

HCA INC/TN  
Form DEF 14A  
April 13, 2006

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

HCA INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - 1) Title of each class of securities to which transaction applies:
  - 2) Aggregate number of securities to which transaction applies:
  - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - 4) Proposed maximum aggregate value of transaction:
  - 5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - 1) Amount Previously Paid:
  - 2) Form, Schedule or Registration Statement No.:
  - 3) Filing Party:
  - 4) Date Filed:



**Table of Contents**

**HCA INC.  
One Park Plaza  
Nashville, Tennessee 37203  
(615) 344-9551**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held May 25, 2006**

Dear Shareholder:

On Thursday, May 25, 2006, HCA Inc. will hold its 2006 annual meeting of shareholders at the executive offices of HCA located at One Park Plaza, Nashville, Tennessee. The meeting will begin at 1:30 p.m., Central Daylight Time.

Only shareholders that own our common stock at the close of business on March 31, 2006 may vote at this meeting. A list of our shareholders will be available at our principal executive offices at One Park Plaza, Nashville, Tennessee, during ordinary business hours for ten days prior to the annual meeting. At the meeting, we will consider the following proposals:

1. To elect 14 directors to hold office until the next annual meeting of shareholders or until their respective successors have been duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP as HCA's independent registered public accounting firm;
3. To consider two shareholder proposals; and
4. To transact such other business as may properly come before the meeting or any postponement or adjournment of the meeting.

Our 2005 annual report to shareholders is being mailed to shareholders with this proxy statement. The annual report is not part of the proxy solicitation materials.

References to HCA, the Company, we, us or our in this Notice and Proxy Statement refer to HCA Inc. and its affiliates unless otherwise indicated by context.

Please note that space limitations make it necessary to limit attendance at the annual meeting to shareholders. Registration will begin at 1:00 p.m., Central Daylight Time. If you attend, please note that you may be asked to present valid picture identification. Street name holders will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices are not permitted at the meeting.

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY IN THE ACCOMPANYING REPLY ENVELOPE. SHAREHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON.**

By Order of the Board of Directors,

John M. Franck II  
*Vice President and Corporate Secretary*

Nashville, Tennessee  
April 13, 2006

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**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS</u>	1
<u>STOCK OWNERSHIP</u>	6
<u>ITEM 1 ELECTION OF DIRECTORS</u>	8
<u>Information Concerning Director Nominees</u>	8
<u>Corporate Governance</u>	10
<u>Board Independence and Operations</u>	11
<u>Board Structure and Committee Composition</u>	11
<u>Selection of Board Nominees</u>	13
<u>Code of Conduct</u>	14
<u>Policy Regarding Communications with the Board of Directors</u>	14
<u>Policy Regarding Director Attendance at Annual Meetings of Shareholders</u>	14
<u>Executive Sessions</u>	14
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	14
<u>ITEM 2 RATIFICATION OF THE APPOINTMENT OF ERNST &amp; YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	15
<u>AUDIT COMMITTEE REPORT FOR 2005</u>	16
<u>ITEM 3 SHAREHOLDER PROPOSAL NO. 1</u>	17
<u>ITEM 4 SHAREHOLDER PROPOSAL NO. 2</u>	19
<u>ITEM 5 OTHER MATTERS</u>	21
<u>EXECUTIVE COMPENSATION</u>	22
<u>Summary Compensation Table</u>	22
<u>Option Grants During 2005</u>	24
<u>Aggregated Option Exercises During 2005 and Fiscal Year-End Option Values</u>	24
<u>Supplemental Executive Retirement Plan</u>	25
<u>Equity Compensation Plan Information</u>	26
<u>Directors Compensation</u>	26
<u>Compensation Committee Report on Executive Compensation</u>	27
<u>Employment, Severance and Change in Control Agreements</u>	33
<u>Compensation Committee Interlocks and Insider Participation</u>	33
<u>Indemnification of Officers and Directors</u>	34
<u>Certain Relationships and Related Transactions</u>	34
<u>Company Stock Performance</u>	36
<u>GENERAL INFORMATION</u>	37
<u>Annual Report</u>	37
<u>Householding of Annual Meeting Materials</u>	37
<u>Additional Information</u>	37

EXHIBIT A HCA Inc. Director Independence Guidelines

A-1

**Table of Contents**

**HCA INC.  
One Park Plaza  
Nashville, Tennessee 37203**

**Proxy Statement for Annual Meeting of Shareholders  
to be held on May 25, 2006**

**QUESTIONS AND ANSWERS**

**1. Q: WHEN WAS THIS PROXY STATEMENT MAILED TO SHAREHOLDERS?**

A: This proxy statement was first mailed to shareholders on or about April 13, 2006.

**2. Q: WHAT IS THE PURPOSE OF THE ANNUAL MEETING?**

A: At our annual meeting, shareholders will act upon the matters outlined in the notice of meeting on the cover page of this proxy statement, including the election of 14 directors, the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm and the consideration of two shareholder proposals. In addition, our management will respond to questions from shareholders.

**3. Q: WHO MAY ATTEND THE ANNUAL MEETING?**

A: Shareholders of record as of the close of business on March 31, 2006, or their duly appointed proxies, may attend the meeting. Street name holders (those whose shares are held through a broker or other nominee) will need to bring a copy of a brokerage statement reflecting their ownership of our common stock as of the record date. Space limitations make it necessary to limit attendance to shareholders and valid picture identification may be required. Cameras, recording devices and other electronic devices are not permitted at the meeting.

**4. Q: WHO IS ENTITLED TO VOTE AT THE ANNUAL MEETING?**

A: Only shareholders of record as of the close of business on March 31, 2006, the record date for the meeting, are entitled to receive notice of and participate in the annual meeting. As of the record date, there were approximately 387,061,800 shares of our voting common stock outstanding. Approximately 12,600 holders of record held the shares. Every shareholder is entitled to one vote for each share the shareholder held as of the record date.

**5. Q: WHO IS SOLICITING MY VOTE?**

A: This proxy solicitation is being made and paid for by HCA. In addition, we have retained Georgeson Shareholder to assist in the solicitation. We will pay Georgeson Shareholder approximately \$13,000 plus out-of-pocket expenses for its assistance. Our directors, officers and employees may also solicit proxies by personal interview, mail, e-mail, telephone, facsimile or other electronic means. They will not be paid additional remuneration for their efforts. We will also request brokers and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of the common stock that the brokers and fiduciaries hold of record. We will reimburse them for their reasonable out-of-pocket expenses.

**Table of Contents**

**6. Q: WHAT MAY I VOTE ON?**

A: You may vote on:

The election of 14 directors to our board of directors;

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm; and

Two shareholder proposals.

**7. Q: HOW DOES THE BOARD RECOMMEND I VOTE ON THE PROPOSALS?**

A: The board unanimously recommends that you vote:

**FOR** each of the director nominees;

**FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm; and

**AGAINST** each of the shareholder proposals.

**8. Q: HOW WILL VOTING ON ANY OTHER BUSINESS BE CONDUCTED?**

A: We are not aware of any business to be considered at the 2006 annual meeting other than the matters described in this proxy statement. If any other business is presented at the annual meeting, your signed proxy card gives authority to Jack O. Bovender, Jr., our Chairman and Chief Executive Officer, Robert A. Waterman, our Senior Vice President and General Counsel, and John M. Franck II, our Vice President and Corporate Secretary, to vote on such matters at their discretion.

**9. Q: CAN I VOTE THE SHARES I OWN UNDER HCA'S RETIREMENT PLANS ON THESE MATTERS?**

A: In accordance with the retirement plans, the shares held under those plans are voted at the direction of our retirement committee, which is made up of certain members of our management. Even though retirement plan participants will receive this proxy statement along with our 2005 annual report to shareholders, the retirement committee, and not individual participants, will vote shares held under the retirement plans.

**10. Q: HOW DO I VOTE?**

A: You may vote by signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope. If you return your signed proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted **FOR** the election of each nominee named under Election of Directors, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm, and **AGAINST** each of the two shareholder proposals. You have the right to revoke your proxy at any time before the meeting by:

notifying our Vice President and Corporate Secretary, John M. Franck II, at One Park Plaza, Nashville, Tennessee 37203;

voting in person;

submitting a later-dated proxy card; or

if applicable, submitting new voting instructions to your broker or nominee.



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If you have any questions about how to vote or revoke your proxy, you should contact our proxy solicitor, Georgeson Shareholder Services, at 1-888-264-7052.

**Table of Contents**

**11. Q: CAN I VOTE BY TELEPHONE OR ELECTRONICALLY?**

A: If you are a registered shareholder you may vote by telephone or electronically through the Internet by following the instructions included with your proxy card.

If your shares are held by your broker or other nominee, often referred to as in street name, please check your proxy card or contact your broker or nominee to determine whether you will be able to vote by telephone or electronically.

**12. Q: HOW DO I VOTE MY SHARES IF THEY ARE HELD IN THE NAME OF MY BROKER (STREET NAME)?**

A: If your shares are held by your broker or other nominee, often referred to as in street name, you will receive a form from your broker or nominee seeking instruction as to how your shares should be voted.

**13. Q: WHAT IS THE VOTE REQUIRED TO APPROVE EACH PROPOSAL?**

A: Each of the director nominees must receive affirmative votes from a plurality of the votes cast to be elected. This means that the 14 nominees receiving the greatest number of votes will be elected as directors. The ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm and each of the two shareholder proposals must receive affirmative votes from a majority of the shares represented in person or by proxy and entitled to vote on the matter.

**14. Q: WHAT CONSTITUTES A QUORUM ?**

A: The presence at the meeting, in person or by proxy, of the holders of a majority of the aggregate voting power of our common stock outstanding on the record date will constitute a quorum. There must be a quorum for business to be conducted at the meeting. Proxies received but marked as abstentions and broker nonvotes will be included in the calculation of the number of shares considered to be present at the meeting.

**15. Q: WHAT IF I ABSTAIN FROM VOTING?**

A: If you attend the meeting or send in your signed proxy card, but abstain from voting on any proposal, you will be counted for purposes of determining whether a quorum exists. If you abstain from voting on the election of directors, your abstention will have no effect on the outcome. If you abstain from voting on the ratification of Ernst & Young LLP as our independent registered public accounting firm or either of the two shareholder proposals, your abstention will have the same effect as a vote against the proposal.

**16. Q: WILL MY SHARES BE VOTED IF I DO NOT SIGN AND RETURN MY PROXY CARD?**

A: If you are a registered shareholder and you do not sign and return your proxy card, your shares will not be voted at the annual meeting. If your shares are held in street name and you do not issue instructions to your broker, your broker may vote your shares at their discretion on routine matters, but may not vote your shares on nonroutine matters. Under the New York Stock Exchange rules, the proposals relating to the election of directors and the ratification of Ernst & Young LLP are deemed to be routine matters with respect to which brokers and nominees may exercise their voting discretion without receiving instructions from the beneficial owner of the shares. However, neither of the two shareholder proposals are routine matters. Therefore, if you do not issue instructions to your broker, your broker may not vote your shares at its discretion on your behalf on those matters.

**Table of Contents**

**17. Q: WHAT IS A BROKER NONVOTE ?**

A: Under the New York Stock Exchange rules, brokers and nominees may exercise their voting discretion without receiving instructions from the beneficial owner of the shares on proposals that are deemed to be routine matters. If a proposal is not a routine matter, the broker or nominee may not vote the shares with respect to the proposal without receiving instructions from the beneficial owner of the shares. If a broker turns in a proxy card expressly stating that the broker is not voting on a nonroutine matter, such action is referred to as a broker nonvote. Since the election of directors and the ratification of Ernst & Young LLP as our independent registered public accounting firm are routine matters, a broker may turn in a proxy card voting shares at their discretion on both matters. Because the two shareholder proposals are not routine matters, your broker or nominee may not vote your shares on these matters without receiving instructions.

**18. Q: WHAT IS THE EFFECT OF A BROKER NONVOTE?**

A: Broker nonvotes will be counted for the purpose of determining the presence or absence of a quorum, but will not be counted for determining the number of votes cast. A broker nonvote will not affect the outcome of any proposal in the proxy statement.

**19. Q: WHO WILL COUNT THE VOTES?**

A: A representative of our transfer agent, National City Bank, will count the votes and act as an inspector of election. Questions concerning stock certificates or other matters pertaining to your shares may be directed to National City Bank at 1-800-622-6757.

**20. Q: HOW CAN I PARTICIPATE IF I AM UNABLE TO ATTEND?**

A: If you are unable to attend the meeting in person, we invite you to listen to the live Internet broadcast of our annual meeting. The live broadcast will begin at 1:30 p.m., Central Daylight Time, on May 25, 2006. To listen, simply log on to the web at <http://www.videonewswire.com/event.asp?id=32949>.

**21. Q: WHERE CAN I FIND THE VOTING RESULTS OF THE ANNUAL MEETING?**

A: We intend to announce the preliminary voting results at the annual meeting and publish final results in our quarterly report on Form 10-Q for the quarter ending June 30, 2006.

**22. Q: WHEN ARE SHAREHOLDER PROPOSALS DUE IN ORDER TO BE INCLUDED IN OUR PROXY STATEMENT FOR THE 2007 ANNUAL MEETING?**

A: Any shareholder proposals to be considered timely for inclusion in next year's proxy statement must be submitted in writing to John M. Franck II, Vice President and Corporate Secretary, HCA Inc., One Park Plaza, Nashville, Tennessee 37203, and must be received prior to the close of business on December 14, 2006. Such proposals must also comply with the Securities and Exchange Commission's rules concerning the inclusion of shareholder proposals in company-sponsored proxy materials as set forth in Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended.

**Table of Contents**

**23. Q: WHEN ARE OTHER SHAREHOLDER PROPOSALS DUE?**

A: Our certificate of incorporation contains an advance notice provision which requires that a shareholder's notice of a proposal to be brought before an annual meeting must be timely. In order to be timely, the notice must be addressed to our Corporate Secretary and delivered to or mailed and received at our principal executive offices not less than 60 days nor more than 90 days prior to the scheduled date of the meeting (or, if less than 70 days notice or prior public disclosure of the date of the meeting is given, the tenth day following the earlier of the day the notice was mailed or the day the public disclosure was made). Such proposals are also subject to informational and other requirements set forth in our certificate of incorporation.

**24. Q: HOW CAN I OBTAIN ADDITIONAL INFORMATION ABOUT THE COMPANY?**

A: We will provide additional copies of this proxy statement or voting materials, a copy of our Annual Report to Shareholders and/or our Annual Report on Form 10-K for the year ended December 31, 2005, excluding certain of its exhibits, without charge to any shareholder who makes a written request to the Office of Investor Relations, HCA Inc., One Park Plaza, Nashville, Tennessee 37203. Our Annual Report on Form 10-K and other Securities and Exchange Commission filings also may be accessed on the world wide web at <http://www.sec.gov> or on the Investor Relations page of the Company's website at <http://www.hcahealthcare.com>. Our website address is provided as an inactive textual reference only. The information provided on our website is not part of this report, and therefore is not incorporated by reference.

**Table of Contents****STOCK OWNERSHIP**

The following table sets forth information regarding the beneficial ownership of our common stock as of March 31, 2006 (unless otherwise noted), 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 current directors and director nominees;

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 387,061,825 voting shares outstanding as of March 31, 2006. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Unless otherwise indicated, each person or entity named in the table has sole voting and investment power, or shares voting and investment power with his or her spouse, with respect to all shares of stock listed as owned by that person. The number of shares shown does not include the interest of certain persons in shares held by family members in their own right. Shares issuable upon the exercise of options that are exercisable within 60 days of March 31, 2006 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, executive officers and the HCA Benefit Plans listed below is c/o HCA Inc., One Park Plaza, Nashville, Tennessee 37203.

Name of Beneficial Owner	Number of Shares	Number of Option Shares(1)	Percent
Dodge & Cox	38,828,626(2)		10.0
Barclays Global Investors, Ltd.	26,370,916(3)		6.8
C. Michael Armstrong	9,058	5,298	*
Magdalena H. Averhoff, M.D.	6,703	24,738	*
Jack O. Bovender, Jr.	310,109(4)	1,825,784	*
Richard M. Bracken	170,045(5)	917,960	*
Martin Feldstein	7,805	11,511	*
Thomas F. Frist, Jr., M.D.	16,865,705(6)	20,308	4.4
Frederick W. Gluck	19,456	44,024	*
Glenda A. Hatchett	12,650	34,769	*
Samuel N. Hazen	99,677(7)	546,190	*
Charles O. Holliday, Jr.	7,184	19,701	*
R. Milton Johnson	74,494(8)	384,288	*
T. Michael Long	13,378	29,024	*
John H. McArthur	9,605	10,584	*
Kent C. Nelson	11,600	44,024	*
Frank S. Royal, M.D.	101,913	29,024	*
Harold T. Shapiro	10,285	32,400	*
Robert A. Waterman	93,250(9)	330,273	*
HCA Benefit Plans	17,329,041(10)		4.5

All directors and executive officers as a group (35 persons)	18,856,284(11)	7,623,209	6.7
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\* Less than one percent.

**Table of Contents**

- (1) Includes shares issuable upon exercise of options within 60 days of March 31, 2006.
- (2) Information based on a Schedule 13G filed by Dodge & Cox with the Securities and Exchange Commission on February 3, 2006. Dodge & Cox is an investment advisor registered under Section 203 of the Investment Advisers Act of 1940 and reports sole voting power as to 36,535,926 shares of our common stock, shared voting power as to 405,100 shares of our common stock and sole dispositive power as to 38,828,626 shares of our common stock as of December 31, 2005. Dodge & Cox reports its address as 555 California Street, 40th Floor, San Francisco, California 94104.
- (3) Information based on a Schedule 13G filed jointly by Barclays Global Investors, Ltd. and by Barclays Global Investors Japan Trust and Banking Company Limited on January 26, 2006. Barclays Global Investors, Ltd. and Barclays Global Investors Japan Trust and Banking Company Limited are banks as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, as amended, and together report sole voting power as to 23,085,014 shares of our common stock and sole dispositive power as to 26,370,916 shares of our common stock as of December 31, 2005. Barclays Global Investors, Ltd. reports its address as Murray House, 1 Royal Mint Court, London, EC3N 4HH, and Barclays Global Investors Japan Trust and Banking Company Limited reports its address as Ebisu Prime Square Tower 8th Floor, 1-1-39 Hiroo Shibuya-Ku, Tokyo 150-0012 Japan.
- (4) Includes 109 shares beneficially owned in employee plans but not voted by participant.
- (5) Includes 6,764 shares beneficially owned in employee plans but not voted by participant.
- (6) Includes 20,380 shares beneficially owned in employee plans but not voted by participant. Also includes 5,555,698 shares with respect to which Dr. Frist has sole voting and investment power and 11,244,129 shares with respect to which Dr. Frist has shared voting and investment power. Also includes 45,498 shares as to which Dr. Frist may be deemed the beneficial owner which are owned of record by Dr. Frist's wife.
- (7) Includes 1,929 shares beneficially owned in employee plans but not voted by participant.
- (8) Includes 993 shares beneficially owned in employee plans but not voted by participant.
- (9) Includes 109 shares beneficially owned in employee plans but not voted by participant.
- (10) Represents shares beneficially owned by employees and former employees participating in the HCA 401(k) Plan and voted at the direction of our retirement committee, which is composed of certain of our officers.
- (11) Includes 70,100 shares beneficially owned in employee plans but not voted by participants.

**Table of Contents**

**ITEM 1 ELECTION OF DIRECTORS**

The current Board of Directors of HCA consists of 14 directors. All of our directors are elected annually. Fourteen directors will be elected at the annual meeting. We propose that the nominees listed below be elected as members of the Board of Directors at the annual meeting. Each of the nominees shall be elected to serve as a director until the annual meeting of shareholders in 2007 or until his or her respective successor is duly elected and qualified. If a nominee becomes unable or unwilling to accept nomination or election, the person or persons voting the proxy will vote for such other person or persons as may be designated by the Board of Directors, unless the Board of Directors instead reduces the size of the Board of Directors.

**Information Concerning Director Nominees**

Information concerning the nominees proposed by the Board of Directors for election is set forth below.

**C. Michael Armstrong**

**Director Since 2004**

**Age 67**

Mr. Armstrong was Chairman of the Board of Directors of Comcast Corporation from November 2002 to May 2004 and continued to serve as a director of Comcast Corporation until June 2005. From 1997 until 2002, Mr. Armstrong served as Chairman and Chief Executive Officer of AT&T Corp. Prior to that time, Mr. Armstrong served as Chairman and Chief Executive Officer of Hughes Electronics Corporation. Prior to that, Mr. Armstrong served as Chairman of IBM World Trade Corp. Mr. Armstrong also serves as a director of Citigroup Inc. and IHS Inc.

**Magdalena H. Averhoff, M.D.**

**Director Since 1992**

**Age 55**

Magdalena H. Averhoff, M.D. is a retired physician who specialized in gastroenterology. She practiced in Miami, Florida from 1982 until her retirement in 2005. Dr. Averhoff served on the Board of Cedars Medical Center prior to her retirement. She has served as the Chairperson of the Performance Improvement Committee and the Credentials Committee and as the President and Chief of Staff at Cedars Medical Center.

**Jack O. Bovender, Jr.**

**Director Since 1999**

**Age 60**

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**

**Director Since 2002**

**Age 53**

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.



**Table of Contents**

**Martin Feldstein**  
**Director Since 1998**  
**Age 66**

Martin Feldstein has been a Professor of Economics at Harvard University since 1969. Dr. Feldstein also has served as the President and Chief Executive Officer of the National Bureau of Economic Research, a nonprofit economic research firm, since 1977, except for the period from August 1982 to July 1984 when he served as Chairman of the Council of Economic Advisors. Dr. Feldstein is also a director of American International Group, Inc. and Eli Lilly and Company.

**Thomas F. Frist, Jr., M.D.**  
**Director Since 1994**  
**Age 67**

Thomas F. Frist, Jr., M.D. stepped down as our Chairman in January 2002. Dr. Frist 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.

**Frederick W. Gluck**  
**Director Since 1998**  
**Age 70**

Frederick W. Gluck served as senior counselor to McKinsey & Company, Inc., an international consulting firm, from July 1998 to July 2003. He worked with Bechtel Group, Inc. from February 1995 to July 1998, serving as its Vice Chairman and Director from January 1996 to July 1997. Mr. Gluck held various positions with McKinsey & Company, Inc. from 1968 to 1995, including leading the firm as its managing partner from 1988 to 1994. Mr. Gluck is also a director of Amgen Inc.

**Glenda A. Hatchett**  
**Director Since 2000**  
**Age 54**

Glenda A. Hatchett is an author and has hosted a nationally syndicated television court show, Judge Hatchett, since 2000. Ms. Hatchett served as the Chief Judge of Fulton County Juvenile Court from 1991 until May 1999. Ms. Hatchett served as Judge of Fulton County Juvenile Court from 1990 until 1991. Prior to that time, Ms. Hatchett held various leadership positions with Delta Air Lines, Inc.'s legal and public relations departments.

**Charles O. Holliday, Jr.**  
**Director Since 2002**  
**Age 58**

Charles O. Holliday, Jr. has served as the Chairman and Chief Executive Officer of E. I. du Pont de Nemours and Company, or DuPont, since January 1999, and has served as Chief Executive Officer of DuPont since February 1998. Mr. Holliday served as President of DuPont from December 1997 to December 1998. He was Chairman of DuPont, Asia Pacific from July 1995 until November 1997. Mr. Holliday held a number of other positions with DuPont from 1970 to 1995.

**Table of Contents**

**T. Michael Long**  
**Director Since 1991**  
**Age 62**

T. Michael Long is a partner with Brown Brothers Harriman & Co., a private banking firm. Mr. Long has been employed by Brown Brothers Harriman & Co. for 33 years and he is currently the co-manager of The 1818 Fund III, L.P. and its predecessors, The 1818 Fund, L.P. and The 1818 Fund II, L.P.

**John H. McArthur**  
**Director Since 1998**  
**Age 72**

John H. McArthur served as Dean of the Faculty of the Harvard University Graduate School of Business Administration from 1980 to 1995. He was on the faculty of the Harvard Business School from 1962 to 1995. From 1996 to 2005, Mr. McArthur served as Senior Advisor to the President of the World Bank. Mr. McArthur currently serves as Chairman of the Board at the Asia Pacific Foundation of Canada. Mr. McArthur is also a director of AES Corporation, BCE Inc., Bell Canada and Cabot Corporation.

**Kent C. Nelson**  
**Director Since 1998**  
**Age 68**

Kent C. Nelson served as Chairman and Chief Executive Officer of United Parcel Service from November 1989 to December 1996. Mr. Nelson held various positions with United Parcel Service over a 37-year period.

**Frank S. Royal, M.D.**  
**Director Since 1994**  
**Age 66**

Frank S. Royal, M.D. is a physician who has been practicing in Richmond, Virginia for over 20 years. Dr. Royal served as President and Chairman of the National Medical Association. Dr. Royal is a director of Chesapeake Corporation, CSX Corporation, Smithfield Foods, Inc., Dominion Resources, Inc. and SunTrust Banks, Inc.

**Harold T. Shapiro**  
**Director Since 2001**  
**Age 70**

Harold T. Shapiro currently serves as Professor of Economics and Public Affairs at Princeton University. Dr. Shapiro served as the President of Princeton University from January 1988 to July 2001. Dr. Shapiro served as chairman of the National Bioethics Advisory Commission from 1986 to 2001, and is currently chair of the Alfred P. Sloan Foundation. Dr. Shapiro is also a director of The Dow Chemical Company and DeVry Inc.

**Corporate Governance**

We have adopted corporate governance guidelines, the current version of which may be found on the Corporate Governance page of our website at [www.hcahealthcare.com](http://www.hcahealthcare.com), and is available free of charge upon request to our Corporate Secretary, HCA Inc., One Park Plaza, Nashville, Tennessee 37203. These guidelines reflect the Board's commitment to a system of governance which enhances corporate responsibility and accountability.

## **Table of Contents**

### **Board Independence and Operations**

The Board has determined that each of the current directors standing for election, except for Jack O. Bovender, Jr., Richard M. Bracken and Thomas F. Frist, Jr., M.D., has no material relationship with us (either directly or indirectly as a partner, shareholder or officer of an organization that has a material relationship with us) and is independent. Furthermore, the Board has determined that each member of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Ethics, Compliance and Quality of Care Committee is independent.

The foregoing determinations were made in accordance with our Director Independence Guidelines adopted by the Board and attached as *Exhibit A*. To assist in the Board's determinations, each director completed materials designed to identify any relationships that could affect the director's independence. On the basis of these materials and the Director Independence Guidelines, the Board determined that each of our current directors, except for Messrs. Bovender and Bracken and Dr. Frist, were independent because no relationship was identified that would automatically bar them from being characterized as independent. No other material relationship between any director and HCA or any of our subsidiaries was identified.

The Board has created a position of presiding director whose primary responsibility is to preside over executive sessions of the nonmanagement directors. The presiding director also advises the Chairman of the Board with respect to information needs relating to Board meetings and related matters and performs other duties that the Board may from time to time delegate to him to assist the Board in the fulfillment of its responsibilities.

The independent directors designated Frederick W. Gluck as the presiding director in May 2005, and he will continue serving in this position until HCA's 2007 annual meeting of shareholders at which time we expect that the independent directors will appoint a successor presiding director.

During 2006, our Board of Directors held 12 meetings. All incumbent directors attended at least 75% of the Board meetings and meetings of the committees of the Board on which the director served.

Our Chairman and Chief Executive Officer usually proposes the agenda for the Board meetings. Directors receive the agenda and supporting information in advance of the meetings. Directors may raise other matters to be included in the agenda or at the meetings. Our Chairman and Chief Executive Officer and other members of senior management make presentations to the Board at the meetings and a substantial portion of the meeting time is devoted to the Board's discussion of these presentations. Executive sessions for nonmanagement and independent directors are scheduled at each regularly scheduled Board meeting.

Directors have regular access to senior management. They may also seek independent, outside advice. The Board considers all major decisions. The Board has established five standing committees so that certain areas can be addressed in more depth than might be possible at a full Board meeting. Committee assignments are reassessed annually. The directors participated in Board and committee evaluations and assessments regarding 2005 performance.

### **Board Structure and Committee Composition**

The Board of Directors currently has five standing committees: the Audit Committee, the Compensation Committee, the Ethics, Compliance and Quality of Care Committee, the Finance and Investments Committee and the Nominating and Corporate Governance Committee. A copy of the charter for each committee may be found on the Corporate Governance page of our website at [www.hcahealthcare.com](http://www.hcahealthcare.com).

**Table of Contents**

<b>Name of Director</b>	<b>Audit</b>	<b>Compensation</b>	<b>Ethics, Compliance and Quality Of Care</b>	<b>Finance and Investments</b>	<b>Nominating and Corporate Governance</b>
C. Michael Armstrong			X	X	
Magdalena H. Averhoff, M.D.			X		X
Jack O. Bovender, Jr.*					
Richard M. Bracken*					
Martin Feldstein	X				