

HCA Holdings, Inc.
Form 10-Q
August 05, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2014

Or

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

For the transition period from _____ to _____

Commission file number 1-11239

HCA Holdings, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of

27-3865930
(I.R.S. Employer

incorporation or organization)

Identification No.)

One Park Plaza

Nashville, Tennessee
(Address of principal executive offices)

37203
(Zip Code)

(615) 344-9551

(Registrant's telephone number, including area code)

Not Applicable

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

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

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

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

Large accelerated filer ☒ Accelerated filer ☐

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

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

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

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

Outstanding at July 31, 2014
432,385,100 shares

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June 30, 2014

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Table of Contents**HCA HOLDINGS, INC.****CONDENSED CONSOLIDATED INCOME STATEMENTS****FOR THE QUARTERS AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013****Unaudited****(Dollars in millions, except per share amounts)**

	Quarter		Six Months	
	2014	2013	2014	2013
Revenues before provision for doubtful accounts	\$ 9,958	\$ 9,473	\$ 19,641	\$ 18,667
Provision for doubtful accounts	728	1,023	1,579	1,777
Revenues	9,230	8,450	18,062	16,890
Salaries and benefits	4,098	3,848	8,148	7,765
Supplies	1,532	1,470	3,064	2,949
Other operating expenses	1,644	1,507	3,289	3,030
Electronic health record incentive income	(35)	(52)	(65)	(91)
Equity in earnings of affiliates	(9)	(12)	(18)	(20)
Depreciation and amortization	454	425	901	849
Interest expense	427	462	887	934
Losses (gains) on sales of facilities	(11)	(4)	(32)	12
Losses on retirement of debt	226		226	17
Legal claim costs			78	
	8,326	7,644	16,478	15,445
Income before income taxes	904	806	1,584	1,445
Provision for income taxes	272	269	498	470
Net income	632	537	1,086	975
Net income attributable to noncontrolling interests	149	114	256	208
Net income attributable to HCA Holdings, Inc.	\$ 483	\$ 423	\$ 830	\$ 767
Per share data:				
Basic earnings per share	\$ 1.10	\$ 0.95	\$ 1.88	\$ 1.72
Diluted earnings per share	\$ 1.07	\$ 0.91	\$ 1.82	\$ 1.66
Shares used in earnings per share calculations (in thousands):				
Basic	438,833	446,612	440,482	445,513
Diluted	453,009	463,184	455,220	462,782

See accompanying notes.

Table of Contents**HCA HOLDINGS, INC.****CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS****FOR THE QUARTERS AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013****Unaudited****(Dollars in millions)**

	Quarter		Six Months	
	2014	2013	2014	2013
Net income	\$ 632	\$ 537	\$ 1,086	\$ 975
Other comprehensive income before taxes:				
Foreign currency translation	30		40	(60)
Unrealized gains (losses) on available-for-sale securities	4	(9)	8	(8)
Defined benefit plans				
Pension costs included in salaries and benefits	4	8	8	15
	4	8	8	15
Change in fair value of derivative financial instruments	(19)	47	(29)	40
Interest costs included in interest expense	32	32	65	64
	13	79	36	104
Other comprehensive income before taxes	51	78	92	51
Income taxes related to other comprehensive income items	18	29	34	20
Other comprehensive income	33	49	58	31
Comprehensive income	665	586	1,144	1,006
Comprehensive income attributable to noncontrolling interests	149	114	256	208
Comprehensive income attributable to HCA Holdings, Inc.	\$ 516	\$ 472	\$ 888	\$ 798

See accompanying notes.

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	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 658	\$ 414
Accounts receivable, less allowance for doubtful accounts of \$5,267 and \$5,488	5,472	5,208
Inventories	1,211	1,179
Deferred income taxes	500	489
Other	931	747
	8,772	8,037
Property and equipment, at cost	31,841	31,073
Accumulated depreciation	(18,120)	(17,454)
	13,721	13,619
Investments of insurance subsidiaries	426	448
Investments in and advances to affiliates	150	121
Goodwill and other intangible assets	5,909	5,903
Deferred loan costs	230	237
Other	614	466
	\$ 29,822	\$ 28,831
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current liabilities:		
Accounts payable	\$ 1,717	\$ 1,803