, subject to the provisions of Section 7(c)(iii), accordingly agrees as follows:

(i) During the Employment Term and, for a period of twenty-four (24) months following the date Executive ceases to be employed hereunder for any reason (the "Restricted Period"), Executive will not directly or indirectly:

(A) engage in any business that competes with the business of the Company or its affiliates (including businesses which the Company or its affiliates have specific plans to conduct in the future, as to which the Company or its affiliates have taken steps towards commencing and as to which Executive has participated in such planning) in any geographical area where the Company or its affiliates manufactures, produces, sells, leases, rents, licenses or otherwise provides its products or services (a "Competitive Business");

(B) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(D) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement)

between the Company or any of its affiliates and customers, clients, or suppliers of the Company or its affiliates.

(ii) Notwithstanding anything to the contrary in this Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if Executive (x) is not a controlling person of, or a member of a group which controls, such person and (y) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(iii) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates; or

(B) hire any such employee who was employed by the Company or its affiliates as of the date of Executive's termination of employment with the Company or who left the employment of the Company or its affiliates coincident with, or within one year prior to, the termination of Executive's employment with the Company.

(iv) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company or its affiliates any consultant then under contract with the Company or its affiliates.

(v) Notwithstanding the foregoing, the term "affiliates" as used in Section 8(a) will not include any member of the Sponsor Group (as defined below) or their affiliates that are not engaged in Competitive Business. For purposes of this Agreement, the term "Sponsor Group" shall mean Bain Capital Partners LLC, Kohlberg Kravis Roberts & Co. L.P., and Merrill Lynch Global Private Equity.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 8 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

9. Confidentiality.

a. Executive will not at any time (whether during or after Executive's employment hereunder): (i) retain or use for the benefit, purposes or account of Executive or any other Person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information —including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals — concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

b. "Confidential Information" shall not include any information that is (i) generally known to the industry or the public other than as a result of Executive's breach of this covenant or any breach of other confidentiality obligations by third parties; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by law to be disclosed; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

c. Except as required by law, Executive will not disclose to anyone, other than Executive's immediate family and legal or financial advisors, the existence or contents of this Agreement; provided that Executive may disclose to any prospective future employer the provisions of Sections 8 and 9 of this Agreement provided they agree to maintain the confidentiality of such terms.

d. Upon termination of Executive's employment hereunder, Executive shall (i) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (ii) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries (including Executive's personal rolodex) that do not contain any Confidential Information; and (iii) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

10. Specific Performance; Forfeiture of Certain Equity.

a. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8 or Section 9 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

b. In the event that the Executive breaches these covenants during the Restricted Period, in addition to other remedies, the Company will be entitled to recover any payments made by the Company to the Executive in respect of the repurchase of the Executive's New Options and Option Stock (except that, with respect to the Option Stock, such recovery will be limited to only the amounts, if any, that the Executive received in excess of the exercise price paid by the Executive in acquiring such Option Stock, on a net after-tax basis).

11. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to conflicts of laws principles thereof.

b. Dispute Resolution. Except as otherwise provided in Section 10 of this Agreement, any controversy, dispute, or claim arising out of, in connection with, or in relation to, the interpretation, performance or breach of this Agreement, including, without limitation, the validity, scope, and enforceability of this section, may at the election of any party, be solely and finally settled by arbitration conducted in Nashville, Tennessee, by and in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, or any successor organization and with the Expedited Procedures thereof (collectively, the "Rules"). Each of the parties hereto agrees that such arbitration shall be conducted by a single arbitrator selected in accordance with the Rules; provided that such arbitrator shall be experienced in deciding cases concerning the matter which is the subject of the dispute. Any of the parties may demand arbitration by written notice to the other and to the Arbitrator set forth in this Section 11(b) ("Demand for Arbitration"). Each of the parties agrees that if possible, the award shall be made in writing no more than 30 days following the end of the proceeding. Any award rendered by the arbitrator(s) shall be final and binding and judgment may be entered on it in any court of competent jurisdiction. Each of the parties hereto agrees to treat as confidential the results of any arbitration (including, without limitation, any findings of fact and/or law made by the arbitrator) and not to disclose such results to any unauthorized person. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable. In the event of any arbitration with regard to this Agreement, each party shall pay its own legal fees and expenses, provided, however, that the parties agree to share the cost of the Arbitrator's fees. If Executive substantially prevails on any of his substantive legal claims, then the Company shall pay all legal fees incurred by Executive to arbitrate the dispute, and all arbitration fees.

c. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive hereunder. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

d. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

e. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

f. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is (i) an affiliate of the Company, so long as such affiliate maintains sufficient assets to satisfy the Company's obligation hereunder, (ii) a successor in interest to substantially all of the business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor person or entity.

g. No Set Off; No Mitigation. The Company's obligation to pay Executive the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim or recoupment of amounts owed by Executive to the Company or its affiliates. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment, taking into account the provisions of Section 8 of this Agreement.

h. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

i. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to Hercules Holding II, LLC, to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to HCA Inc., to

HCA Inc.
One Park Plaza
Nashville, TN 37203
Attn: General Counsel
Telecopy: (615) 344-1531

and copies to:

Merrill Lynch Global Private Equity
Four World Financial Center, Floor 23
New York, NY 10080
Attention: George A. Bitar
Telecopy: (212) 449-1119

and

Bain Capital Partners, LLC
111 Huntington Avenue
Boston, MA 02199
Attention: Chris Gordon
Telecopy: (617) 516-2010

and

Kohlberg Kravis Roberts & Co. L.P.
2800 Sand Hill Road, Suite 200
Menlo Park, CA 94025
Attention: James C. Momtazee
Telecopy: (650) 233-6584

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Andrea K. Wahlquist, Esq.
Telecopy: (212) 455-2502

If to Executive:

To the Executive's address of record on the books of the Company.

j. Prior Agreements. This Agreement supercedes all prior agreements and understandings (including verbal agreements) between Executive and the Company and/or its affiliates regarding the terms and conditions of Executive's employment with the Company and/or its affiliates.

k. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder. The Company shall pay to Executive reasonable fees, and reimburse Executive's reasonable related business expenses incurred by Executive in connection with Executive's provision of such services. This provision shall survive any termination of this Agreement.

l. Withholding Taxes. The Company or HCA may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

m. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

n. Compliance with Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be so interpreted. Notwithstanding anything herein to the contrary, (i) if at the time of Executive's termination of employment hereunder Executive is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, the parties agree to restructure the payments or benefits to comply with Section 409A of the Code in a manner which does not diminish the value of such payments and benefits to the Executive.

o. Future Change in Control. The Company and the Executive agree to work together in good faith to try to address any issues posed by Sections 280G and 4999 of the Code that could arise as a result of a change in control of HCA (within the meaning of Section 280G of the Code) that occurs after the Closing.

p. Option Adjustment. The Company agrees to indemnify Executive against any adverse tax consequences (including, without limitation, under Section 409A and 4999 of the Code), if any, that result from the adjustment by the Company or HCA of stock options held by the Executive in connection with the Merger or the payment of any extraordinary cash dividends after the Closing. For the avoidance of doubt, this indemnity does not extend to tax consequences that arise upon the "cash out" of Executive's existing HCA stock options on the Closing (or otherwise upon the exercise of Executive's stock options).

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

HERCULES HOLDING II, LLC
/s/ Chris Gordon

By: Chris Gordon
Title: President

WILLIAM P. RUTLEDGE
/s/ William P. Rutledge

EXHIBIT 12

HCA INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(UNAUDITED)
(DOLLARS IN MILLIONS)

	Year Ended December 31,				
	2006	2005	2004	2003	2002
EARNINGS:					
Income before minority interests and income taxes	$ 1,862	$ 2,327	$ 2,141	$ 2,306	$ 1,603
Fixed charges, exclusive of capitalized interest	1,092	785	686	611	558
	$ 2,954	$ 3,112	$ 2,827	$ 2,917	$ 2,161
FIXED CHARGES:					
Interest charged to expense	$ 955	$ 655	$ 563	$ 491	$ 446
Interest portion of rental expense	137	130	123	120	112
Fixed charges, exclusive of capitalized interest	1,092	785	686	611	558
Capitalized interest	38	25	28	49	37
	$ 1,130	$ 810	$ 714	$ 660	$ 595
Ratio of earnings to fixed charges	2.61	3.84	3.96	4.42	3.63

Exhibit 21

ALABAMA

Alabama-Tennessee Health Network, Inc.
CareOne Home Health Services, Inc.
Four Rivers Medical Center PHO, Inc.
Selma Medical Center Hospital, Inc.

ALASKA

Chugach PT, Inc.
Columbia Behavioral Healthcare, Inc.
Columbia North Alaska Healthcare, Inc.

ARKANSAS

Central Arkansas Provider Network, Inc.
Columbia Health System of Arkansas, Inc.

BERMUDA

Parthenon Insurance Company, Limited

CALIFORNIA

Birthing Facility of Beverly Hills, Inc.
C.H.L.H., Inc.
Center for Advanced Imaging, LLC
CFC Investments, Inc.
CH Systems
Chino Community Hospital Corporation, Inc.
Columbia ASC Management, L.P.
Columbia Fallbrook, Inc.
Columbia Riverside, Inc.
Columbia/HCA San Clemente, Inc.
Community Hospital of Gardena Corporation, Inc.
Encino Hospital Corporation, Inc.
Far West Division, Inc.
Galen-Soch, Inc.
Good Samaritan Surgery Center, L.P.
HCA Allied Health Services of San Diego, Inc.
HCA Health Services of California, Inc.
HCA Hospital Services of San Diego, Inc.
Healdsburg General Hospital, Inc.
L E Corporation
Las Encinas Hospital
Los Gatos Surgical Center, a California Limited Partnership
  Los Gatos Surgical Center
Los Robles Regional Medical Center
  Los Robles Hospital & Medical Center
Los Robles Surgicenter JV
  Los Robles Surgicenter
MCA Investment Company
Mission Bay Memorial Hospital, Inc.
Neuro Affiliates Company
Psychiatric Company of California, Inc.
Riverside Healthcare System, L.P.
  Riverside Community Hospital
Riverside Holdings, Inc.
Riverside Surgicenter, L.P.
San Joaquin Surgical Center, Inc.
San Jose Healthcare System, Inc.

San Jose Pathology Outreach, LLC
Southwest Surgical Clinic, Inc.
Surgicare of Beverly Hills, Inc.
Surgicare of Good Samaritan, LLC
Surgicare of Los Gatos, Inc.
Surgicare of Montebello, Inc.
Surgicare of Riverside, LLC
Surgicare of West Hills, Inc.
Ukiah Hospital Corporation
Visalia Community Hospital, Inc.
VMC Management, Inc.
VMC-GP, Inc.
West Hills Hospital
  West Hills Hospital & Medical Center
West Hills Surgical Center, Ltd.
  West Hills Surgical Center
West Los Angeles Physicians' Hospital, Inc.
Westminster Community Hospital
Westside Hospital Limited Partnership
Windsor Health Group Medical Building Partnership

CAYMAN ISLANDS

Health Midwest Insurance Company, Ltd.

COLORADO

Bethesda Psychealth Ventures, Inc.
Colorado Health Systems, Inc.
Colorado Healthcare Management, LLC
Columbine Psychiatric Center, Inc.
Continental Division I, Inc.
Diagnostic Mammography Services, G.P.
Galen of Aurora, Inc.
HCA-HealthONE LLC
  North Suburban Medical Center
  Presbyterian/St. Luke's Medical Center
  Rose Medical Center
  Sky Ridge Medical Center
  Swedish Medical Center
  The Medical Center of Aurora
Health Care Indemnity, Inc.
HealthONE at Breckenridge, LLC
HealthONE Clear Creek, LLC
HealthONE Clinic Services — Behavioral Health, LLC
HealthONE Clinic Services — Cardiovascular, LLC
HealthONE Clinic Services — Medical Specialties, LLC
HealthONE Clinic Services — Neurosciences, LLC
HealthONE Clinic Services — Obstetrics and Gynecology, LLC
HealthONE Clinic Services — Occupational Medicine, LLC
HealthONE Clinic Services — Pediatric Specialties, LLC
HealthONE Clinic Services — Primary Care, LLC
HealthONE Clinic Services — Surgical Specialties, LLC
HealthONE Clinic Services LLC
HealthONE Lowry, LLC
HealthONE of Denver, Inc.
HealthONE Urologic, LLC
Hospital-Based CRNA Services, Inc.

Lakewood Surgicare, Inc.
Mountain View MRI Associates, Ltd.
MOVCO, Inc.
New Rose Holding Company, Inc.
North Suburban Spine Center, L.P.
Musculoskeletal Surgery Center
Rocky Mountain Pediatric Hematology Oncology, LLC
Rocky Mountain Surgery Center, LLC
Rose Health Partners, LLC
Rose POB, Inc.
Surgicare of Denver Mid-Town, Inc.
Surgicare of North Suburban, LLC
Surgicare of Rose, LLC
Surgicare of Sky Ridge, LLC
Surgicare of Southeast Denver, Inc.
Surgicare of Swedish, LLC
Surgicare of Thornton, LLC
Swedish Medpro, Inc.
Swedish MOB II, Inc.
Swedish MOB III, Inc.
Swedish MOB IV, Inc.
Swedish MOB, LLC
Urology Surgery Center of Colorado, LLC

DELAWARE

AC Med, LLC
Aligned Business Consortium Group, L.P.
Alpharetta Imaging Services, LLC
Alternaco, LLC
American Medicorp Development Co.
Ami-Point GA, LLC
AOGN, LLC
AR Holding 1, LLC
AR Holding 2, LLC
AR Holding 3, LLC
AR Holding 4, LLC
AR Holding 5, LLC
AR Holding 6, LLC
AR Holding 7, LLC
AR Holding 8, LLC
AR Holding 9, LLC
AR Holding 10, LLC
AR Holding 11, LLC
AR Holding 12, LLC
AR Holding 13, LLC
AR Holding 14, LLC
AR Holding 15, LLC
AR Holding 16, LLC
AR Holding 17, LLC
AR Holding 18, LLC
AR Holding 19, LLC
AR Holding 20, LLC
AR Holding 21, LLC
AR Holding 22, LLC
AR Holding 23, LLC
AR Holding 24, LLC

AR Holding 25, LLC
AR Holding 26, LLC
AR Holding 27, LLC
AR Holding 28, LLC
AR Holding 29, LLC
AR Holding 30, LLC
Arkansas Medical Park, LLC
ASD Shared Services, LLC
Atlanta Healthcare Management, L.P.
Atlanta Market GP, Inc.
Atlanta Orthopaedic Surgical Center, Inc.
Aventura EFL Imaging Center, LLC
Bayshore Partner, LLC
Belton Family Practice Clinic, LLC
Blake Imaging, LLC
Boynton Beach EFL Imaging Center, LLC
Brunswick Hospital, LLC
C/HCA Capital, Inc.
C/HCA, Inc.
Cancer Centers of North Florida, LLC
Cardiovascular Center of Fort Worth, L.P.
Cardiovascular Ventures of Fort Worth, LLC
Carolina Forest Imaging Manager, LLC
Centerpoint Medical Center of Independence, LLC
  Independence Regional Health Center
Central Florida Diagnostic Cardiology Center, LLC
Central Florida Imaging Services, LLC
Central Health Holding Company, Inc.
Central Health Services Hospice, Inc.
Chattanooga ASC, LLC
CHC Finance Co.
CHC Payroll Agent, Inc.
CHCA Bayshore, L.P.
  Bayshore Medical Center
CHCA Clear Lake, L.P.
  Clear Lake Regional Medical Center
CHCA Conroe, L.P.
  Conroe Regional Medical Center
CHCA East Houston, L.P.
  East Houston Regional Medical Center
CHCA Hospital LP, Inc.
CHCA Mainland, L.P.
  Mainland Medical Center
CHCA Palmyra Partner, Inc.
CHCA West Houston, L.P.
  West Houston Medical Center
CHCA Woman's Hospital, L.P.
  Woman's Hospital of Texas
Cheray and Samuels, LLC
Clear Lake Merger, LLC
Clear Lake Regional Partner, LLC
Clearwater GP, LLC
ClinicServ, LLC
CMS GP, LLC
Coastal Bend Hospital, Inc.
Coastal Healthcare Services, Inc.

Cobb Imaging Services, LLC
Coliseum Health Group, LLC
Coliseum Medical Center, LLC
    Coliseum Medical Centers
Coliseum Psychiatric Center, LLC
    Coliseum Psychiatric Center
Coliseum Surgery Center, L.L.C.
Columbia Behavioral Health, LLC
Columbia EFL Imaging Center, LLC
Columbia Homecare Group, Inc.
Columbia Hospital (Palm Beaches) Limited Partnership
    Columbia Hospital
Columbia Hospital Corporation of Fort Worth
Columbia Hospital Corporation of Houston
Columbia Hospital Corporation-Delaware
Columbia Management Companies, Inc.
Columbia Mesquite Health System, L.P.
Columbia Palm Beach GP, LLC
Columbia Rio Grande Healthcare, L.P.
    Rio Grande Regional Hospital
Columbia Valley Healthcare System, L.P.
    Valley Regional Medical Center
Columbia Westbank Healthcare, L.P.
Columbia/HCA Middle East Management Company
Columbia-SDH Holdings, Inc.
Columbus Cath Lab, Inc.
Columbus Cath Lab, LLC
Concept EFL Imaging Center, LLC
Concept West EFL Imaging Center, LLC
Conroe Partner, LLC
CoralStone Management, Inc.
COSCORP, LLC
CPS TN Processor 1, Inc.
CRMC-M, LLC
Dallas/Ft. Worth Physician, LLC
Danforth Hospital, Inc.
Delray EFL Imaging Center, LLC
Delta Division, Inc.
Denton Cancer Center, LLC
DeSoto Family Practice, LLC
Doctors Hospital of Augusta, LLC
    Doctors Hospital
Douglasville Imaging Services, LLC
Drake Development Company
Drake Development Company II
Drake Development Company III
Drake Development Company IV
Drake Development Company V
Drake Development Company VI
Drake Management Company
EarthStone HomeHealth Company
East Florida Imaging Holdings, LLC
East Houston Partner, LLC
Edmond Regional Medical Center, LLC
    Edmond Medical Center

Electa Health Network, LLC
EMMC, LLC
EP Health, LLC
EP Holdco, LLC
EPIC Development, Inc.
EPIC Diagnostic Centers, Inc.
EPIC Healthcare Management Company
EPIC Surgery Centers, Inc.
Extendicare Properties, Inc.
Fairview Park GP, LLC
Fairview Partner, LLC
Family Care of E. Jackson County, LLC
FHAL, LLC
Forest Park Surgery Pavilion, Inc.
Forest Park Surgery Pavilion, L.P.
Fort Bend Hospital, Inc.
Galen (Kansas) Merger, LLC
Galen BH, Inc.
Galen Finance, LLC
Galen Global Finance, Inc.
Galen GOK, LLC
Galen Holdco, LLC
Galen Hospital Alaska, Inc.
    Alaska Regional Hospital
Galen International Capital, Inc.
Galen International Holdings, Inc.
Galen KY, LLC
Galen LA, LLC
Galen MCS, LLC
Galen Medical Corporation
Galen MRMC, LLC
Galen NMC, LLC
Galen NSH, LLC
Galen SOM, LLC
Galen SSH, LLC
Galendeco, Inc.
GalTex, LLC
Garden Park Community Hospital Limited Partnership
Gardens EFL Imaging Center, LLC
Gary Berger, DO, LLC
General Healthserv, LLC
Georgia Health Holdings, Inc.
Georgia, L.P.
GHC-Galen Health Care, LLC
GKI Lawrence, LLC
Glendale Surgical, LLC
Good Samaritan Hospital, L.P.
    Good Samaritan Hospital
Good Samaritan Hospital, LLC
Goppert-Trinity Family Care, LLC
GPCH-GP, Inc.
    Garden Park Medical Center
Grand Strand Regional Medical Center, LLC
    Grand Strand Regional Medical Center
Grandview Health Care Clinic, LLC
H.H.U.K., Inc.

HCA — IT&S Field Operations, Inc.
HCA — IT&S Inventory Management, Inc.
HCA Health Services of Midwest, Inc.
HCA Holdco, LLC
HCA Imaging Services of North Florida, Inc.
HCA Management Services, L.P.
HCA Outpatient Imaging Services Group, Inc.
HCA Property GP, LLC
HCA Psychiatric Company
HCA Squared, LLC
HCA Switzerland Holding Sàrl
HCA Wesley Rehabilitation Hospital, Inc.
Health Services (Delaware), Inc.
Health Services Merger, Inc.
Healthcare Technology Assessment Corporation
Healthco, LLC
Healthnet of Kentucky, LLC
Healthserv Acquisition, LLC
Healthtrust MOB Tennessee, LLC
Healthtrust MOB, LLC
Healthtrust Purchasing Group, L.P.
Healthtrust, Inc. — The Hospital Company
Hearthstone Home Health, Inc.
Heloma Operations, LLC
Hendersonville ODC, LLC
Henrico Doctors Hospital — Forest Campus Property, LLC
HHNC, LLC
HM EHS, LLC
HM NKCH, LLC
HM OMCOS, LLC
Holden Family Health Care, LLC
Hospital Corp., LLC
Hospital Development Properties, Inc.
Hospital of South Valley, LLC
Hospital Partners Merger, LLC
Houston Healthcare Holdings, Inc.
Houston Woman's Hospital Partner, LLC
HSS Holdco, LLC
HSS Systems VA, LLC
HSS Systems, LLC
HTI Hospital Holdings, Inc.
Independence Regional Medical Group, LLC
Indian Path, LLC
Indianapolis Hospital Partner, LLC
Integrated Regional Laboratories, LLP
Internal Medicine Associates of Lee's Summit, LLC
Jackson County Medical Group, LLC
JCSH, LLC
JCSHLP, LLC
JFK Medical Center Limited Partnership
    JFK Medical Center
Jupiter EFL Imaging Center, LLC
JV Investor, LLC
Kansas Healthserv, LLC
Katy Medical Center, Inc.
Kendall EFL Imaging Center, LLC

Kendall Regional Medical Center, LLC
Lake City Health Centers, Inc.
Lake Hearn Imaging Services, LLC
Lakeland Medical Center, LLC
Lakeside Radiology, LLC
Lakeview Medical Center, LLC
    Lakeview Regional Medical Center
Laredo Medco, LLC
Lawrence Amdeco, LLC
Lawrence Medical, LLC
Lee's Summit Family Care, LLC
Lewis-Gale Medical Center, LLC
    Lewis-Gale Medical Center
Louisiana Hospital Holdings, Inc.
Low Country Health Services, Inc. of the Southeast
Macon Healthcare, LLC
Macon Northside Health Group, LLC
Macon Northside Hospital, LLC
    Coliseum Northside Hospital
Mainland Partner, LLC
Management Services Holdings, Inc.
Management Services LP, LLC
McKinley & Associates, LLC
Medical Arts Hospital of Texarkana, Inc.
Medical Care America, LLC
Medical Care Financial Services Corp.
Medical Care Real Estate Finance, Inc.
Medical Center of Plano Partner, LLC
Medical Centers of Oklahoma, LLC
Medical City Dallas Partner, LLC
Medical Corporation of America
Medical Office Buildings of Kansas, LLC
Medical Specialties, Inc.
Medistone Healthcare Ventures, Inc.
MediVision of Mecklenburg County, Inc.
MediVision of Tampa, Inc.
MediVision, Inc.
Memorial Southside Cancer Center, LLC
Miami Beach EFL Imaging Center, LLC
MidAmerica Oncology, LLC
Mid-Continent Health Services, Inc.
Middle Georgia Hospital, LLC
Midtown Diagnostics, LLC
Midtown ID Clinic, LLC
Midwest Division — ACH, LLC
    Allen County Hospital
Midwest Division — CMC, LLC
Midwest Division — LRHC, LLC
    Lafayette Regional Health Center
Midwest Division — LSH, LLC
    Lee's Summit Hospital
Midwest Division — MCI, LLC
    Medical Center of Independence
Midwest Division — MII, LLC
Midwest Division — MMC, LLC
    Menorah Medical Center

Midwest Division — OPRMC, LLC
    Overland Park Regional Medical Center
Midwest Division — PFC, LLC
Midwest Division — RMC, LLC
    Research Medical Center
Midwest Division — RPC, LLC
    Research Psychiatric Center
Midwest Division — TLM, LLC
Midwest Holdings, Inc.
Midwest Medicine Associates, LLC
Midwest Metropolitan Physicians Group, LLC
Midwest Physician Services Lab, LLC
Mobile Corps., Inc.
MRT&C, Inc.
Nashville Shared Services General Partnership
New North Palm Beach County Surgery Center, Ltd.
North Brandon Imaging, LLC
North Florida Cancer Center Lake City, LLC
North Florida Cancer Center Live Oak, LLC
North Florida Cancer Center Tallahassee, LLC
North Florida Radiation Oncology, LLC
North Miami Beach Surgery Center Limited Partnership
    North Miami Beach Surgical Center
North Miami Beach Surgical Center, LLC
North Tampa Imaging, LLC
North Texas Medical Center, Inc.
Northeast Florida Cancer Services, LLC
Northwest Fla. Home Health Agency, Inc.
Notami Hospitals, LLC
Notami Louisiana Holdings, Inc.
Notami, LLC
Notco, LLC
NTGP, LLC
NTMC Ambulatory Surgery Center, L.P.
NTMC Management Company
NTMC Venture, Inc.
Ocala Stereotactic Radiosurgery Partner, LLC
Ocala Stereotactic Radiosurgery, LLC
OMI Management, LLC
OneSource Med Acquisition Company
Orange City Imaging Services, LLC
Orlando Outpatient Surgical Center, Inc.
Outpatient Cardiovascular Center of Central Florida, LLC
Outpatient GP, LLC
Outpatient LP, LLC
Outpatient Services — LAD, LLC
Outpatient Services — River Oaks Imaging — Clear Lake, L.P.
Outpatient Services — River Oaks Imaging — Conroe, L.P.
Outpatient Services — River Oaks Imaging — East Houston, L.P.
Outpatient Services — River Oaks Imaging — Houston, L.P.
Outpatient Services — River Oaks Imaging — Humble, L.P.
Outpatient Services — River Oaks Imaging — Medical Center, L.P.
Outpatient Services — River Oaks Imaging — Pasadena, L.P.
Outpatient Services — River Oaks Imaging — Sugar Land, L.P.
Outpatient Services — River Oaks Imaging — West Houston, L.P.
Outpatient Services — River Oaks Imaging — Willowbrook, L.P.

Outpatient Services Holdings, Inc.
Palm Beach EFL Imaging Center, LLC
Palms West Hospital Limited Partnership
    Palms West Hospital
Palmyra Park GP, Inc.
Paragon SDS, Inc.
Paragon WSC, Inc.
Parkway Hospital, Inc.
Pearland Partner, LLC
Pinellas Medical, LLC
Pioneer Medical, LLC
Plano Heart Institute, L.P.
Plano Heart Management, LLC
Plantation General Hospital Limited Partnership
    Plantation General Hospital
PMM, Inc.
POH Holdings, LLC
Portsmouth Regional Ambulatory Surgery Center, LLC
    Portsmouth Regional Ambulatory Surgery Center
Preferred Works WC, LLC
Primary Care Acquisition, Inc.
Primary Medical Management, Inc.
Radiation Oncology Manager, LLC
RCH, LLC
Red Rock at Maryland Parkway, LLC
Red Rock at Smoke Ranch, LLC
Red Rock Holdco, LLC
Reston Hospital Center, LLC
    Reston Hospital Center
RHA MSO, LLC
Richmond Imaging Merger, LLC
Riverside Hospital, Inc.
Riverside Imaging, LLC
RMC HBP, LLC
Rockhill General Surgery, LLC
Round Rock Hospital, Inc.
Samaritan, LLC
San Bernardino Imaging, LLC
San Jose Healthcare System, LP
    Regional Medical Center of San Jose
San Jose Hospital, L.P.
San Jose Medical Center, LLC
San Jose, LLC
San Pablo ASC, LLC
Sarah Cannon Research Institute, LLC
SCRI Holdings, LLC
SJMC, LLC
Sleep Lab at Menorah Medical Center, LLC
SMCH, LLC
South Bay Imaging, LLC
South Brandon Imaging, LLC
South Dade GP, LLC
South Valley Hospital, L.P.
Southtown Women's Clinic, LLC
Spalding Rehabilitation L.L.C.
    Spalding Rehabilitation Hospital

Spring Branch GP, LLC
Spring Branch LP, LLC
Spring Hill Imaging, LLC
Springview KY, LLC
SR Medical Center, LLC
State Line Medical Group, LLC
State Line Urgent Care, LLC
Stones River Hospital, LLC
Suburban Medical Center at Hoffman Estates, Inc.
Summit General Partner, Inc.
Summit Medical Assoc., LLC
Summit Outpatient Diagnostic Center, LLC
Sun Bay Medical Office Building, Inc.
Sun City Imaging, LLC
Suncoast Physician Practice, LLC
Sun-Med, LLC
Sunrise Hospital and Medical Center, LLC
    Sunrise Hospital & Medical Center
Surgicare of Denton, Inc.
Surgicare of Plano, Inc.
Surgico, LLC
SVH, LLC
Swedish MOB Acquisition, Inc.
Terre Haute Hospital GP, Inc.
Terre Haute Hospital Holdings, Inc.
Terre Haute Regional Hospital, L.P.
    Terre Haute Regional Hospital
The Medical Group of Kansas City, LLC
Town Plaza Family Practice, LLC
Tri-Cities Rehabilitation Hospital, L.P.
Trident Medical Center, LLC
    Trident Medical Center
Tuckahoe Surgery Center, LP
    Tuckahoe Surgery Center
Ultra Imaging Management Services, LLC
Ultra Imaging of Tampa, LLC
Utah Medco, LLC
Value Health Management, Inc.
VHSC Plantation, LLC
VHSC Pompano Beach, LLC
Vicksburg Diagnostic Services, L.P.
Washington Holdco, LLC
Wesley Cath Lab, LLC
Wesley Manager, LLC
Wesley Medical Center, LLC
    Wesley Medical Center
West Florida Imaging Services, LLC
West Florida PET Services, LLC
West Houston, LLC
Westbury Hospital, Inc.
Westside EFL Imaging Center, LLC
WHG Medical, LLC
WJHC, LLC
Woman's Hospital Merger, LLC
Women's Hospital Indianapolis GP, Inc.
Women's Hospital Indianapolis, L.P.

WPPC, LLC
Yates Center Family Health, LLC

FLORIDA

AAL Holdings, Inc.
All About Learning, LLC
All About Staffing, Inc.
Ambulatory Laser Associates, GP
Ambulatory Surgery Center Group, Ltd.
    Ambulatory Surgery Center
Aventura Cardiovascular Surgeons, LLC
Aventura Comprehensive Cancer Research Group of Florida, Inc.
Aventura Neurosurgery, LLC
BAMI Property, LLC
Bannerman Family Care, LLC
Bay Hospital, Inc.
    Gulf Coast Medical Center
Bayonet Point Surgery Center, Ltd.
    Bayonet Point Surgery and Endoscopy Center
Beach Primary Care, LLC
Belleair Surgery Center, Ltd.
    Belleair Surgery Center
Big Cypress Medical Center, Inc.
Bluewater Bay General Surgery, LLC
Bluewater Bay Urology, LLC
Bonita Bay Surgery Center, Inc.
Bonita Bay Surgery Center, Ltd.
Brandon Surgi-Center, Ltd.
    Brandon Surgery Center
Bridges Surgical Group, LLC
Broward Healthcare System, Inc.
Broward Neurosurgeons, LLC
Broward Physician Practices, Ltd.
Cape Coral Surgery Center, Inc.
Cape Coral Surgery Center, Ltd.
CCH-GP, Inc.
Cedarcare, Inc.
Cedars BTW Program, Inc.
Cedars Cardiovascular Surgeons, LLC
Cedars Gastroenterologists, LLC
Cedars Healthcare Group, Ltd.
    Cedars Medical Center
Cedars International Cardiology Consultants, LLC
Cedars Medical Center Hospitalists, LLC
Cedars Neurosurgery, LLC
Central Florida Cardiology Interpretations, LLC
Central Florida Division Practice, Inc.
Central Florida Obstetrics & Gynecology Associates, LLC
Central Florida Radiology, LLC
Central Florida Regional ENT, LLC
Central Florida Regional Hospital, Inc.
    Central Florida Regional Hospital
Central Florida Regional Obstetrics and Gynecology, LLC
Clearwater Community Hospital Limited Partnership
Coastal Cardiac Diagnostics, Ltd.
Collier County Home Health Agency, Inc.

Columbia Behavioral Health, Ltd.
Columbia Behavioral Healthcare of South Florida, Inc.
Columbia Central Florida Division, Inc.
Columbia Development of Florida, Inc.
Columbia Eye and Specialty Surgery Center, Ltd.
    Tampa Eye & Specialty Surgery Center
Columbia Florida Group, Inc.
Columbia Homecare — Central Florida, Inc.
Columbia Homecare — North Florida Division, Inc.
Columbia Hospital Corporation of Central Miami
Columbia Hospital Corporation of Kendall
Columbia Hospital Corporation of Miami
Columbia Hospital Corporation of Miami Beach
Columbia Hospital Corporation of North Miami Beach
Columbia Hospital Corporation of South Broward
    Westside Regional Medical Center
Columbia Hospital Corporation of South Dade
Columbia Hospital Corporation of South Florida
Columbia Hospital Corporation of South Miami
Columbia Hospital Corporation of Tamarac
Columbia Hospital Corporation-SMM
Columbia Jacksonville Healthcare System, Inc.
Columbia Lake Worth Surgical Center Limited Partnership
Columbia Midtown Joint Venture
Columbia North Central Florida Health System Limited Partnership
Columbia North Florida Regional Medical Center Limited Partnership
Columbia Ocala Regional Medical Center Physician Group, Inc.
Columbia Palm Beach Healthcare System Limited Partnership
Columbia Park Healthcare System, Inc.
Columbia Park Medical Center, Inc.
Columbia Physician Services — Florida Group, Inc.
Columbia Primary Care, LLC
Columbia Resource Network, Inc.
Columbia Tampa Bay Division, Inc.
Columbia-Osceola Imaging Center, Inc.
Community Orthopedics and Hand Surgery, LLC
Coral Springs Surgi-Center, Ltd.
    Surgery Center at Coral Springs
Countryside Surgery Center, Ltd.
    Countryside Surgery Center
Cypress Physician Group, LLC
Dade Physician Practices, Ltd.
Daytona Medical Center, Inc.
Destin Cardiology, LLC
Destin Primary Care, LLC
Diagnostic Breast Center, Inc.
Doctors Hospital Physician-Hospital Organization, Inc.
Doctors Osteopathic Medical Center, Inc.
Doctors Same Day Surgery Center, Inc.
Doctors Same Day Surgery Center, Ltd.
    Doctors Same Day Surgery Center
Doctors' Special Surgery Center of Jacksonville, Ltd.
DOMC Property, LLC
East Florida Division, Inc.
East Pointe Hospital, Inc.
Edward White Hospital, Inc.

Edward White Hospital
Emerald Coast Behavioral Medicine, LLC
Englewood Community Hospital, Inc.
Englewood Community Hospital
Fawcett Memorial Hospital, Inc.
Fawcett Memorial Hospital
Florida Home Health Services-Private Care, Inc.
Florida Outpatient Surgery Center, Ltd.
Florida Surgery Center
Florida Primary Physicians, Inc.
Fort Myers Market, Inc.
Fort Pierce Immediate Care Center, Inc.
Fort Pierce Orthopaedics, LLC
Fort Pierce Surgery Center, Ltd.
Fort Walton Beach Medical Center, Inc.
Fort Walton Beach Medical Center
Freeport Family Medicine, LLC
Ft. Pierce Surgicare, LLC
Ft. Walton Beach General Surgery, LLC
Ft. Walton Beach Internal Medicine, LLC
Ft. Walton Beach Medical Practices, LLC
Gainesville GYN Oncology of North Florida Regional Medical Center, LLC
Galen Diagnostic Multicenter, Ltd.
Galen Hospital-Pembroke Pines, Inc.
Galen of Florida, Inc.
St. Petersburg General Hospital
Galencare, Inc.
Brandon Regional Hospital
Gateway Internal Medicine, LLC
Gateway Surgical Group, LLC
Grant Center Hospital of Ocala, Inc.
Greater Ft. Myers Physician Practices, Ltd.
Gulf Coast General Surgery, LLC
Gulf Coast Health Technologies, Inc.
Gulf Coast Medical Center Primary Care, LLC
Gulf Coast Physicians, Inc.
Hamilton Memorial Hospital, Inc.
HCA Family Care Center, Inc.
HCA Health Services of Florida, Inc.
Blake Medical Center
Oak Hill Hospital
Regional Medical Center Bayonet Point
St. Lucie Medical Center
HD&S Corp. Successor, Inc.
Heritage Family Care, LLC
Homecare North, Inc.
Hospital Corporation of Lake Worth
Hyperbaric and Wound Care Services of Ocala, LLC
Imaging and Surgery Centers of Florida, Inc.
Imaging Corp. of the Palm Beaches
Imaging Services of Orlando, LLC
Imaging Services of Panama City, LLC
Immediate Care Center of Live Oak, LLC
Integrated Regional Lab, LLC
Internal Medicine of Tallahassee, LLC
Internal Medicine Services of Osceola, LLC

Jacksonville Market, Inc.
Jacksonville Physician Practices, Ltd.
Jacksonville Surgery Center, Ltd.
    Jacksonville Surgery Center
JFK Occupational Medicine, LLC
JFK Real Properties, Ltd.
Kendall Healthcare Group, Ltd.
    Kendall Regional Medical Center
Kendall Therapy Center, Ltd.
Kendall Urology, LLC
Kingsley Family Care, LLC
Kissimmee Surgicare, Ltd.
    Kissimmee Surgery Center
LAD Imaging, LLC
Lake Mary Imaging, LLC
Lakewood Park Walk-In Clinic, LLC
Largo Cardiology, LLC
Largo Medical Center, Inc.
    Largo Medical Center
Lawnwood Cardiovascular Surgery, LLC
Lawnwood Medical Center, Inc.
    Lawnwood Regional Medical Center & Heart Institute
Lawnwood Neurosurgery, LLC
Lawnwood Pavilion Physician Services, LLC
Lehigh Physician Practice, Ltd.
M & M of Ocala, Inc.
Mahan Medical, LLC
Manatee Surgicare, Ltd.
    Gulf Coast Surgery Center
Marion Community Hospital, Inc.
    Ocala Regional Medical Center
Medical Associates of Ocala, LLC
Medical Center of Port St. Lucie, Inc.
Medical Center of Santa Rosa, Inc.
Medical Imaging Center of Ocala
Medical Partners of North Florida, LLC
Memorial Diagnostic Services, Inc.
Memorial Family Practice Associates, LLC
Memorial Healthcare Group, Inc.
    Memorial Hospital Jacksonville
    Specialty Hospital Jacksonville
Memorial Neurosurgery Group, LLC
Memorial Primary Care, LLC
Memorial Surgicare, Ltd.
    Plaza Surgery Center
    Plaza Surgery Center II
Memorial Urgent Care — Mandarin, LLC
MHS Partnership Holdings JSC, Inc.
MHS Partnership Holdings SDS, Inc.
Miami Beach Healthcare Group, Ltd.
    Aventura Hospital and Medical Center
Miami Lakes Surgery Center, Ltd.
Naples Physician Practices, Ltd.
Navarre Family Care, LLC
Network MS of Florida, Inc.

New Port Richey Hospital, Inc.
    Community Hospital
New Port Richey Surgery Center, Ltd.
    New Port Richey Surgery Center
Niceville Family Practice, LLC
Niceville General Surgery, LLC
Niceville Primary Care Bluewater Bay, LLC
North Central Florida Health System, Inc.
North Central Florida Physician Practices, Ltd.
North Florida Division I, Inc.
North Florida Division Practice, Inc.
North Florida GI Center GP, Inc.
North Florida GI Center, Ltd.
North Florida Immediate Care Center — Springhill, LLC
North Florida Immediate Care Center, Inc.
North Florida Infusion Corporation
North Florida Neurosurgery, LLC
North Florida Outpatient Imaging Center, Ltd.
North Florida Physician Services, Inc.
North Florida Practice Management, Inc.
North Florida Regional Investments, Inc.
North Florida Regional Medical Center, Inc.
    North Florida Regional Medical Center
North Florida Regional Otolaryngology, LLC
North Florida Rehab Investments, LLC
North Florida Surgical Associates, LLC
North Palm Beach County Surgery Center, Ltd.
    North County Surgicenter
North Tampa Physician Practices, Ltd.
Northside MRI, Inc.
Northwest Florida Healthcare Systems, Inc.
Northwest Medical Center, Inc.
    Northwest Medical Center
Notami Hospitals of Florida, Inc.
    Lake City Medical Center
Oak Hill Acquisition, Inc.
Oak Hill Family Care, LLC
Oak Hill Hospitalists, LLC
Ocala Regional Outpatient Services, Inc.
Okaloosa Hospital, Inc.
    Twin Cities Hospital
Okeechobee Hospital, Inc.
    Raulerson Hospital
OneSource Health Network of South Florida, Inc.
Orange Park Hospitalists, LLC
Orange Park Medical Center, Inc.
    Orange Park Medical Center
Orlando Physician Practices, Ltd.
Orlando Surgicare, Ltd.
    Same Day Surgicenter of Orlando
Osceola Neurological Associates, LLC
Osceola Regional Hospital, Inc.
    Osceola Regional Medical Center
Outpatient Surgical Services, Ltd.
    Outpatient Surgical Services
P&L Associates

Pace Obstetrics and Gynecology, LLC
Palm Beach General Surgery, LLC
Palm Beach Healthcare System, Inc.
Palm Beach Hospitalists Program, LLC
Palm Beach Neurosurgery, LLC
Palm Beach Physician Practices, Ltd.
Palms West Pediatric Neurosurgery, Inc.
Palms West Surgery Center, Ltd.
    Palms West Surgicenter
Panhandle Physician Practices, Ltd.
Park South Imaging Center, Ltd.
PCMC Physician Group, Inc.
Pensacola Primary Care, Inc.
Pinellas Surgery Center, Ltd.
    Center for Special Surgery
Plantation Diabetes and Metabolism Clinic, LLC
Plantation Ortho, LLC
Plantation Pediatric Neurosurgery, LLC
Port St. Lucie Surgery Center, Ltd.
    St. Lucie Surgery Center
Premier Medical Management, Ltd.
Primary Care Medical Associates, Inc.
Pulmonary Specialists of Lake City, LLC
Putnam Hospital, Inc.
Raulerson General Surgery Group, LLC
Roosevelt Family Care, LLC
San Pablo Surgery Center, Ltd.
Sarasota Doctors Hospital, Inc.
    Doctors Hospital of Sarasota
South Bay Physician Clinics, Inc
South Broward Medical Practice Partners, Ltd.
South Broward Practices, Inc.
South Dade Healthcare Group, Ltd.
South Florida Division Practice, Inc.
South Tampa Physician Practices, Ltd.
Southwest Florida Division Practice, Inc.
Southwest Florida Health System, Inc.
Southwest Florida Regional Medical Center, Inc.
Space Coast Surgical Center, Ltd.
    Merritt Island Surgery Center
Spinal Disorder and Pain Treatment Institute, LLC
Spine Care Centers of West Florida, LLC
St. Lucie General Surgery, LLC
St. Lucie Medical Center Walk-In Clinic, LLC
St. Lucie West Primary Care, LLC
St. Petersburg General Surgery, LLC
Sun City Hospital, Inc.
    South Bay Hospital
Surgery Center of Aventura, Ltd.
    Surgery Center of Aventura
Surgery Center of Ft. Pierce, Ltd
    Surgery Center of Ft. Pierce
Surgery Center of Port Charlotte, Ltd.
    Gulf Pointe Surgery Center
Surgical Park Center, Ltd.
    Surgical Park Center

Surgicare America — Winter Park, Inc.
Surgicare of Altamonte Springs, Inc.
Surgicare of Aventura, LLC
Surgicare of Bayonet Point, Inc.
Surgicare of Brandon, Inc.
Surgicare of Central Florida, Inc.
Surgicare of Central Florida, Ltd.
    Central Florida Surgicenter
Surgicare of Countryside, Inc.
Surgicare of Florida, Inc.
Surgicare of Ft. Pierce, Inc.
Surgicare of Kissimmee, Inc.
Surgicare of Manatee, Inc.
Surgicare of Merritt Island, Inc.
Surgicare of Miami Lakes, LLC
Surgicare of New Port Richey, Inc.
Surgicare of Orange Park, Inc.
Surgicare of Orange Park, Ltd.
    Orange Park Surgery Center
Surgicare of Orlando, Inc.
Surgicare of Palms West, LLC
Surgicare of Pinellas, Inc.
Surgicare of Plantation, Inc.
Surgicare of Port Charlotte, LLC
Surgicare of Port St. Lucie, Inc.
Surgicare of St. Andrews, Inc.
Surgicare of St. Andrews, Ltd.
    Surgery Center at St. Andrews
Surgicare of Stuart, Inc.
Surgicare of Tallahassee, Inc.
Surgicare of West Palm Beach, Ltd.
Tallahassee Community Network, Inc.
Tallahassee General Surgeons, LLC
Tallahassee Gyn-Oncology, LLC
Tallahassee Imaging Services, LLC
Tallahassee Medical Center, Inc.
    Capital Regional Medical Center
Tallahassee Orthopedic Surgery Partners, Ltd.
    Tallahassee Outpatient Surgery Center
Tallahassee Physician Practices, Ltd.
Tampa Bay Division Practice, Inc.
Tampa Bay Health System, Inc.
Tampa Surgi-Centre, Inc.
TCH Physician Group, Inc.
The Neurohealth Sciences Center, LLC
The Tallahassee Diagnostic Imaging Center Partnership
The Urology Center at Central Florida Regional Hospital, LLC
Thoracic & Cardiovascular Surgeons, LLC
Total Imaging — Hudson, LLC
Total Imaging — North St. Petersburg, LLC
Travel Medicine and Infections, Inc.
Treasure Coast Physician Practices, Ltd.
Twin Cities Primary Care — Destin, LLC
Twin Cities Primary Care, LLC
University Hospital, Ltd.
    University Hospital and Medical Center

Volusia Healthcare Network, Inc.
West Broward Hand & Ortho, LLC
West Florida Anesthesia Services, LLC
West Florida Behavioral Health, Inc.
West Florida Division, Inc.
West Florida HealthWorks, LLC
West Florida Heart Center, LLC
West Florida Inpatient Medicine, LLC
West Florida Internal Medicine, LLC
West Florida Regional Medical Center, Inc.
    West Florida Hospital
Westside Surgery Center, Ltd.
    Parkside Surgery Center
Wildwood Medical Center, Inc.
Winter Park Healthcare Group, Ltd.
Women's Health Center of Central Florida, LLC
Wound and Hyperbaric Center, LLC

GEORGIA

Acworth Imaging Center, LLC
Albany Family Practice, LLC
Albany Neurosurgery Center, LLC
AOSC Sports Medicine, Inc.
Atlanta Home Care, L.P.
Atlanta Outpatient Surgery Center, Inc.
Atlanta Surgery Center, Ltd.
    Atlanta Outpatient Peachtree Dunwoody Center
    Atlanta Outpatient Surgery Center
Augusta Inpatient Services, LLC
Augusta Physician Practice Company
Buckhead Surgical Services, L.P.
    Buckhead Ambulatory Surgery Center
Byron Family Practice, LLC
Cartersville Medical Center, LLC
    Cartersville Medical Center
Cartersville Occupational Medicine Center, LLC
Cartersville Physician Practice I, LLC
Cartersville Physician Practice Network, Inc.
Cartersville Urgent Care, LLC
Center for Colorectal Care, LLC
Central Health Services, Inc.
Chatsworth Hospital Corp.
CHHC of Chattanooga, Inc.
Church Street Partners
Coliseum Health Group, Inc.
Coliseum Park Hospital, Inc.
Coliseum Primary Healthcare — Macon, LLC
Coliseum Primary Healthcare — Riverside, LLC
Coliseum Same Day Surgery Center, L.P.
    Coliseum Same Day Surgery Center
Coliseum-Houston ASC, L.P.
Coliseum-Houston GP, LLC
Columbia Coliseum Same Day Surgery Center, Inc.
Columbia Physicians Services, Inc.
Columbia Polk General Hospital, Inc.
    Polk Medical Center

Columbia Redmond Occupational Health, Inc.
Columbia Surgicare of Augusta, Ltd.
    Augusta Surgical Center
Columbia-Georgia PT, Inc.
Columbus Cardiology, Inc.
Columbus Doctors Hospital, Inc.
Community Home Nursing Care, Inc.
Dekalb Home Health Services, Inc.
Diagnostic Services, G.P.
Doctors Hospital Center for Occupational Medicine, LLC
Doctors Hospital Columbus GA-Joint Venture
    Doctors Hospital
Doctors Hospital Surgery Center, L.P.
    Evans Surgery Center
Doctors-I, Inc.
Doctors-II, Inc.
Doctors-III, Inc.
Doctors-IV, Inc.
Doctors-IX, Inc.
Doctors-V, Inc.
Doctors-VI, Inc.
Doctors-VII, Inc.
Doctors-VIII, Inc.
Doctors-X, Inc.
Dublin Community Hospital, LLC
Dunwoody Physician Practice Network, Inc.
Eagle Springs Primary Care, LLC
Eastside General Surgery, LLC
Eastside Medicine, LLC
EHCA Diagnostics, LLC
EHCA Eastside Occupational Medicine Center, LLC
EHCA Eastside, LLC
    Emory Eastside Medical Center
EHCA Johns Creek Holdings, LLC
EHCA Johns Creek, LLC
    Emory Johns Creek Hospital
EHCA Metropolitan, LLC
EHCA Parkway, LLC
EHCA Peachtree, LLC
EHCA West Paces, LLC
EHCA, LLC
Evans Diagnostic Imaging Center, LLC
Fairview Park, Limited Partnership
    Fairview Park Hospital
Fairview Physician Practice Company
Family Medicine at Northside, LLC
Gainesville Cardiology, Inc.
General & Thoracic Surgery of Georgia, LLC
Georgia Psychiatric Company, Inc.
Grace Family Practice, LLC
Grayson Primary Care, LLC
Greater Gwinnett Internal Medicine Associates, LLC
Greater Gwinnett Physician Corporation
Gwinnett Community Hospital, Inc.
HCA Health Services of Georgia, Inc.
    Hughston Orthopedic Hospital

HCOL, Inc.
Health Care Management Corporation
Heritage Medical Care, LLC
Hughston Hospital Services, LLC
Infectious Diseases Consultants of Southwest Georgia, LLC
Lee County Surgical Center, L.P.
LPOM, LLC
LPPN, Inc.
LPS, Inc.
Marietta Outpatient Medical Building, Inc.
Marietta Outpatient Surgery, Ltd.
    Marietta Surgical Center
Marietta Surgical Center, Inc.
Med Corp., Inc.
MedFirst, Inc.
Medical Center- West, Inc.
MGIM, LLC
MOSC Sports Medicine, Inc.
Newnan Hospitals I, L.L.C.
North Cobb Physical Therapy, Inc.
North Georgia Primary Care Group, LLC
Northlake Medical Center, LLC
Northlake MultiSpecialty Associates, LLC
Northlake Physician Practice Network, Inc.
Northlake Surgical Center, L.P.
    Northlake Surgical Center
Northlake Surgicare, Inc.
Orthopaedic Specialty Associates, L.P.
Orthopaedic Sports Specialty Associates, Inc.
Palmyra Park Hospital, Inc.
    Palmyra Medical Centers
Palmyra Park, Limited Partnership
Palmyra Professional Fees, LLC
Parkway Physician Practice Company
Parkway Surgery Center, L.P.
Peachtree Corners Surgery Center, Ltd.
Peachtree Occupational Medicine Center, LLC
Peachtree Physician Practice Network, Inc.
Pediatric Surgery Center, L.P.
Pediatric Surgicare of Atlanta, LLC
Polk Physician Practice Network, Inc.
Pulmonary & Critical Care of Georgia, LLC
Redmond ER Services, Inc.
Redmond Hospital Services, LLC
Redmond Hospital-Based Services, LLC
Redmond P.D.N., Inc.
Redmond Park Health Services, Inc.
Redmond Park Hospital, LLC
    Redmond Regional Medical Center
Redmond Physician Practice Company
Redmond Physician Practice Company II
Redmond Physician Practice Company III
Redmond Physician Practice Company IV
Redmond Physician Practice Company V
Redmond Physician Practice Company VI
Redmond Physician Practice VIII, LLC

Redmond Physician Practice XI, LLC
Rockbridge Primary Care, LLC
Rome Imaging Center Limited Partnership
S.O.R., Inc.
SCNG, LLC
Southeast Division, Inc.
Surgery Center of Rome, L.P.
    The Surgery Center of Rome
Surgicare of Augusta, Inc.
Surgicare of Buckhead, LLC
Surgicare of Evans, Inc.
Surgicare of Lee County, LLC
Surgicare of Rome, Inc.
The Rankin Foundation
Urology Center of North Georgia, LLC
West Paces Services, Inc.

IDAHO

Eastern Idaho Health Services, Inc.
    Eastern Idaho Regional Medical Center
Eastern Idaho OB Clinic, LLC
Eastern Idaho Regional Medical Center Physician Services, LLC
Idaho Physician Services, Inc.
Patients First Neonatology, LLC
West Valley Internal Medicine, LLC
West Valley Medical Center, Inc.
    West Valley Medical Center
West Valley Professional Fee Billing, LLC

ILLINOIS

Chicago Grant Hospital, Inc.
Columbia Chicago Division, Inc.
Columbia Chicago Homecare, Inc.
Columbia Chicago Northside Hospital, Inc.
Columbia LaGrange Hospital, Inc.
Columbia Surgicare — North Michigan Ave., L.P.
Galen Hospital Illinois, Inc.
Galen of Illinois, Inc.
Illinois Psychiatric Hospital Company, Inc.
Smith Laboratories, Inc.

INDIANA

Advanced Neurosurgery, LLC
Advanced Orthopedics, LLC
All About Staffing, Inc.
BAMI-COL, Inc.
Basic American Medical, Inc.
Columbia PhysicianCare Outpatient Surgery Center, Ltd.
Jeffersonville MediVision, Inc.
Physician Practices of Terre Haute, Inc.
Surgicare of Indianapolis, Inc.
Surgicare of Terre Haute, LLC
Terre Haute Heart Lung Vascular Associates, LLC
Terre Haute Hospitalists Service, LLC
Terre Haute MOB, L.P.
Terre Haute Obstetrics and Gynecology, LLC

Terre Haute Regional Physician Hospital Organization, Inc.
Terre Haute Regional Surgery Center, L.P.
Wabash Valley Hospitalists, LLC
Women's Management Services, Inc.

KANSAS

Galichia Laboratories, Inc.
HealthPlus Physical Therapy, LLC
Johnson County Neurology, LLC
Johnson County Surgery Center, L.P.
    Surgicenter of Johnson County
Johnson County Surgicenter, L.L.C.
Kansas Trauma and Critical Care Specialists, LLC
Mid-America Surgery Center, LLC
Mid-America Surgery Institute, LLC
Midwest Cardiovascular and Thoracic Surgeons of Kansas, LLC
Midwest Division, Inc.
OB-GYN Diagnostics, Inc.
Overland Park Cardiovascular, Inc.
Quivira Internal Medicine, Inc.
Surgery Center of Overland Park, L.P.
    Overland Park Surgery Center
Surgicare of Overland Park, LLC
Surgicare of Wichita, Inc.
Surgicare of Wichita, Ltd.
    Surgicare of Wichita
Surgicenter of Johnson County, Ltd.
Trauma Institute at Overland Park Regional Medical Center, LLC
Wesley Physician Services, LLC

KENTUCKY

Bowling Green Medical Clinic — Greenview, LLC
Capel Surgical Associates, LLC
CHCK, Inc.
Columbia Behavioral Health Network, Inc.
Columbia Kentucky Division, Inc.
Columbia Medical Group — Frankfort, Inc.
Columbia Medical Group — Greenview, Inc.
Frankfort Ambulatory Surgery Center, L.P.
Frankfort Hospital, Inc.
    Frankfort Regional Medical Center
Frankfort Orthopedics, LLC
Frankfort Wound Care, LLC
Franklin Surgical, LLC
Galen of Kentucky, Inc.
GALENCO, Inc.
Greenview Hospital, Inc.
    Greenview Regional Hospital
Greenview PrimeCare, LLC
Hospitalists at Greenview Regional Hospital, LLC
Kentucky Vascular and Thoracic Associates, LLC
Physicians Medical Management, LLC
South Central Kentucky Corp.
Southern Kentucky Urology, LLC
Spring View Health Alliance, Inc.
Subco of Kentucky, Inc.

Surgery Center of Greenview, L.P.
Surgicare of Frankfort, Inc.
Surgicare of Greenview, Inc.
Tri-County Community Hospital, Inc.
Western Kentucky Gastroenterology, LLC

LOUISIANA

Acadiana Care Center, Inc.
Acadiana Practice Management, Inc.
Acadiana Regional Pharmacy, Inc.
BRASS East Surgery Center Partnership in Commendam
Center for Digestive Diseases, LLC
Columbia Healthcare System of Louisiana, Inc.
Columbia Lakeview Surgery Center, LP
Columbia West Bank Hospital, Inc.
Columbia/HCA Healthcare Corporation of Central Louisiana, Inc.
Columbia/HCA of Baton Rouge, Inc.
Columbia/HCA of New Orleans, Inc.
Columbia/Lakeview, Inc.
Dauterive Hospital Corporation
    Dauterive Hospital
Dauterive Professionals Management, L.L.C.
Doctors Hospital of Opelousas Limited Partnership
Hamilton Medical Center, Inc.
    Southwest Medical Center — Lafayette
HCA Health Services of Louisiana, Inc.
HCA Highland Hospital, Inc.
Lafayette OB Hospitalists, LLC
Lafayette Pediatric Neurology Center, LLC
Lafayette Surgery Center Limited Partnership
    Lafayette Surgicare
Lafayette Surgicare, Inc.
Lafayette Urogynecology & Urology Center, LLC
Lake Charles Surgery Center, Inc.
Lakeview Radiation Oncology, L.L.C
Louisiana Psychiatric Company, Inc.
Medical Center of Baton Rouge, Inc.
Medical Center of Southwest Louisiana Professionals Management, L.L.C.
Metairie Primary Care Associates, LLC
Notami (Opelousas), Inc.
Notami Hospitals of Louisiana, Inc.
Pediatric Heart Center (A Medical Limited Liability Company)
Rapides Healthcare System, L.L.C.
    Avoyelles Hospital
    Oakdale Community Hospital
    Rapides Regional Medical Center
    Savoy Medical Center
    Winn Parish Medical Center
Rapides Physicians Management, LLC
Rapides Surgery Center, LLC
Southwest Family Medicine, LLC
Surgicare Merger Company of Louisiana
Surgicare of Lakeview, Inc.
Surgicare Outpatient Center of Baton Rouge, Inc.
Surgicenter of East Jefferson, Inc.
TUHC Anesthesiology Group, LLC

TUHC Hospitalist Group, LLC
TUHC Primary Care and Pediatrics Group, LLC
TUHC Radiology Group, LLC
TUHC Specialty Group, LLC
Tulane Clinic, LLC
Tulane Primary Care, LLC
Tulane Professionals Management, L.L.C.
University Healthcare System, L.C.
    Tulane University Hospital and Clinic
Uptown Primary Care Associates, LLC
WGH, Inc.
Women's & Children's Pediatric Hematology/Oncology Center, LLC
Women's & Children's Pediatric Pulmonologist Center, LLC
Women's and Children's Hospital, Inc.
    Women's & Children's Hospital
Women's and Children's Pediatric Orthopedic Center, LLC
Women's and Children's Professional Management, L.L.C.

MASSACHUSETTS

Columbia Hospital Corporation of Massachusetts, Inc.
Orlando Outpatient Surgical Center, Ltd.

MISSISSIPPI

Brookwood Medical Center of Gulfport, Inc.
Coastal Imaging Center of Gulfport, Inc.
Coastal Imaging Center, L.P.
Galen of Mississippi, Inc.
Garden Park Investments, L.P.
Garden Park Physician Services Corporation
Garden Park Professional Services, LLC
Garden Park Professionals Management, LLC
GOSC, L.P.
    Gulfport Outpatient Surgical Center
GOSC-GP, Inc.
Gulf Coast Medical Ventures, Inc.
HTI Health Services, Inc.
Orange Grove Surgical Associates, LLC
Southern Urology Associates, LLC
VIP, Inc.

MISSOURI

Baptist Lutheran Endoscopy Center, L.P.
Baptist Lutheran HBP, LLC
Baptist Lutheran Surgery Center, L.P.
Belton HBP, LLC
Cedar Creek Medical Group, LLC
Centerpoint Cardiology Services, LLC
Centerpoint Orthopedics, LLC
Centerpoint Physicians Group, LLC
Clinishare, Inc.
EHS Remainco, Inc.
Eye Care Surgicare, Ltd.
Eye Surgicare of Independence, LLC
Family Care at Arbor Walk, LLC
Family Health Specialists of Lee's Summit, LLC
Foot & Ankle Specialty Services, LLC

Galen Sale Corporation
HCA Midwest Comprehensive Care, Inc.
Health Midwest Medical Group, Inc.
Health Midwest Office Facilities Corporation
Health Midwest Ventures Group, Inc.
HEI Missouri, Inc.
HM Acquisition, LLC
Independence Neurosurgery Services, LLC
Independence Surgicare, Inc.
Kansas City Neurology Associates, LLC
Kansas City Perfusion Services, Inc.
Kansas City Pulmonology Practice, LLC
Lee's Summit Medical Imaging, Inc.
Medical Center Imaging, Inc.
Metropolitan Multispecialty Physicians Group, Inc.
Metropolitan OB-GYN Associates, LLC
Mid-States Financial Services, Inc.
Midwest Cardiovascular & Thoracic Surgery, LLC
Midwest Division — RBH, LLC
    Research Belton Hospital
Midwest Infectious Disease Specialists, LLC
Midwest Newborn Care, LLC
Midwest Trauma Services, LLC
Missouri Healthcare System, L.P.
Notami Hospitals of Missouri, Inc.
Nuclear Diagnosis, Inc.
Ozarks Medical Services, Inc.
Panorama Park Occupational Medicine, LLC
Precise Imaging, Inc.
Raymore Medical Group, LLC
Research Family Physicians, LLC
Research GYN/Oncology Associates, LLC
Research Neurology Associates, LLC
Research Neurosurgery Associates, LLC
Research Psychiatric - 1500, LLC
RMC — Pulmonary, LLC
RMC Transplant Physicians, LLC
Surgery Center of Independence, L.P.
    Centerpoint Ambulatory Surgery Center
Surgicare of Antioch Hills, Inc.
Surgicare of Baptist Lutheran Endoscopy, LLC
Surgicare of Baptist Lutheran, LLC
Surgicenter of Kansas City, L.L.C.
    Surgicenter of Kansas City

NEVADA

CHC Holdings, Inc.
CHC Venture Co.
CIS Holdings, Inc.
Columbia Hospital Corporation of West Houston
Columbia Southwest Division, Inc.
Desert Physical Therapy, Inc.
Fremont Women's Health, LLC
Green Valley Surgery Center, L.P.
Health Service Partners, Inc.
Las Vegas ASC, LLC

Las Vegas Physical Therapy, Inc.
Las Vegas Surgical Center, a Nevada limited partnership
Las Vegas Surgicare, Inc.
Las Vegas Surgicare, Ltd.
    Las Vegas Surgery Center
Nevada Psychiatric Company, Inc.
Nevada Surgery Center of Southern Hills, L.P.
Nevada Surgicare of Southern Hills, LLC
Rhodes Limited-Liability Company
Sahara Outpatient Surgery Center, Ltd.
    Sahara Surgery Center
Southern Hills Medical Center, LLC
    Southern Hills Hospital & Medical Center
Specialty Surgicare of Las Vegas, LP
    Specialty Surgery Center
Sunrise Anesthesia Services, LLC
Sunrise Clinical Research Institute, Inc.
Sunrise Flamingo Surgery Center, Limited Partnership
    Flamingo Surgery Center
Sunrise Mountainview Hospital, Inc.
    MountainView Hospital
Sunrise Outpatient Services, Inc.
Sunrise Physician Services, LLC
Sunrise Trauma Services, LLC
Surgicare of Henderson, Inc.
Surgicare of Las Vegas, Inc.
Value Health Holdings, Inc.
VH Holdco, Inc.
VH Holdings, Inc.
Western Plains Capital, Inc.

NEW HAMPSHIRE

Appledore Medical Group II, Inc.
Appledore Medical Group, Inc.
Derry ASC, Inc.
Derry Surgery Center, Limited Partnership
    Derry Surgery Center
HCA Health Services of New Hampshire, Inc.
    Parkland Medical Center
    Portsmouth Regional Hospital
Med-Point of New Hampshire, Inc.
Parkland Hospitalists Program, LLC
Parkland Oncology, LLC
Parkland Physician Services, Inc.
    Salem Surgery Center
PRH Hospitalists, LLC
PRH Oncology, LLC
Salem Surgery Center, Limited Partnership
Surgicare of Salem, LLC

NEW MEXICO

New Mexico Psychiatric Company, Inc.

NORTH CAROLINA

Brunswick Anesthesia, LLC
Brunswick Primary Care, LLC

Brunswick Surgical Associates I, LLC
CareOne Home Health Services, Inc.
Columbia Cape Fear Healthcare System, Limited Partnership
Columbia North Carolina Division, Inc.
Columbia-CFMH, Inc.
Cumberland Medical Center, Inc.
HCA — Raleigh Community Hospital, Inc.
Heritage Hospital, Inc.
Hospital Corporation of North Carolina
HTI Health Services of North Carolina, Inc.
Mecklenburg Surgical Land Development, Ltd.
North Carolina Physician Network, Inc.
Raleigh Community Medical Office Building, Ltd.
Wake Psychiatric Hospital, Inc.

OHIO

AHN Holdings, Inc.
Columbia Beachwood Surgery Center, Ltd.
Columbia Dayton Surgery Center, Ltd.
Columbia Ohio Division, Inc.
Columbia/HCA Healthcare Corporation of Northern Ohio
Columbia-CSA/HS Greater Canton Area Healthcare System, L.P.
Columbia-CSA/HS Greater Cleveland Area Healthcare System, L.P.
E.N.T. Services, Inc.
Lorain County Surgery Center, Ltd.
Surgicare of Lorain County, Inc.
Surgicare of North Cincinnati, Inc.
Surgicare of Westlake, Inc.
Westlake Surgicare, L.P.

OKLAHOMA

Columbia Doctors Hospital of Tulsa, Inc.
Columbia Oklahoma Division, Inc.
Columbia/Edge Mobile Medical, L.L.C.
Edmond General Surgery, LLC
Edmond Physician Hospital Organization, Inc.
Edmond Physician Services, LLC
Edmond Spine and Orthopedic Services, LLC
Green Country Anesthesiology Group, Inc.
HCA Health Services of Oklahoma, Inc.
    OU Medical Center
Healthcare Oklahoma, Inc.
Integrated Management Services of Oklahoma, Inc.
Lake Region Health Alliance Corporation
Medi Flight of Oklahoma, LLC
Medical Imaging, Inc.
Millenium Health Care of Oklahoma, Inc.
Oklahoma Outpatient Surgery Limited Partnership
    Oklahoma Surgicare
Oklahoma Surgicare, Inc.
Plains Healthcare System, Inc.
Presbyterian Office Building, Ltd.
Rogers County PHO, Inc.
Stephenson Laser Center, L.L.C.
Surgicare of Northwest Oklahoma Limited Partnership
Surgicare of Oklahoma City-Midtown, L.P.

Surgicare of Tulsa, Inc.
SWMC, Inc.
Wagoner Medical Group, Inc.

PENNSYLVANIA

Basic American Medical Equipment Company, Inc.
Chestnut Hill Surgical Investors, Ltd.
Surgicare of Philadelphia, Inc.

SOUTH CAROLINA

C/HCA Development, Inc.
Carolina Forest Imaging Center, LLC
Carolina Regional Surgery Center, Inc.
Carolina Regional Surgery Center, Ltd.
    Grande Dunes Surgery Center
Coastal Carolina Home Care, Inc.
Coastal Carolina MultiSpecialty Associates, LLC
Coastal Inpatient Physicians, LLC
Colleton Ambulatory Care, LLC
    Colleton Ambulatory Surgery Center
Colleton Diagnostic Center, LLC
Colleton Medical Anesthesia, LLC
Colleton Medical Hospitalists, LLC
Colleton Neurology Associates, LLC
Colleton Otolaryngology, Head and Neck Surgery, LLC
Columbia/HCA Healthcare Corporation of South Carolina
Columbia-CSA/HS Greater Columbia Area Healthcare System, LP
Community Medical Centers, LLC
Doctor's Memorial Hospital of Spartanburg, L.P.
Edisto Multispecialty Associates, Inc.
Grand Strand Senior Health Center, LLC
North Charleston Diagnostic Imaging Center, LLC
Providence Eye Care, Inc.
South Carolina Imaging Employer Corp.
South Carolina Market, Inc.
Trident Behavioral Health Services, LLC
Trident Eye Surgery Center, L.P.
    Trident Eye Surgery Center
Trident Medical Services, Inc.
Trident MRI Associates, L.P.
Trident Neonatology Services, LLC
Walterboro Community Hospital, Inc.
    Colleton Medical Center

SWITZERLAND

HCA Switzerland Holding Sàrl
CDRC Centre de Diagnostic Radiologique de Carouge SA
Clinique de Carouge CMCC SA
Glemm SA
La Tour Healthcare Holding SARL
La Tour S.A.
    Clinique De Carouge
    Hopital de la Tour
Permanence de la Clinique de Carouge SA
Permanence La Tour S.A.
Physiotherapie S. Pidancet Sport Multitherapies La Tour SA

TENNESSEE

America's Group, Inc.
Appalachian OB/GYN Associates, Inc.
Arthritis Specialists of Nashville, Inc.
Athens Community Hospital, Inc.
Atrium Surgery Center, Ltd.
    Atrium Memorial Surgery Center
Centennial Cardiovascular Consultants, LLC
Centennial Heart Center, LLC
Centennial Heart, LLC
Centennial Surgery Center, L.P.
    Centennial Surgery Center
Centennial Surgical Associates, LLC
Central Tennessee Hospital Corporation
    Horizon Medical Center
Chattanooga Healthcare Network Partner, Inc.
Chattanooga Healthcare Network, L.P.
Columbia Health Management, Inc.
Columbia Healthcare Network of Tri-Cities, Inc.
Columbia Healthcare Network of West Tennessee, Inc.
Columbia Integrated Health Systems, Inc.
Columbia Medical Group — Athens, Inc.
Columbia Medical Group — Centennial, Inc.
Columbia Medical Group — Daystar, Inc.
Columbia Medical Group — Eastridge, Inc.
Columbia Medical Group — Franklin Medical Clinic, Inc.
Columbia Medical Group — Hendersonville, Inc.
Columbia Medical Group — Nashville Memorial, Inc.
Columbia Medical Group — Parkridge, Inc.
Columbia Medical Group — River Park, Inc.
Columbia Medical Group — Southern Hills, Inc.
Columbia Medical Group — Southern Medical Group, Inc.
Columbia Medical Group — The Frist Clinic, Inc.
Columbia Mid-Atlantic Division, Inc.
Columbia Nashville Division, Inc.
Columbia Northeast Division, Inc.
Cool Springs Surgery Center, LLC
Cumberland Division, Inc.
Dickson Corporate Health Services, LLC
Dickson Surgery Center, L.P.
Eastern Tennessee Medical Services, Inc.
Florida Primary Physicians, L.P.
Goodlettsville Primary Care, LLC
HCA — Information Technology & Services, Inc.
HCA Central Group, Inc.
HCA Chattanooga Market, Inc.
HCA Development Company, Inc.
HCA Eastern Group, Inc.
HCA Health Services of Tennessee, Inc.
    Centennial Medical Center
    Centennial Medical Center at Ashland City
    Southern Hills Medical Center
    StoneCrest Medical Center
    Summit Medical Center
HCA Home and Clinical Services, Inc.

HCA Medical Services, Inc.
HCA Physician Services, Inc.
HCA Psychiatric Company
HCA Realty, Inc.
Healthtrust, Inc. — The Hospital Company
Hendersonville Hospital Corporation
    Hendersonville Medical Center
Hendersonville Hospitalist Services, Inc.
Hendersonville OB-GYN, LLC
Hermitage Primary Care, LLC
Holly Hill/Charter Behavioral Health System, L.L.C.
Hometrust Management Services, Inc.
Horizon Orthopedics, LLC
Hospital Corporation of Tennessee
Hospital Realty Corporation
Hospitalists at Centennial Medical Center, LLC
Hospitalists at Parkridge, LLC
HTI Memorial Hospital Corporation
    Skyline Medical Center
HTI Tri-Cities Rehabilitation, Inc.
Indian Path Hospital, Inc.
Indian Path Rehabilitation Center, Inc.
Judy's Foods, Inc.
Lookout Valley Medical Center, LLC
Madison Anesthesiology, LLC
Madison Behavioral Health, LLC
Madison Internal Medicine, LLC
Madison Primary Care, LLC
McMinnville Cardiology, LLC
Med Group — Southern Hills Hospitalists, LLC
Medical Group — Dickson, Inc.
Medical Group — Southern Hills of Brentwood, LLC
Medical Group — Southern Hills of Nolensville, LLC
Medical Group — Stonecrest FP, Inc.
Medical Group — Stonecrest Pulmonology, LLC
Medical Group — StoneCrest, Inc.
Medical Group — Summit, Inc.
Medical Plaza Ambulatory Surgery Center Associates, L.P.
    Plaza Day Surgery
Medical Plaza MRI, L.P.
Medical Resource Group, Inc.
Middle Tennessee Medical Services Corporation
Mid-State Physicians, LLC
Nashville Psychiatric Company, Inc.
Network Management Services, Inc.
North Florida Regional Freestanding Surgery Center, L.P.
    North Florida Surgical Pavilion
North Nashville Family Health Center, LLC
Old AMSC, Ltd. Tennessee Limited Partnership
Old Fort Village, LLC
OneSourceMed, Inc.
Palmer Medical Center, LLC
Parkridge East Specialty Associates, LLC
Parkridge Hospitalists, Inc.
Parkridge Medical Associates, LLC

Parkridge Medical Center, Inc.
    Parkridge Medical Center
Parkridge Professionals, Inc.
Parkside Surgery Center, Inc.
Plano Ambulatory Surgery Associates, L.P.
    Surgery Center of Plano
Portland Primary Care, LLC
Portland Surgical, LLC
Pulmonary Medicine of Dickson, LLC
Quantum Innovations, Inc.
Rio Grande Surgery Center Associates, L.P.
    Rio Grande Surgery Center
Signal Mountain Primary Care, LLC
Skyline Hospitalists, LLC
Skyline Medical Group, LLC
Skyline Neuroscience Associates, LLC
Skyline Primary Care, LLC
Skyline Rehab Associates, LLC
Skyline Riverside Medical Group, LLC
Southeast Surgical Solutions, LLC
Southern Hills Orthopaedic Consultants, LLC
Southern Hills Surgery Center, L.P.
Spring Hill Hospital, Inc.
Spring Hill Physicians, LLC
SRS Acquisition, Inc.
St. Mark's Ambulatory Surgery Associates, L.P.
    St. Mark's Outpatient Surgery Center
Stonecrest Medical Group — Family Practice of Murfreesboro, LLC
Stonecrest Medical Group — SC Murfreesboro Family Practice, LLC
Sullins Surgical Center, Inc.
Summit Research Solutions, LLC
Summit Surgery Center, L.P.
    Summit Surgery Center
Surgery Center of Chattanooga, L.P.
    Surgery Center of Chattanooga
Surgicare of Chattanooga, LLC
Surgicare of Dickson, LLC
Surgicare of Madison, Inc.
Surgicare of Southern Hills, Inc.
Surgicare of Wilson County, LLC
Surgicare Outpatient Center of Jackson, Inc.
Sycamore Shoals Hospital, Inc.
TCMC Madison-Portland, Inc.
Tennessee Healthcare Management, Inc.
Tennessee Valley Outpatient Diagnostic Center, LLC
Tennessee Valley Surgery Center, L.P.
The Charter Cypress Behavioral Health System, L.L.C.
Trident Ambulatory Surgery Center, L.P.
    Trident Ambulatory Surgery Center
TriStar Cath Management, LLC
TriStar Health System, Inc.
TriStar Outpatient Cardiac Catheterization Center, LLC
Troop and Jacobs, Inc.
Wilson County Outpatient Surgery Center, L.P.

TEXAS

All About Staffing of Texas, Inc.
Ambulatory Endoscopy Clinic of Dallas, Ltd.
Arlington Diagnostic South, Inc.
Austin Medical Center, Inc.
Bailey Square Outpatient Surgical Center, Inc.
Barrow Medical Center CT Services, Ltd.
Bay Area Healthcare Group, Ltd.
    Corpus Christi Medical Center
Bay Area Surgical Center Investors, Ltd.
Bay Area Surgicare Center, Inc.
Bayshore Surgery Center, Ltd.
    Bayshore Surgery Center
Beaumont Healthcare System, Inc.
Bedford-Northeast Community Hospital, Inc.
Bellaire Imaging, Inc.
Brownsville-Valley Regional Medical Center, Inc.
Calloway Creek Surgery Center, L.P.
Calloway Creek Surgicare, LLC
CHC Management, Ltd.
CHC Payroll Company
CHC Realty Company
CHCA Pearland, L.P.
CHC-El Paso Corp.
CHC-Miami Corp.
Clear Lake Regional Medical Center, Inc.
Clear Lake Surgicare, Ltd.
    Bay Area Surgicare Center
Coastal Bend Hospital CT Services, Ltd.
COL-NAMC Holdings, Inc.
Columbia Ambulatory Surgery Division, Inc.
Columbia Bay Area Realty, Ltd.
Columbia Call Center, Inc.
Columbia Central Group, Inc.
Columbia Central Verification Services, Inc.
Columbia Champions Treatment Center, Inc.
Columbia GP of Mesquite, Inc.
Columbia Greater Houston Division Healthcare Network, Inc.
Columbia Hospital at Medical City Dallas Subsidiary, L.P.
    Medical City Dallas Hospital
Columbia Hospital Corporation at the Medical Center
Columbia Hospital Corporation of Arlington
Columbia Hospital Corporation of Bay Area
Columbia Hospital Corporation of Corpus Christi
Columbia Hospital Securities Corporation
Columbia Hospital — Arlington (WC), Ltd.
Columbia Hospital — El Paso, Ltd.
Columbia Lone Star/Arkansas Division, Inc.
Columbia Medical Arts Hospital Subsidiary, L.P.
Columbia Medical Center at Lancaster Subsidiary, L.P.
Columbia Medical Center Dallas Southwest Subsidiary, L.P.
Columbia Medical Center of Arlington Subsidiary, L.P.
    Medical Center of Arlington
Columbia Medical Center of Denton Subsidiary, L.P.
    Denton Regional Medical Center

Columbia Medical Center of Las Colinas, Inc.
    Las Colinas Medical Center
Columbia Medical Center of Lewisville Subsidiary, L.P.
    Medical Center of Lewisville
Columbia Medical Center of McKinney Subsidiary, L.P.
    Medical Center of McKinney
Columbia Medical Center of Plano Subsidiary, L.P.
    Medical Center of Plano
Columbia North Hills Hospital Subsidiary, L.P.
    North Hills Hospital
Columbia North Texas Healthcare System, L.P.
Columbia North Texas Subsidiary GP, LLC
Columbia North Texas Surgery Center Subsidiary, L.P.
Columbia Northwest Medical Center Partners, Ltd.
Columbia Northwest Medical Center, Inc.
Columbia Plaza Medical Center of Fort Worth Subsidiary, L.P.
    Plaza Medical Center of Fort Worth
Columbia Psychiatric Management Co.
Columbia South Texas Division, Inc.
Columbia Specialty Hospital of Dallas Subsidiary, L.P.
Columbia Specialty Hospitals, Inc.
Columbia Surgery Group, Inc.
Columbia/HCA Healthcare Corporation of Central Texas
Columbia/HCA Heartcare of Corpus Christi, Inc.
Columbia/HCA International Group, Inc.
Columbia/HCA of Houston, Inc.
Columbia/HCA of North Texas, Inc.
Columbia/HCA Physician Hospital Organization Medical Center Hospital
Columbia/Pasadena Healthcare System, L.P.
Columbia-Quantum, Inc.
Conroe Hospital Corporation
Corpus Christi Healthcare Group, Ltd.
Corpus Christi Surgery Center, L.P.
Corpus Christi Surgery, Ltd.
Corpus Surgicare, Inc.
Deep Purple Investments, LLC
Denton Regional Ambulatory Surgery Center, L.P.
    Day Surgery Center at Denton Regional Medical Center
Doctors Bay Area Physician Hospital Organization
Doctors Hospital (Conroe), Inc.
E.P. Physical Therapy Centers, Inc.
El Paso Healthcare System, Ltd.
    Del Sol Medical Center
    Las Palmas Medical Center
El Paso Nurses Unlimited, Inc.
El Paso Physical Therapy Centers, Ltd.
El Paso Surgery Centers, L.P.
    East El Paso Surgery Center
    Surgical Center of El Paso
El Paso Surgicenter, Inc.
Endoscopy Clinic of Dallas, Inc.
Endoscopy of Plano, L.P.
Endoscopy Surgicare of Plano, LLC
EPIC Properties, Inc.
EPSC, L.P.
Flower Mound Surgery Center, Ltd.

Fort Worth Investments, Inc.
Frisco Warren Parkway 91, Inc.
Galen Hospital of Baytown, Inc.
Gramercy Surgery Center, Ltd.
    Gramercy Outpatient Surgery Center
Greater Houston Preferred Provider Option, Inc.
Green Oaks Hospital Subsidiary, L.P.
    Green Oaks Hospital
Gulf Coast Division, Inc.
Gulf Coast Physician Administrators, Inc.
HCA Central/West Texas Physicians Management, LLC
HCA Health Services of Texas, Inc.
HCA Pearland GP, Inc.
HCA Plano Imaging, Inc.
HCA Western Group, Inc.
Heartcare of Texas, Ltd.
HEI Sealy, Inc.
Houston Northwest Surgical Partners, Inc.
HPG Energy, L.P.
HPG GP, LLC
HTI Gulf Coast, Inc.
Kingwood Surgery Center, Ltd.
KPH-Consolidation, Inc.
    Kingwood Medical Center
Las Colinas Surgery Center, Ltd.
    Las Colinas Surgery Center
Leadership Healthcare Holdings II L.P., L.L.P.
Leadership Healthcare Holdings L.P., L.L.P.
Longview Regional Physician Hospital Organization, Inc.
Med City Dallas Outpatient Surgery Center, L.P.
    Medical City Ambulatory Surgery Center
Med Plus of El Paso, Inc.
Med-Center Hosp./Houston, Inc.
Medical Care Surgery Center, Inc.
Medical City Dallas Hospital, Inc.
MediPurchase, Inc.
Methodist Healthcare System of San Antonio, Ltd., L.L.P.
    Methodist Ambulatory Surgery Hospital — Northwest
    Methodist Children's Hospital of South Texas
    Methodist Hospital
    Methodist Specialty and Transplant Hospital
    Metropolitan Methodist Hospital
    Northeast Methodist Hospital
Metroplex Surgicenters, Inc.
MGH Medical, Inc.
MHS SC Partner, L.L.C.
MHS Surgery Centers, L.P.
Mid-Cities Surgi-Center, Inc.
National Patient Account Services, Inc.
Navarro Memorial Hospital, Inc.
North Hills Cardiac Catheterization Center, L.P.
North Hills Catheterization Lab, LLC
North Hills Surgicare, L.P.
    Texas Pediatric Surgery Center
North Texas Division, Inc.
North Texas General, L.P.

North Texas Technologies, Ltd.
Northeast PHO, Inc.
Occupational and Family Medicine of South Texas
Orthopedic Hospital, Ltd.
    Texas Orthopedic Hospital
Outpatient Services — River Oaks Imaging, L.P.
Outpatient Women's and Children's Surgery Center, Ltd.
    Fannin Surgicare
Paragon of Texas Health Properties, Inc.
Paragon Physicians Hospital Organization of South Texas, Inc.
Paragon Surgery Centers of Texas, Inc.
Park Central Surgical Center, Ltd.
    Park Central Surgical Center
Parkway Cardiac Center, Ltd.
Parkway Surgery Services, Ltd.
Pasadena Bayshore Hospital, Inc.
Pediatric Surgicare, Inc.
Primary Health Network of South Texas
Quantum/Bellaire Imaging, Ltd.
Radiology Services of El Paso, Inc.
Rim Building Partners, L.P.
Rio Grande Healthcare MSO, Inc.
Rio Grande NP, Inc.
Rio Grande Regional Hospital, Inc.
Rio Grande Regional Investments, Inc.
Rosewood Medical Center, Inc.
Rosewood Professional Building, Ltd.
Royal Oaks Surgery Center, L.P.
S.A. Medical Center, Inc.
San Antonio Division, Inc.
San Antonio Regional Hospital, Inc.
South Texas Surgicare, Inc.
Southwest Houston Surgicare, Inc.
Spring Branch Medical Center, Inc.
    Spring Branch Medical Center
St. David's Healthcare Partnership, L.P., LLP
    North Austin Medical Center
    Round Rock Medical Center
    South Austin Hospital
    St. David's Georgetown Hospital
    St. David's Medical Center
STPN Manager, LLC
Sugar Land Surgery Center, Ltd.
    Sugar Land Surgery Center
Sun Towers/Vista Hills Holding Co.
Sunbelt Regional Medical Center, Inc.
Surgical Center of Irving, Inc.
Surgical Facility of West Houston, L.P.
Surgicare of Arlington, LLC
Surgicare of Central San Antonio, Inc.
Surgicare of Flower Mound, Inc.
Surgicare of Fort Worth Co-GP, LLC
Surgicare of Fort Worth, Inc.
Surgicare of Gramercy, Inc.
Surgicare of Houston Women's, Inc.
Surgicare of Kingwood, Inc.

Surgicare of McKinney, Inc.
Surgicare of Medical City Dallas, LLC
Surgicare of North Austin, LLC
Surgicare of North San Antonio, Inc.
Surgicare of Northeast San Antonio, Inc.
Surgicare of Pasadena, Inc.
Surgicare of Round Rock, Inc.
Surgicare of Royal Oaks, LLC
Surgicare of South Austin, Inc.
Surgicare of Sugar Land, Inc.
Surgicare of Travis Center, Inc.
Tarrant County Surgery Center, L.P.
    Trinity Park Surgery Center
Texas Medical Technologies, Inc.
Texas Psychiatric Company, Inc.
The Family Birth Center, Ltd.
The West Texas Division of Columbia, Inc.
THN Physicians Association, Inc.
Travis Surgery Center, L.P.
Village Oaks Medical Center, Inc.
W & C Hospital, Inc.
West Houston ASC, Inc.
West Houston Healthcare Group, Ltd.
West Houston Outpatient Medical Facility, Inc.
West Houston Surgicare, Inc.
West McKinney Imaging Services, LLC
West Park Surgery Center, L.P.
    McKinney Surgery Center
WHMC, Inc.
Willow Creek Hospital, Ltd.
Woman's Hospital of Texas, Incorporated

UNITED KINGDOM

Columbia U.K. Finance Limited
HCA Finance, LP
HCA International Holdings Limited
HCA International Limited
    Princess Grace Hospital
    The Harley Street Clinic
    The Portland Hospital for Women and Children
    The Wellington Hospital
HCA Staffing Limited
HCA UK Capital Limited
HCA UK Holdings Limited
HCA UK Investments Limited
HCA UK Services, Ltd.
HCA United Kingdom Limited
La Tour Finance Limited Partnership
London Radiography & Radiotherapy Services Limited
St. Martins Healthcare Limited
St. Martins Ltd.
The Harley Street Cancer Clinic Limited

UTAH

Bountiful Surgery Center, LLC
    Bountiful Surgery Center
Brigham City Community Hospital Physician Services, LLC
Brigham City Community Hospital, Inc.
    Brigham City Community Hospital
Brigham City Health Plan, Inc.
Columbia Ogden Medical Center, Inc.
    Ogden Regional Medical Center
Columbia Utah Division, Inc.
East Layton Internal Medicine, LLC
General Hospitals of Galen, Inc.
Healthtrust Utah Management Services, Inc.
Hospital Corporation of Utah
    Lakeview Hospital
HTI Physician Services of Utah, Inc.
Lakeview Hospital Physician Services, LLC
Lakeview Neurosurgery Clinic, LLC
Lakeview Professional Billing, LLC
Layton Family Practice, LLC
Lone Peak General Surgery, LLC
Lone Peak Primary Care, LLC
Maternal Fetal Services of Utah, LLC
Mountain Division, Inc.
Mountain View Hospital, Inc.
    Mountain View Hospital
Mountain View Medical Office Building, Ltd.
Mountainstar Cardiovascular Services, LLC
Northern Utah Healthcare Corporation
    St. Mark's Hospital
Northern Utah Imaging, L.P.
Ogden CV Surgery, LLC
Ogden Regional Health Plan, Inc.
Ogden Regional Medical Center Professional Billing, LLC
Ogden Senior Center, LLC
Salt Lake City Surgicare, Inc.
St. Mark's Investments, Inc.
St. Mark's Lone Peak Hospital, Inc.
St. Mark's Physicians, Inc.
St. Mark's Professional Services, LLC
Surgicare of Bountiful, LLC
Surgicare of Salt Lake City, LLC
Surgicare of Utah, LLC
Synergies Surgery Center, L.P.
The Wasatch Endoscopy Center, Ltd.
Timpanogos Regional Medical Services, Inc.
    Timpanogos Regional Hospital
Utah Imaging GP, LLC
Utah Surgery Center, L.P.
    South Towne Surgery Center
West Jordan Hospital Corporation

VIRGINIA

Alleghany General and Bariatric Services, LLC.
Alleghany Hospitalists, LLC
Alleghany Primary Care, Inc.

Ambulatory Services Management Corporation of Chesterfield County, Inc.
Appomattox Imaging, LLC
Arlington Surgery Center, L.P.
Arlington Surgicare, LLC
Ashburn Imaging, LLC
Atrium Surgery Center, L.P.
Atrium Surgicare, LLC
Behavioral Health of Virginia Corporation
Buford Road Imaging, L.L.C.
Capital Division, Inc.
Cardiothoracic Surgeons of Roanoke Valley, LLC
Carlin Springs Urgent Care, LLC
Central Shared Services, LLC
Chesterfield Imaging, LLC
Chippenham & Johnston-Willis Hospitals, Inc.
    CJW Medical Center
Chippenham & Johnston-Willis Sports Medicine, LLC
Chippenham Pediatric Specialists, LLC
Christiansburg Internal Medicine, LLC
CJW Infectious Disease, LLC
Colonial Heights Ambulatory Surgery Center, L.P.
Colonial Heights Surgicare, LLC
Columbia Arlington Healthcare System, L.L.C.
Columbia Healthcare of Central Virginia, Inc.
Columbia Medical Group — Southwest Virginia, Inc.
Columbia Pentagon City Hospital, L.L.C.
Columbia Physicians Services, Inc.
Columbia Primary Care Associates, Ltd.
Columbia/Alleghany Regional Hospital, Incorporated
    Alleghany Regional Hospital
Columbia/HCA John Randolph, Inc.
    John Randolph Medical Center
Community Healthcare of Dublin, LLC
CVMC Property, LLC
Fairfax Surgical Center, L.P.
    Fairfax Surgical Center
Family Practice at Forest Hill, LLC
Family Practice at Retreat, LLC
Fort Chiswell Family Practice, LLC
Galen of Virginia, Inc.
Galen Property, LLC
Galen Virginia Hospital Corporation
Generations Family Practice, Inc.
GYN-Oncology of Southwest Virginia, LLC
Hanover Outpatient Surgery Center, L.P.
    Hanover Outpatient Surgery Center
HCA Health Services of Virginia, Inc.
    Henrico Doctors' Hospital
HCA Richmond Division, Inc.
HDH Thoracic Surgeons, LLC
Henrico Doctors' Family Medicine, LLC
Henrico Doctors' Neurology Associates, LLC
Henrico Radiation Oncology, LLC
Hopewell Nursing Home, LLC
HSS Virginia, L.P.
Imaging Services of Richmond, LLC

Institute of Advanced ENT Surgery, LLC
Internal Medicine of Blacksburg, LLC
James River Internists, LLC
John Randolph Family Practice, LLC
John Randolph OB/GYN, LLC
John Randolph Surgeons, LLC
Lewis Gale Physicians Specialists, LLC
Lewis-Gale Hospital, Incorporated
Lewis-Gale Physicians, LLC
LGMC Ambulatory Surgery Center, LLC
Loudoun Surgery Center, L.P.
Loudoun Surgery Center, LLC
Management Services of the Virginias, Inc.
Montgomery Cancer Center, LLC
Montgomery Hospitalists, LLC
Montgomery Regional Hospital, Inc.
    Montgomery Regional Hospital
Montgomery Surgery Associates, LLC
MOS Temps, Inc.
NOCO, Inc.
Northern Virginia Community Hospital, LLC
Northern Virginia Hospital Corporation
Orthopedics Specialists, LLC
Pediatric Specialists for CJW, LLC
Preferred Hospitals, Inc.
Primary Care of West End, LLC
Primary Health Group, Inc.
Pulaski Community Hospital, Inc.
    Pulaski Community Hospital
Pulaski Radiologists, LLC
Pulaski Urology, LLC
Quick Care Centers, LLC
Reston Surgery Center, L.P.
    Reston Surgery Center
Retreat Cardiology, LLC
Retreat Hospital, Inc.
    Retreat Hospital
Retreat Internal Medicine, LLC
Retreat Surgical Associates, LLC
Richmond Imaging Employer Corp.
Richmond Pediatric Surgeon's, LLC
Roanoke Imaging, LLC
Roanoke Neurosurgery, LLC
Roanoke Surgery Center, L.P.
    Blue Ridge Surgery Center
Roanoke Valley Gynecology, LLC
Robious Wellness Associates, L.L.P.
Salem Hospitalists, LLC
Short Pump Imaging, LLC
Southwest Virginia Fertility Center, LLC
Southwest Virginia Orthopedics and Spine, LLC
Spotsylvania Medical Center, Inc.
Stafford Imaging, LLC
Surgical Associates of Southwest Virginia, LLC
Surgical Associates of the New River Valley, LLC
Surgicare of Fairfax, Inc.

Surgicare of Hanover, Inc.
Surgicare of Reston, Inc.
Surgicare of Roanoke, LLC
Surgicare of Tuckahoe, Inc.
The Women's Center at Alleghany, LLC
Tri Medical, LLC
Urology Specialists of Richmond, LLC
Virginia Gynecologic Oncology, LLC
Virginia Hematology & Oncology Associates, Inc.
Virginia Hospitalists, Inc.
Virginia Psychiatric Company, Inc.
    Dominion Hospital

WASHINGTON

ACH, Inc.
Capital Network Services, Inc.

WEST VIRGINIA

Columbia Parkersburg Healthcare System, LLC
Columbia/HCA WVMS Member, Inc.
Galen of West Virginia, Inc.
HCA Health Services of West Virginia, Inc.
Hospital Corporation of America
Parkersburg SJ Holdings, Inc.
St. Francis Sleep Lab Professional Services, LLC
Teays Valley Health Services, LLC
Tri Cities Health Services Corp.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Forms S-3 (File Nos. 333-121520, 333-107536, 333-87588, 333-51540, 333-82219, 33-64105, 33-58919, 33-53409, and 33-50985) of HCA Inc. of our reports dated March 22, 2007, with respect to the consolidated financial statements of HCA Inc., HCA Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of HCA Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2006.

/s/ Ernst & Young LLP

Nashville, Tennessee
March 22, 2007

EXHIBIT 31.1

CERTIFICATIONS

I, Jack O. Bovender, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of HCA Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JACK O. BOVENDER, JR.

Jack O. Bovender, Jr.
Chairman of the Board and
Chief Executive Officer

Date: March 27, 2007

EXHIBIT 31.2

CERTIFICATIONS

I, R. Milton Johnson, certify that:

1. I have reviewed this annual report of Form 10-K of HCA Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ R. MILTON JOHNSON

R. Milton Johnson
Executive Vice President and
Chief Financial Officer

Date: March 27, 2007

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of HCA Inc. (the "Company") on Form 10-K for the year ended December 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ JACK O. BOVENDER, JR.

Jack O. Bovender, Jr.
Chairman of the Board and
Chief Executive Officer

March 27, 2007

By: /s/ R. MILTON JOHNSON

R. Milton Johnson
Executive Vice President and
Chief Financial Officer

March 27, 2007