

BROOKWOOD MEDICAL CENTER OF GULFPORT INC

Form 424B3

November 12, 2010

**Table of Contents**

**Filed Pursuant to Rule 424(b)(3)  
Registration Nos. 333-159511 and 333-159511-01 to 333-159511-185  
(excluding Registration Nos. 333-159511-07, 333-159511-134 and 333-159511-143)**

**HCA INC.**

**SUPPLEMENT NO. 17 TO  
MARKET MAKING PROSPECTUS DATED  
JULY 10, 2009**

**THE DATE OF THIS SUPPLEMENT IS NOVEMBER 11, 2010**

**This Prospectus Supplement is being filed to provide additional information contained in filings by HCA Inc. (the Company) with the Securities and Exchange Commission. This Prospectus Supplement should be read together with the Prospectus.**

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**Table of Contents**

**TABLE OF CONTENTS**

<u>The Company's Quarterly Report on Form 10-Q for the Quarter Ended September 30, 2010</u>	1
<u>Information from the Company's Current Report on Form 8-K Filed on November 9, 2010, certain portions of this Form 8-K were furnished rather than filed and accordingly have been intentionally omitted</u>	69

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**Table of Contents**

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

**Form 10-Q**

(Mark One)

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

**For the quarterly period ended September 30, 2010**

or

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

**For the transition period from            to**

**Commission file number 1-11239**

**HCA Inc.**

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

**Delaware**

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

**75-2497104**

*(I.R.S. Employer  
Identification No.)*

**One Park Plaza**

**Nashville, Tennessee**

*(Address of principal executive offices)*

**37203**

*(Zip Code)*

**(615) 344-9551**

*(Registrant's telephone number, including area code)*

**Not Applicable**

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

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

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  Smaller reporting company   
(Do not check if a 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.

<b>Class of Common Stock</b>	<b>Outstanding at October 31, 2010</b>
Voting common stock, \$.01 par value	94,644,700 shares

**HCA INC.**  
**Form 10-Q**  
**September 30, 2010**

**Page of**  
**Form 10-Q**

<b>Part I.</b>	<b>Financial Information</b>	
Item 1.	Financial Statements (Unaudited):	
	<u>Condensed Consolidated Income Statements for the quarters and nine months ended September 30, 2010 and 2009</u>	3
	<u>Condensed Consolidated Balance Sheets September 30, 2010 and December 31, 2009</u>	4
	<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2010 and 2009</u>	5
	<u>Notes to Condensed Consolidated Financial Statements</u>	6
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	28
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	46
<u>Item 4.</u>	<u>Controls and Procedures</u>	46
<b>Part II.</b>	<b>Other Information</b>	
<u>Item 1.</u>	<u>Legal Proceedings</u>	46
<u>Item 1A.</u>	<u>Risk Factors</u>	47
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	48
<u>Item 6.</u>	<u>Exhibits</u>	48
<u>Signatures</u>		49

Table of Contents

**HCA INC.**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009**  
**Unaudited**  
**(Dollars in millions, except per share amounts)**

	Quarter		Nine Months	
	2010	2009	2010	2009
Revenues	\$ 7,647	\$ 7,533	\$ 22,947	\$ 22,447
Salaries and benefits	3,134	3,013	9,282	8,880
Supplies	1,234	1,206	3,685	3,627
Other operating expenses	1,268	1,184	3,696	3,410
Provision for doubtful accounts	721	910	2,073	2,583
Equity in earnings of affiliates	(67)	(53)	(210)	(182)
Depreciation and amortization	352	354	1,062	1,067
Interest expense	525	510	1,571	1,487
Losses on sales of facilities	2		2	8
Impairments of long-lived assets	10	3	119	16
	<b>7,179</b>	7,127	<b>21,280</b>	20,896
Income before income taxes	468	406	1,667	1,551
Provision for income taxes	143	132	488	480
Net income	325	274	1,179	1,071
Net income attributable to noncontrolling interests	82	78	255	233
Net income attributable to HCA Inc.	\$ 243	\$ 196	\$ 924	\$ 838
Per share data:				
Basic earnings per share	\$ 2.57	\$ 2.07	\$ 9.80	\$ 8.88
Diluted earnings per share	\$ 2.49	\$ 2.04	\$ 9.55	\$ 8.75
Shares used in earnings per share calculations (in thousands):				
Basic	94,642	94,453	94,293	94,409
Diluted	97,454	95,843	96,718	95,761

See accompanying notes.

**Table of Contents**

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

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 377	\$ 312
Accounts receivable, less allowance for doubtful accounts of \$4,297 and \$4,860	3,636	3,692
Inventories	815	802
Deferred income taxes	1,045	1,192
Other	678	579
	<b>6,551</b>	<b>6,577</b>
Property and equipment, at cost	<b>25,226</b>	24,669
Accumulated depreciation	<b>(14,090)</b>	(13,242)
	<b>11,136</b>	11,427
Investments of insurance subsidiary	<b>665</b>	1,166
Investments in and advances to affiliates	<b>857</b>	853
Goodwill	<b>2,610</b>	2,577
Deferred loan costs	<b>371</b>	418
Other	<b>1,063</b>	1,113
	<b>\$ 23,253</b>	<b>\$ 24,131</b>

**LIABILITIES AND STOCKHOLDERS DEFICIT**

Current liabilities:		
Accounts payable	\$ 1,254	\$ 1,460
Accrued salaries	1,007	849
Other accrued expenses	1,373	1,158
Long-term debt due within one year	696	846
	<b>4,330</b>	<b>4,313</b>
Long-term debt	<b>25,383</b>	24,824
Professional liability risks	1,027	1,057
Income taxes and other liabilities	1,611	1,768
Equity securities with contingent redemption rights	<b>144</b>	147

Stockholders deficit:



Common stock \$0.01 par; authorized 125,000,000 shares; outstanding 94,644,100 shares in 2010 and 94,637,400 shares in 2009	<b>1</b>	1
Capital in excess of par value	<b>324</b>	226
Accumulated other comprehensive loss	<b>(494)</b>	(450)
Retained deficit	<b>(10,090)</b>	(8,763)
Stockholders' deficit attributable to HCA Inc.	<b>(10,259)</b>	(8,986)
Noncontrolling interests	<b>1,017</b>	1,008
	<b>(9,242)</b>	(7,978)
	<b>\$ 23,253</b>	\$ 24,131

See accompanying notes.

**Table of Contents**

**HCA INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009**  
**Unaudited**  
**(Dollars in millions)**

	2010	2009
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,179	\$ 1,071
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities	(1,927)	(2,136)
Provision for doubtful accounts	2,073	2,583
Depreciation and amortization	1,062	1,067
Income taxes	(10)	(485)
Losses on sales of facilities	2	8
Impairments of long-lived assets	119	16
Amortization of deferred loan costs	60	60
Share-based compensation	24	21
Pay-in-kind interest		58
Other	29	52
Net cash provided by operating activities	2,611	2,315
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(860)	(915)
Acquisition of hospitals and health care entities	(35)	(42)
Disposition of hospitals and health care entities	26	39
Change in investments	473	113
Other	(2)	(2)
Net cash used in investing activities	(398)	(807)
<b>Cash flows from financing activities:</b>		
Issuance of long-term debt	1,387	2,979
Net change in revolving credit facilities	1,035	(1,125)
Repayment of long-term debt	(2,020)	(3,050)
Distributions to noncontrolling interests	(282)	(254)
Payment of debt issuance costs	(25)	(68)
Payment of cash distributions to stockholders	(2,251)	
Other	8	(12)
Net cash used in financing activities	(2,148)	(1,530)
Change in cash and cash equivalents	65	(22)
Cash and cash equivalents at beginning of period	312	465
Cash and cash equivalents at end of period	\$ 377	\$ 443

Interest payments	\$ 1,399	\$ 1,154
Income tax payments, net	\$ 498	\$ 965

See accompanying notes.

**Table of Contents**

**HCA INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Unaudited**

**NOTE 1 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*Merger, Recapitalization and Reporting Entity*

On November 17, 2006, HCA Inc. completed its merger (the Merger) with Hercules Acquisition Corporation, pursuant to which the Company was acquired by Hercules Holding II, LLC (Hercules Holding), a Delaware limited liability company owned by a private investor group comprised of affiliates of, or funds sponsored by, Bain Capital Partners, LLC, Kohlberg Kravis Roberts & Co., Merrill Lynch Global Private Equity (now BAML Capital Partners) (each a Sponsor), affiliates of Citigroup Inc. and Bank of America Corporation (the Sponsor Assignees) and affiliates of HCA founder, Dr. Thomas F. Frist, Jr., (the Frist Entities, and together with the Sponsors and the Sponsor Assignees, the Investors) and by members of management and certain other investors. The Merger, the financing transactions related to the Merger and other related transactions are collectively referred to in this quarterly report as the Recapitalization. The Merger was accounted for as a recapitalization in our financial statements, with no adjustments to the historical basis of our 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. On April 29, 2008, we registered our common stock pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended, thus subjecting us to the reporting requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended. Our common stock is not 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 September 30, 2010, these affiliates owned and operated 154 hospitals, 96 freestanding surgery centers and facilities which provided extensive outpatient and ancillary services. Affiliates of HCA are also partners in joint ventures that own and operate eight hospitals and eight freestanding surgery centers which are accounted for using the equity method. The Company's facilities are located in 20 states and England. The terms HCA, Company, we, our or us, as used in this quarterly report on Form 10-Q, refer to HCA Inc. and its affiliates unless otherwise stated or indicated by context.

*Basis of Presentation*

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal and recurring nature.

The majority of our expenses are cost of revenue items. Costs that could be classified as general and administrative would include our corporate office costs, which were \$45 million and \$39 million for the quarters ended September 30, 2010 and 2009, respectively, and \$127 million and \$116 million for the nine months ended September 30, 2010 and 2009, respectively. Operating results for the quarter and nine months ended September 30, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010. For further information, refer to the consolidated financial statements and footnotes thereto included in our annual report on Form 10-K for the year ended December 31, 2009.

**NOTE 2 INCOME TAXES**

During 2010, we finalized a settlement with the Appeals Division of the Internal Revenue Service ( IRS ) resolving the deductibility of our 2003 government settlement payment and the timing of certain patient service revenues for 2003 and 2004.

**Table of Contents****HCA INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****NOTE 2 INCOME TAXES (continued)**

At September 30, 2010, we were contesting, before the IRS Appeals Division, certain claimed deficiencies and adjustments proposed by the IRS Examination Division in connection with its audit of our 2005 and 2006 federal income tax returns, including the timing of recognition of certain patient service revenues, the deductibility of certain debt retirement costs and our method for calculating the tax allowance for doubtful accounts. Eight taxable periods of HCA and its predecessors ended in 1997 through 2004, for which the primary remaining issue is the computation of the tax allowance for doubtful accounts, were pending before the IRS Examination Division as of September 30, 2010. We expect the IRS Examination Division will begin an audit of our 2007, 2008 and 2009 federal income tax returns and one or more HCA affiliated partnerships during 2010.

Our liability for unrecognized tax benefits was \$387 million, including accrued interest of \$104 million as of September 30, 2010 (\$628 million and \$156 million, respectively, as of December 31, 2009). The reduction in our liability for unrecognized tax benefits was principally based on the resolution with taxing authorities of tax positions taken in prior years. Unrecognized tax benefits of \$173 million (\$236 million as of December 31, 2009) would affect the effective rate, if recognized. The liability for unrecognized tax benefits does not reflect deferred tax assets of \$57 million (\$77 million as of December 31, 2009) related to deductible interest and state income taxes. The provision for income taxes reflects \$5 million (\$3 million, net of tax) in reductions in interest expense and interest expense of \$3 million (\$2 million, net of tax) related to taxing authority examinations for the quarters ended September 30, 2010 and 2009, respectively, and \$79 million and \$31 million (\$50 million and \$20 million, respectively, net of tax) reductions in interest expense related to taxing authority examinations for the nine months ended September 30, 2010 and 2009, respectively.

Depending on the resolution of the IRS disputes, the completion of examinations by federal, state or international taxing authorities, or the expiration of statutes of limitation for specific taxing jurisdictions, we believe it is reasonably possible our liability for unrecognized tax benefits may significantly increase or decrease within the next 12 months. However, we are currently unable to estimate the range of any possible change.

**NOTE 3 EARNINGS PER SHARE**

We compute basic earnings per share using the weighted average number of common shares outstanding. We compute diluted earnings per share using the weighted average number of common shares outstanding, plus the dilutive effect of outstanding stock options, computed using the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share for the quarters and nine months ended September 30, 2010 and 2009 (dollars in millions, except per share amounts, and shares in thousands):

	Quarter		Nine Months	
	2010	2009	2010	2009
Net income attributable to HCA Inc.	\$ 243	\$ 196	\$ 924	\$ 838
Weighted average common shares outstanding	94,642	94,453	94,293	94,409
Effect of dilutive stock options				