HCA has built fortunes, companies and careers. It’s built Nashville.
HCA redefined an industry, and a city

In 1968, two doctors and a businesswoman teamed up to launch a new business in Nashville. They set out to build a hospital company. They ended up creating an entire industry—forever changing the trajectory of Nashville.

Dr. Thomas Frist Sr. and his son Dr. Thomas Frist Jr. partnered with Jack Massey to develop a new model for hospitals. They wanted to do for hospitals what had been done with hotels and restaurants, essentially building a chain with multiple locations across the country.

It had never been done before. At the time, hospitals were largely government-owned or independent operators. No one had applied the principles of scale to the hospital business—until Hospital Corporation of America was born.

The story ever since has been largely one of growth, for the company and for the city. Next month, HCA celebrates its 50th year in business. But today’s special publication is not a story about an anniversary. It’s a story about impact and influence and innovation.

What started in a modest house in Midtown is now the city’s largest publicly traded company, with more than $43 billion in revenue in 2017 and more than 250,000 employees and 179 hospitals across the country.

Now called HCA Healthcare Inc., the hospital giant was the catalyst for the region’s $40 billion health care industry and is the most influential company in Nashville. From law firms and banks to architects and tech startups, companies clamor to do business with HCA. They move, launch and expand here for the opportunity to swim in HCA’s waters.

Some of the biggest names in Nashville have built their businesses and their careers around HCA and the powerhouse health care industry it created.

That’s because HCA redefined health care. The majority of the nation’s hospitals today are owned by for-profit companies, and nonprofit hospital operators also aim for scale with large systems.

It’s the HCA effect, and 50 years later, the Nashville company remains the largest in the sandbox. It’s the reason Nashville is called the health care capital of the world.

“The center of gravity for the entire health care community...”

HCA,” venture capitalist Vic Gatto, founder and CEO of Briovation and Jumpstart Foundry, told us.

Reporter Joel Stinnett, Design Editor Meg Wrather and photographer Nathan Morgan spent several months diving into the history of the hospital giant, its widespread impact on Nashville and where the company is headed in its next 50 years. We interviewed a host of current and former top executives, employees on the front lines and business leaders across the city to capture the story of HCA in Nashville.

In short, the HCA founders’ contested idea has proven to be more successful than they ever imagined.

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Launched in 1984, Park View Medical Center’s SkyMed was the first emergency flight service in Middle Tennessee.

PHOTO COURTESY OF DAVID DRIGGS

FACES OF HCA

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In 1968, a three-bedroom, blue and white house sat in the parking lot of Nashville’s Park View Hospital surrounded by a chain-link fence. Prospective employees were interviewed in the kitchen. In the bedrooms, desks replaced mattresses for the team working to bring to hospitals what had recently been successful with motels and fried chicken: scale.

Fifty years later, what started in that small house is now a health care empire with hospitals in 20 states and the United Kingdom staffed by a quarter million employees — almost 11,000 of which are in Nashville. In 2017, HCA Healthcare Inc. cared for more than 3 million patients and generated $43.6 billion in revenue, making it the city’s largest publicly traded company and the nation’s largest hospital operator.

But in 1968, at the house which served as the company’s headquarters for its first four years, HCA’s success was far from certain.

“I always kept my medical degree current, just in case,” said Dr. Thomas Frist Jr., HCA’s only living co-founder. “The goal was to build a multi-hospital system and take it one step at a time. There was absolutely no way to have predicted this remarkable success story of HCA.”

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The founders of Hospital Corporation of America, now called HCA Healthcare Inc., from left: Dr. Thomas Frist Sr., Jack Massey and Dr. Thomas Frist Jr. pictured in 1968

There were 7,000 hospitals operating in the United States at that time, basically as independent businesses. ... I suggested we start our own little hospital company.

DR. THOMAS FRIST JR.
HCA Healthcare Inc.

THE UPSTART ENTREPRENEUR

'I just have a love for business'

Now approaching his 80th birthday, Dr. Thomas Frist Jr. is known as one of the architects of the modern health care system thanks to his part in the founding of HCA Healthcare Inc.

But before jumping into the hospital business, he bounced around several industries — including owning trampoline parks.

"My goal was to achieve certain financial gains," Frist Jr. said in a recent interview. "I had many little businesses all through college and afterward. I had trampoline centers and an advertising business in 111 universities throughout the United States while I was at Vanderbilt [University]. I just kept trying to achieve those financial goals."

The Nashville entrepreneur achieved those financial goals and then some. From a $5.25 million investment in 1968, HCA quickly grew, posting $29 million in revenue in its first year and going public on the New York Stock Exchange, with an initial public offering.

Shares rise to $46 by the end of HCA's first day of trading, it had sold 400,000 shares. Its share price soared to $46, and the company raised $2.7 million.

Five years after its founding, HCA opened 57 hospitals, and by 1978 that number had more than doubled, to 120 hospitals in 23 states and four countries. Frist Sr. realized his growing organization needed someone with experience running a large company to take the helm.

Frist Sr.'s longtime physician partner and friend Dr. Karl VanDevender says the elder Frist asked his assistant, Betty Hard, to find the biggest company in the world.


"Would you call up there and get who-ever is in charge of it on the line for me?" Frist Sr. said.

The person in charge was Donald MacNaughton, who had led Prudential for seven years and had tripled its annual sales from $13.5 billion to more than $40 billion.

The son of a dairy farmer, MacNaughton was intrigued enough by Frist Sr.'s pitch to make a trip to Tennessee — which led him to take the reins at HCA as CEO.

"He came down and met Dr. Frist Sr. and just loved him. ... He didn't like being around people that acted like big shots. That's why he liked Dr. Frist Sr.," said VanDevender, who became MacNaughton's doctor while he was HCA's CEO. "He was the CEO that really gave HCA a lot of credibility."

MacNaughton threw gas on the HCA fire, buying 25 hospitals in 1980 alone and investing $650 million in acquisitions and construction projects in 1983. When MacNaughton retired in 1988, HCA owned or operated 463 hospitals around the world, including Australia, Brazil and the Middle East.

HCA today

In the years since, HCA has fluctuated in size, reaching its peak of 486 hospitals in 1996 before dipping to 419 in 1992 following a leveraged buyout and the spinoff of 104 hospitals into CarPoint.

A 1994 merger with Columbia Hospital Corp. signaled another period of growth, until accusations of Medicare fraud and an FBI raid of HCA offices in Texas prompted Frist Jr. to return to the company as CEO. He previously had been CEO from 1983 to 1994.

Frist Jr. said he spent his first year back on the road, visiting each hospital in HCA's network to re-instill the culture and ethics of the founders and share the company's history. He fired nine of HCA's top 14 executives, and in 1999, he spun off Triad Health care and LifePoint Health into independent companies, executing what Fortune magazine called a "remarkable corporate rescue."

Today HCA is the largest hospital operator in the country, with 179 hospitals. But Frist Jr., now nearly 80 years old, said that wasn't the goal starting out. He said he simply saw a need in society and tried to fill it.

"I just have a love for business," Frist Jr. said. "I just have a love for business," Frist Jr. continued. "I just have a love for business."

CONTINUED ON PAGE 7A

From West End to Wall Street

Before HCA, hospitals were largely nonprofit and owned by local municipalities or charities like the Roman Catholic Church. Few for-profit hospitals were independent and typically owned by doctors.

That was the case with the 162-bed Park Vista Convalescent Hospital and Nursing Home opened by Frist's father, Dr. Thomas Frist Sr., and a group of 20 medical professionals and four businessmen in 1964.

In the mid-1960s, Frist Jr. was an Air Force flight surgeon on bombing missions to Vietnam alongside his Vanderbilt University fraternity brother Spencer Wilson, whose father Kemmons Wilson had revolutionized the travel industry with Holiday Inn.

By the time Frist Jr. returned from the Air Force, Park View had grown so quickly that its owners did not have enough capital to provide the equipment, space or services it needed. His father tried to deed the hospital to the Nashville city government in exchange for tax-exempt bonds and to sell Park View to nursing home company Medici-ents of America — founded by Kemmons Wilson — in exchange for stock. Both attempts failed.

The 30-year-old Frist Jr., who had spent his entire adulthood in school or the military, was contemplating his next step.

"For the first time I was able to sit back and take a deep breath and think about things. I realized there were 7,000 hospitals operating in the United States at that time, basically as independent businesses." Frist Jr. said. "That's when I came up with the idea to sell it to Medici-ents and take their stock. When Medici-ents wasn't interested, I suggested we start our own little hospital company.

Frist Jr. had studied the way Kemmons Wilson expanded Holiday Inn. He watched Jack Massey, his father's friend, do the same with Kentucky Fried Chicken. He thought his father, Massey and he could replicate that success with hospitals.

The three met in April 1968 during the Masters Tournament in Augusta, Ga., to hammer out the details. The next month, Park View Hospital Inc. [renamed Hospital Corporation of America in August 1968] was formed with the Fristes, Massey and Frist Sr.'s lawyer, Henry Hooker, each investing one-fourth of its $23.5 million capitalization.

For Frist Jr., whose father had previously presided over his option stock to medicine, the company allowed him to combine his passions.

"It wasn't just a business venture for me," Frist Jr. said. "It let me use my medical degree, be an entrepreneur and ... fly around.

Gaining credibility

Frist Jr.'s pilot license came in handy as he spent his first year back at HCA running the company's first day of trading, it had sold 400,000 shares. Its share price soared to $46, and the company raised $2.7 million.

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1968

In September, HCA buys its first hospital, where 54 physician-owners of Park View Hospital trade their interest in the hospital for stock in HCA. (Photo: This house was located in the parking lot of Park View Hospital and served as the company's first headquarters.)

1970

John H. Bissell becomes president of HCA.

1972

In December, HCA moves into its new headquarters.

1976

Frist Jr. is elected CEO of HCA.

1978

In June, HCA spends $13 million to purchase 50% of Vista Convalescent Hospital and Nursing Home.

1987

In November, HCA files its initial public offering.

1989

Frist Jr. receives the Distinguished Entrepreneur Award from the Tennessee Chamber of Commerce.

1991

Frist Jr. becomes the founder and CEO of HCA Healthcare Inc.

1992

HCA files for its leveraged buyout.

1994

Frist Jr. buys out six former partners and becomes CEO of the newly formed HCA Healthcare Inc.

2006

In September, HCA orchestrates a $33 billion leveraged buyout, the largest in history at the time.

2014

HCA becomes a Fortune 500 company.

2018

HCA buys out its last and largest remaining independent hospital chain, Tenet Healthcare Corp., for $14.3 billion.

2019

Frist Jr. becomes the first chairman of the HCA Healthcare board.

2020

HCA becomes the first hospital company to report an annual revenue of $50 billion.
The late Dr. Thomas Frist Sr. was often praised for his bedside manner, both with patients and his staff. “He just knew everything about everybody. He never walked in without saying hello to someone by name,” said Star Sellars, a longtime nurse and now case manager at Tristar Centennial Medical Center.

HCA’S FOUNDING FATHER
Dr. Thomas Frist Sr. preferred the boiler room over the board room

The boiler room is not where you would expect to find the owner of a hospital. The loud, greasy equipment responsible for heating everything from the hospital’s rooms to its water supply is more of a blue-collar operation—but it’s also the first place HCA co-founder Dr. Thomas Frist Sr. was ever exposed to some of the most critical aspects of medicine.

“He knew every boiler man in every hospital and had their picture on his wall. He would call them regularly and ask how things were going,” said Dr. Karl VanDevender, Frist Sr.’s longtime friend and partner in hospital practice. “He was just a very, very humble, modest guy and a very old-school, regular person.”

Frist Sr. established those values growing up in the small town of Meridian, Miss.—and long before he co-founded what is now HCA Healthcare Inc., comprised of 179 hospitals generating $43.6 billion in revenue last year.

Born in 1910, Frist Sr. was 8 years old when his father, Jacob Chester Frist, died after pushing a blind woman out of the way of an oncoming train, which then struck him. To support her family after her husband’s death, Frist Sr.’s mother ran a boarding house that catered to teachers and doctors. It was there, sitting around the dinner table listening to doctors tell stories about their day, that a young Frist Sr. decided to pursue medicine, according to Jeffrey Rodenberg’s book, “The Legend of HCA.”

“I never had any thought other than being a doctor. It is the most rewarding thing a person can possibly be in his life,” Frist Sr. said in the book.

Frist Sr. arrived in Nashville in 1931 to attend Vanderbilt University School of Medicine. He had his way through school by running his own boarding house for medical students, which he named “Pau- per’s Paradise.”

After graduating from Vanderbilt, Frist Sr. served in the U.S. Army Medical Corps during World War II and became chief of medical services for a 1,000-bed hospital.

It was when he returned to Nashville after the war and resumed his private practice that Frist Sr. became frustrated with what he considered a low quality of care and overcrowded conditions inside the city’s not-for-profit hospitals. He gathered a group of 20 medical professionals and four businessmen to invest in an existing hospital and nursing home near Nashville’s Centennial Park—the idea being that a private, for-profit hospital would be inherently motivated to provide high-quality amenities and service because it wasn’t relying on government funds or donations.

The group borrowed $1 million—equivalent to about $10 million today—from Nashville-based National Life and Accident Insurance Co., and each investor put up $10,000 of their own money to start the project.

The 152-bed Park Vista Convalescent Hospital and Nursing Home opened in December 1941 at a price to patients starting at $14 a day. Park Vista, later known as Park View Hospital, went on to become HCA’s first hospital in 1948 and is now part of the company’s Tristar Centennial Medical Center.

Frist Sr. kept his physician practice at Park View while acting as HCA’s chief medical officer and vice chairman of the company’s board of directors. After retiring, he remained a consistent presence at Centennial until his death in 1979.

“It was his hospital, and he had a lot to do with its success and uptime as a springboard for the development of HCA,” said Richard Bracken, former CEO of HCA and Centennial.

“There wasn’t any problem that was too small. He was just as comfortable with a problem and if we solved it, as he was about how we were going to solve it next week of the hospital.”

Centennial case manager Star Sellars first met Frist Sr. as an 11-year-old, when he and VanDevender would catch up. “We would sit on the elevator to the top floor board room when VanDevender said Frist Sr. took a cough. He told the rest of the team to continue, and VanDevender would watch cough. The minute they were gone he said, ‘Let’s go to the boiler room.’” VanDevender said.

Frist Sr. and VanDevender found the room in the basement of the facility and saw a worker in a black apron turning a wrench in the distance—the only problem was that to get to him they would have to go through twice 12 incheschered. “You could smell it; it was awful,” said VanDevender, still upset that the suit he bought specifically for the trip to New York was ruined. “We walked over any ways, and somehow this man assumed we were inspectors. He looked at us and said, ‘Don’t blame me for all this. The owners don’t want this unemployment.’”

Frist Sr. kept photos of each hospital’s top floor boiler on his wall in his office.
According to Bill Carey’s book, “Master of the Big Board: The Life, Times and Businesses of Jack Massey,” Frist Sr. and Massey met in 1931 while Frist Sr. was a junior at Vanderbilt University School of Medicine and Massey a 25-year-old drug store owner. “He gave me my first stethoscope,” Frist Sr. said in the book. “You see, he gave away stethoscopes to many medical students, because he knew the medical students would be buying supplies from him when they settled down to practice only a few years later.”

The two became fast friends, and when Massey started a surgical supply company in 1937, Frist Sr. was a customer.

With a $5.25 million investment, the trio formed what is now HCA Healthcare Inc. and helped grow it into the nation’s largest hospital operator, generating $43.6 billion of revenue in 2017.

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The two became fast friends, and when Massey started a surgical supply company in 1937, Frist Sr. was a customer. Massey went on to sell Massey Surgical Supply in 1961 to Brunswick Corp. for about $1.6 million in company stock and retired to Florida – but the break didn’t last long.

That same year Massey began looking for a new venture and met Sanders. At first, Massey financed loans for KFC franchisees, until one day Sanders offered Massey $100,000 a year and half the profits to run the business. Instead, Massey bought the company.

Massey remained close to Frist Sr. while growing the fast-food chain, even giving KFC stock to the Frist children. Frist Jr. said it was Massey who taught him “the fun of entrepreneurship and appropriate risk taking.”

So when Frist Jr. came up with the idea for a for-profit, scalable hospital company, he pitched the plan to his father and Massey. Massey “was a natural fit” for us – being one of the United States’ premier entrepreneurs, his medical background and his relationship with Dad and my young energetic ways,” Frist Jr. said in a recent interview with the Nashville Business Journal. “The right people came together.”

Massey became chairman of HCA, and in 1970 the company went public on the New York Stock Exchange, raising $7.2 million in its first day.

It was the second of three companies Massey would list on the NYSE. After leaving HCA’s management team in 1978, he took Volunteer Capital Corp., a holding company of Wendy’s Restaurant franchises, to the big board – the only person to ever take that many companies public, according to Carey. Volunteer Capital would later shift its focus to upscale dining and in 1997 changed its name to J. Alexander’s Corp.

Massey stayed active in business and philanthropy until his death in 1990 – donating a large sum of money in 1986 to found the Jack C. Massey School of Business at Belmont University, selling beachfront property in front of Florida resort Mar-a-Lago to future President Donald Trump in 1985 and founding Nashville-based CoreCivic, formerly known as Corrections Corporation of America, in 1983.

In his book, Carey tells the story of a reporter who late in Massey’s life asked him how it felt to have taken three companies to the NYSE. At first, Massey offered Massey $100,000 a year and half the profits to run the business. Instead, Massey bought the company.

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HCA’S DARKEST HOUR

Mammoth merger, fast growth, federal raids brought Frist back to the fold

When Dr. Tommy Frist Jr. became CEO of HCA Healthcare Inc. for the second time in July 1997, not everyone was happy that the 59-year-old co-founder was back.

“They thought the old man was just coming back for ego or to line his pockets with money,” Frist Jr. said recently. “So, I came back for a $1 a year salary. ... I felt an obligation.”

Frist Jr. said he was returning to try to save the company he co-founded from allegations of fraud, years of unchecked growth and a series of FBI raids in six states.

Four years earlier, HCA had merged with fast-growing Columbia Hospital Corp. in a $10.25 billion deal meant to lower operating costs — Columbia had acquired the 74-hospital system Galen Health Care from Humana only a month before that. The combined companies became the largest investor-owned hospital organization in the world, with 190 facilities, more than 42,000 beds and 125,000 employees. Columbia CEO Rick Scott became CEO of the new Louis ville-based entity named Columbia/HCA Healthcare Corp.

At the time, health care providers were consolidating in anticipation of President Bill Clinton’s health care plan, which would lower reimbursement rates but give larger organizations more negotiating power with insurance companies. Frist Jr. said Scott, a former law officer after retiring in 1994, spent a year back to the company as chief operating officer after retiring in 1994, said a year.

On March 19, 1997, agents from the FBI, IRS and the Department of Health and Human Services raided Columbia/ HCA’s operations in El Paso, Texas, following a U.S. Senate subcommittee allegation that it had evidence of improper Medicare claims. In July of that year, federal agents served 20 search warrants on Columbia/HCA facilities in six states, seizing documents related to a variety of allegations, including that the company charged Medicare and Medicaid for unnecessary tests and home care visits for people who did not qualify, attached fake diagnosis codes to patient records to increase reimbursements and provided kickbacks to doctors for referring patients.

During the audits, agents found Columbia/HCA facilities in six states were not just for the communities we are serving, but as a role model for others to change their behavior.”

**DR. THOMAS FRIST JR., co-founder, HCA Healthcare Inc.**

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Columbia/HCA’s stock plummeted 12 percent, and on July 25, the company’s board of directors ousted Scott as CEO and elected Frist Jr. to succeed him. Scott, now the governor of Florida, declined an interview for this section.

“The reason I came back is I believe so much in the company and the value it had, not just for the communities we are serving, but as a role model for others to change their behavior,” Frist Jr. said in a recent interview with the Nashville Business Journal. “When I came back in to right the ship again, there were over 200 hospitals to whom the Frist name didn’t mean anything to them, so the first thing Jack Bovender and I had to do was gain their trust.”

Frist Jr. and Bovender, who also came back to the company as chief operating officer after retiring in 1994, spent a year on the road touring company-owned hospitals. In the first month, Frist Jr. said he fired nine of the company’s top 14 executives and brought back several retired HCA executives, like Bovender and eventual HCA CEO Richard Bracken.

Frist Jr. implemented a 12-step plan to save the company that included new audit procedures, the sale of its home health care operations and increased oversight of its operations. By 2001, when Bovender succeeded Frist Jr. as CEO, Frist Jr. had dropped Columbia from the company’s name, generated $5 billion from selling assets and executed what Fortune magazine called a “remarkable corporate rescue.”

In the end, two Florida division executives were found guilty of six counts of fraud in 1999, but their convictions were overturned three years later. And in a series of three settlements, the last in 2003, Columbia/HCA paid the government more than $1.7 billion to settle criminal and civil accusations of fraud against the company.

Since then, the company has continued to grow, regaining its position as the largest hospital owner in the country and generating $43.6 billion in revenue in 2017 — a success that Frist Jr. credits to the company’s culture and leadership.

“We’ve been blessed to grow our talent internally for the most part at this company. So, the risk of changing leadership at the top has been minimized. The only time we got burned was Columbia,” he said.
Jack Bovender had answered the call of duty before, as a U.S. Navy lieutenant in 1969 stationed at the Naval Medical Center in Portsmouth, Va. In 1994, however, Bovender answered a different kind of call, this one sent out by longtime friend and HCA co-founder Dr. Thomas Frist Jr.: Come back and help turn around a company in turmoil, one Bovender had retired from three years earlier.

Bovender was an HCA veteran, having worked as CEO of two company-owned hospitals in Florida before being named chief operating officer in 1992 at the company’s Nashville headquarters. But following a massive merger, accusations of fraud and the ouster of CEO Rick Scott, Bovender resumed his role as COO alongside Frist, who also returned to the company as CEO. The pair got to work, touring HCA hospitals and emphasizing the values that had made HCA successful.

What went into taking the company private in 2006? It was a very successful leveraged buyout, and as they say, “It’s better to be lucky than smart.” We did that transaction in November of 2006, and we were a private company when the stock market crashed in 2007.

Did Frist Jr. give you any advice when you became CEO? I developed much more of an entrepreneurial spirit and was more willing to take risks, calculated risks, after watching him. … As you know, Tommy Frist is and was the ultimate entrepreneur.

What was your biggest challenge during your time as CEO? (Hurricane) Katrina was the biggest outside issue that we faced because literally innocent lives were at stake. … No matter how much you plan for things like that you’ve got to make decisions on the fly because circumstances change so quickly.

What do you consider your biggest accomplishment as CEO? As far as strategic moves … patient safety and quality-of-care initiatives. … The shared-services initiative that took huge amounts of cost out of the system was very important.

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It was finally the big day. In 1974, after three years of planning, design and construction, St. Augustine General Hospital in St. Augustine, Fla., was set to open, and 26-year-old David Driggs was going to run the facility for Hospital operator HCA Healthcare Inc.

It was the first hospital Driggs would have the opportunity to lead after earning his degree in hospital administration a few years earlier, and he wanted to get his hair trimmed for the grand opening. His friend recommended a barber shop downtown—but things did not go as planned.

“I should have known something was going on because the guy didn’t have any mirrors in the shop,” Driggs said. “When he got done with me, my wife almost threw me out. I was a 16-year-old kid—the guy gave me a buzz cut. But when Dr. Thomas Frist Sr. saw me at the opening, he said, ‘Oh, Dave, you’re such a fine young man. You’re going to do so well here.’”

It turned out that Frist, the co-founder of HCA, liked short, tight hair cuts, and he hated beards.

“Hi, Dave. Never trust anyone that has facial hair,” Driggs said.

Driggs did do well at HCA, running St. Augustine for two years before briefly leaving the company due to a family illness. He returned in 1978 to build and open Raleigh Community Hospital in North Carolina, returning in 1982 to build and open Raleigh. In addition to his degree in hospital administration a few years earlier, he wanted to get his hair trimmed for the grand opening. His friend recommended a barber shop downtown—but things did not go as planned.

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Driggs did do well at HCA, running St. Augustine for two years before briefly leaving the company due to a family illness. He returned in 1978 to build and open Raleigh Community Hospital in North Carolina, which he ran for four years. In 1982, his short haircut paid off again when he got a call from Frist Sr.—offering him the CEO role at the company’s first facility—Park View Hospital in Nashville—now known as Tristar Centennial Medical Center.

Running the flagship hospital for the largest hospital operator in the country seemed like a dream position for any hospital administrator, but Driggs said he was warned there was a drawback.

“There was an old saying that, if HCA owned 168 hospitals, the company ran 167 of them and Dr. Frist Sr. ran Park View, and that was that.”

He was right. But in 1972, when things didn’t go as planned.

“I think he knew he could count on me,” Driggs said. “I think he knew he could count on me, and his family, and his company. And I decided then that I was going to come to work here.”

After graduating nursing school in 1972, Sellars did just that, landing a position inside the surgical intensive care unit at the facility which had been renamed Park View Hospital, known today as Tristar Centennial Medical Center.

Sellars still mauls the halls of Centennial, having worked at the hospital for nearly 46 of the 50 years HCA has been in existence. Every time she has watched the hospital grow into a 657-bed facility, computers replace paper medical records and countless medical innovations arise — although she said, “Bedpans are still the same. Some things don’t change.”

Centennial is like a second home to her. After graduating nursing school in 1972, she was, worked with Sellars at the hospital. "I decided then that I was going to come to work here.”

In 1982, Vic Campbell was headed for an interview at the corporate headquarters of Healthcare Inc., so it took him to surprise when he told him he was passed over.

“I remember saying, ‘No, I want to go to the corporate headquarters, not the hospital.’” Campbell said. “He pointed to the building and said, ‘Son, it’s right there.’”

Now senior vice president of investor and government relations, Campbell has been with HCA for 46 years. He’s explained health care policy to U.S. vice presidents and members of Congress. He’s been a board member of the American Hospital Association and the Federation of American Hospitals. He’s helped negotiate a leveraged buyout of the company and traveled the world to meet investors.

In short, Campbell has been in the room for most of HCA’s biggest changes over the years. The hospital company has become his life and his family, he said.

But in 1972, he was an outsider. Twenty years old, and when her grandfather had cancer. Sellars was the nurse at his bedside.

Star Sellars knew she wanted to be a nurse when she grew up. When her grandmother fell ill and had to spend a few days at the Park Vista Convalescent Center, the then 11-year-old wasn’t shy about carrying her grandmother’s coffee—her grandmother’s doctor, Dr. Thomas Frist Sr. had always been a big presence. He was a big man, about 6 foot 8 inches, and towered over me as a child,” Sellars said. 

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Waller Lansden Dortch & Davis LLP was already 63 years old when it helped the Hospital Corporation of America incorporate in 1968 — but in many ways it began a new era for the Nashville-based law firm. “I remember being told by a [former] senior partner that he thought the biggest day in the history of our law firm was the day [HCA co-founder] Jack Massey walked down the 12th floor corridor in the American Trust Building and hired Dick Lansden,” said George Bishop, a Waller partner who was hired in 1976, as the firm’s 15th attorney, to handle HCA mergers and acquisitions.

Today, Waller is one of the city’s largest law firms, with about 230 attorneys, one third of whom specialize in health care. Half of the firm’s total work in 2016 — close to 5,000 cases — was health care related. “As HCA grew and continued to send us a tremendous amount of business — we just naturally grew, to some extent, alongside them,” Bishop said.

That same story can be retold in offices across the city, as hundreds of Nashville health care companies, professional service firms and financial institutions owe part, or even all, of their success to what is now called HCA Healthcare Inc. and the mammoth health care industry it birthed.

Countless companies and organizations rely on HCA as a client, an investor or a donor. Not only is HCA one of the region’s largest employers, a long list of former employees has gone on to launch their own businesses, from startups like Hashed Health to industry titans such as Acadia Healthcare Co. Inc. Meanwhile, HCA also has spun off divisions into separate mega-operators like LifePoint Health Inc.
Building hospitals, companies

When Jack Massey, Dr. Thomas Frist Sr. and James Wilson had done with hotel chain Holiday Inns, the son, Dr. Thomas Frist Jr., founded Building hospitals, companies  in Nashville. One of the first architects was Batey Gresham. The firm had designed HCA’s newest Nashville office tower in Capitol View.

When I graduated, we were in a recession. There were only 32 of us in my class, and only two of us had a job,” Bearden said. 

“I was poison to get in to grow and provide opportunities that other companies did not take advantage of.”

Bearden, in his early 20s at the time, tagged along with Smith, heading drawings and tracing paper into countless meetings with Frist Sr. At HCA’s new corporate headquarters near Centennial Park, which Gresham Smith designed, Frist expected everyone to bring ideas, suggestions and proposals but never to be afraid of them.

So Bearden, at the age of 18, was exposed to HCA and businesses, including ours, that has been instrumental in establishing Nashville as the for-profit capital of health care, while having a deep philanthropic and economic impact on the city.

“I can think of no other company, school, or city I can think of. … There are unparalleled data assets to provide financial and clinical intelligence. … It can be anything you want it to be,” Frist said.

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Dr. Thomas Frist Jr., from left, with Gresham Smith & Partners founders Batey Gresham and Flem Smith and Dr. Thomas Frist Sr., in 1992. The hospital operator partnered with the architecture firm shortly after both companies launched.

Continued from page 17A

three decades, has worked closely with HCA executives who have served on the organization’s board, like Jana Davis, the company’s vice president of corporate communications and marketing, Spyridon said it’s difficult to sum up how important HCA has been to Nashville, but he cites Johnson as an example of how the company and its leaders can wield influence.

Johnson has served as chairman of both the Nashville Area Chamber of Commerce and the Nashville Health Care Council, and in 2015, he gave $10 million to his alma mater, Belmont University, to create a scholarship fund.

HCA has lent its clout to a host of civic and business efforts. More recently, Johnson was a member of the “London pursuit” team, which helped Music City land non-stop air service to England last year after a decade of longing.

“He just provided great guidance, oversight leadership … and showed up to meet with airlines,” Spyridon said. “He wasn’t a figurehead; he was active.”

Executives from British Airways, as many outsiders do, initially viewed Nashville as a music hub and little else, the tourism chief said. But the presence of the CEO of the country’s largest hospital operator – which also owns and operates facilities in the United Kingdom – added “instant credibility” to Nashville’s pitch, Spyridon said.

With all of the success, it’s easy to forget that the 250,000 health care jobs and billions in revenue were almost lost to Nashville’s neighbor to the north: Louisville.

In 1994, after HCA merged with Columbia Hospital Corp., the company moved its headquarters to Kentucky, where new CEO Rick Scott and the Columbia operations were located.

A year later, when the combined companies bought HealthTrust, its chairman, Clayton McWhorter, stipulated as part of the deal that HCA/Columbia move its operations back to Nashville, said Scott Rayson, a Waller partner who led the HealthTrust transaction – calling it the most significant deal of his career.

“That is the most important thing that has happened to Nashville’s economy in the last 30 years. No question about it,” Rayson said. “There’s a huge difference between a business that’s located in Nashville and one that’s owned by Nashvillians. … HCA staying in Nashville had an incredible impact on the city.”

– Reporters Meg Garner, Eleanor Kennedy and Adam Sichko contributed.

“The thought leadership of HCA, coupled with the expertise from clinical to business to emotional intelligence and respect is extraordinary. … Comprehensive interoperability and data liquidity to improve patient care is Milton Johnson at his core and that of his business.”

Ed Cantwell, CEO, Center for Medical Interoperability

“For diverse companies to be competitive, they have to be built to scale, and [HCA subsidiary] HealthTrust helped us get there. … It’s allowed us to employ more people and build out what I think is a great infrastructure as a company. … It increased our sales force and overall footprint from being a local company to being an international company.”

Richard Manson, CEO, SourceMark

“HCA is the center of gravity for the entire health care community. … As a venture capitalist, I have found HCA to be a knowledgeable customer, a source of innovation, a rewarding fishing ground for executive talent and a great acquirer of high-growth businesses. … Nashville wouldn’t exist without HCA.”

Vic Gatto, founder and CEO, Broivation and Jumpstart Foundry

“Dr. Thomas Frist, Sr. also founded one of Brookdale’s predecessor companies, American Retirement Corp. Dr. Frist’s vision … set the tone for what is now Brookdale’s mission of enriching the lives of those we serve. … We continue to live by his philosophy that ‘good people beget good people.’”

Cindy Baier, CEO, Brookdale Senior Living Inc.

“HCA’s impact on LBMC’s business is vast. Health care is LBMC’s largest industry focus. … HCA has been instrumental in LBMC’s business and career development. … HCA continues to produce experts by leading, training and growing talent in every aspect of the health care industry.”

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1997

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CHARTING GROWTH
HCA Healthcare by the numbers

HOSPITALS

At its peak, HCA owns or manages 436 hospitals.

HCA acquires Hospital Affiliates International and its 154 hospitals.

HCA merges with Columbia Hospital Corp., for a combined 274 hospitals.

HCA goes private in a leveraged buyout, selling its hospital management subsidiary and other assets.

HCA shrinks to 207 hospitals after the Triad and LifePoint spin-offs.

HCA owns 179 hospitals today.

HCA has grown by nearly every measure in the past decade. Here's a look at some of the numbers driving the company.

REVENUE

HCA's revenue has soared by more than 320 percent in the past 25 years. While the company has 95 fewer hospitals than it did in 1993, its revenue has grown by $33.3 billion in that time.

$10B
$20B
$30B
$40B

HCA's market capitalization has more than tripled since it last went public.

2011: $8.6B
2012: $13.4B
2013: $21B
2014: $30.9B
2015: $27B
2016: $27.7B
2017: $31.1B

PATIENTS

HCA has grown its equivalent admissions by nearly 1 million patients since 2007. Equivalent admissions is a measure of both inpatient and outpatient admissions.

2007: 2,352,400
2017: 3,286,432

STOCK PRICE

This charts the annual high and low for HCA’s stock price since its latest IPO in March 2011.

2011: $19.7B
2012: $26.9B
2013: $36.8B
2014: $43.6B
2015: $50B
2016: $40B
2017: $30B

2014: $34.49
2015: $48.21
2016: $74.17
2017: $89.88

EMPLOYEES

In 2017, HCA had 253,000 employees nationally. That’s a 36 percent increase from the 186,000 people the company employed 10 years ago, shown in beige.

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2017: 3,286,432

SOURCES: SEC.GOV, YCHARTS, “THE LEGEND OF HCA” AND YAHOO FINANCE
From the birth of a child to the loss of a parent, many of life’s biggest moments happen in the same place: a hospital. That’s why the founders of HCA Healthcare Inc. were advocates for a culture built around the patient. It’s a culture that the Nashville hospital giant still aims to foster today as it continues to grow, using its massive size to impact everything from policy to technology to patient care.

As HCA continues to expand its reach, from new training centers for nurses to new lines of service, the company’s impact ripples throughout Middle Tennessee. To illustrate that impact, we spent time inside the company’s local operations, including TriStar Centennial Medical Center, HCA’s first hospital.
GIVING BACK
Frist driven by ‘a love of the community’

Over the past 50 years, newly wealthy entrepreneurs, transplanted CEOs and owners of companies who recently moved their headquarters to Nashville could count on a visit from Dr. Thomas Frist Jr. not long after arriving in town.

But the HCA Healthcare Inc. co-founder wasn’t dropping by to convince them to invest in his company’s stock. He was there to sell them on the city’s generosity.

“Dr. Frist Jr. very quietly moved from office to office around Nashville calling on people,” Frist Foundation CEO Pete Bird said. “He was a quiet but very forceful advocate for philanthropy, and he would invite people to be part of the philanthropic community. … He would tell them it’s one of the joys of Nashville.”

Frist Jr.’s philanthropic vision created the HCA Foundation as well as The Frist Foundation, two of Nashville’s largest charitable organizations that have had a hand in establishing some of the city’s most iconic landmarks. The Nashville Zoo, the Country Music Hall of Fame and Museum, the Frist Art Museum and the Adventure Science Center have all been funded, in part, by one or both of the foundations.

In the past 10 years, the HCA Foundation, the philanthropic arm of the hospital company, and HCA itself have contributed $235 million to Nashville-area nonprofits, while the Frist Foundation gave more than $10 million in 2016 alone.

Bird, who previously was the HCA Foundation’s senior program officer and currently sits on its board, said part of both foundations’ missions is to support organizations that fill the city’s needs.

Organizations like the Community Foundation of Tennessee, the Center for Nonprofit Management and Conexión Américas all received money from the HCA Foundation to start.

More recently, the two foundations gave $1.25 million each to build the grand lobby of the soon-to-be opened Tennessee State Museum. Joanne Pulles, HCA Foundation president and HCA vice president of community relations, said it was the opening bell in a $40 million campaign to construct the institution that will house the state’s historical treasures.

“That leadership position extends past the foundation, she said, and into HCA employee engagement in the community — something Frist Jr. made clear when Pulles interviewed for her position in 1998. “He said, ‘There are three priorities: Your family is your first priority, your work is your second priority and the community is your third priority.’” Pulles said. “That’s his philosophy, and I still tell new employees that when I talk to them.”

Pulles said HCA tries to distribute its deep talent pool into areas it will be most effective. For example, HCA’s IT department has partnered with the Nashville Technology Council on three occasions to put on Hack for the Community — a 36-hour, software-development marathon that brings together Nashville tech professionals to help local nonprofits.

“To me, that’s the secret sauce of the foundation now … taking that key talent and finding ways to deploy it in the community,” Pulles said.

Employees aren’t just giving their time. Pulles said Nashville-area employees gave $3.7 million to 1,886 nonprofits in 2017 through the company’s matching gifts program, to which HCA contributed an additional $1.7 million. Across the company, HCA employees gave $9.8 million last year, with matching gifts of $4.4 million from the health system.

Frist Jr.’s philanthropy extends beyond HCA. In 1981, he founded the first chapter of United Way’s Tocqueville Society, a group of high net-worth donors. The society, now with 26,000 business leaders across 430 chapters worldwide, has since raised nearly $10 billion for United Way causes.

“We’ve got a 50-year history that’s got a common denominator, which is philanthropy driven by a love of the community,” Bird said. “We have a better community because of the Frist family and its commitment to this community.”

2002
In September, the New York Stock Exchange invites HCA to ring the bell to open the day’s trading. (Pictured: CEO Jack Bovender, center)

2003
In July, HCA announces its final settlement with the U.S. government to resolve its Medicare-fraud allegations. The three settlements, which date back to 2000, total $1.7 billion.

Thomas Frist Jr. “was a quiet but very forceful advocate for philanthropy, and he would invite people to be part of the philanthropic community. … He would tell them it’s one of the joys of Nashville.”

PETE BIRD, CEO, Frist Foundation
The doctor’s doctor
He took care of HCA’s founder, and his company’s culture

Any job interview can be an uncomfortable experience, but when Dr. Karl VanDevender was applying to become a partner with Dr. Thomas Frist Sr. in his medical practice at Park View Hospital in 1982, things got a little too personal.

While waiting for Frist Sr. to see him, a nurse called VanDevender’s name, led him down a hallway to an exam room and told him to get undressed.

“I said, ‘Well, actually, I’m here for a job interview.’ She replied, ‘That’s right. Dr. Frist wants to show you what a good physical exam is,’” VanDevender recalled.

“That was just Dr. Frist, very to the point.”

VanDevender is from the same small town in Mississippi as Frist Sr., but the two men did not know each other before that job interview. Still, he got the job, although Frist Sr. never told him if he passed the physical. Thirty-six years later, VanDevender practices medicine at The Frist Clinic next to TriStar Centennial Medical Center, formerly known as Park View.

VanDevender, who is married to author and Parnassus Books owner Ann Patchett, has continued the late Frist Sr.’s practice. VanDevender grew close to the HCA co-founder and his family, becoming the elder Frist’s personal doctor, traveling with him on business trips and even giving his eulogy when he died in 1998. He also remains the physician for each former CEO still living in Nashville, including Frist Sr.’s son, Dr. Thomas Frist Jr.

Those relationships have created a sort of side job for the 70-year-old internal medicine specialist: HCA ambassador.

VanDevender flies out of Nashville most Thursday nights to one of the health care giant’s 179 hospitals to talk to employees about the company’s culture, history and Frist Sr.’s philosophy of care – which Frist Sr. began teaching VanDevender during his first day on the job.

“I was about to knock on the patient’s door and he said, ‘Stop. What’s going through your mind?’ I said, ‘That I’d like to make the right diagnosis and administer the correct treatment.’ He said, ‘Karl, that’s the easy part. Let me tell you what’s served me well during my career.’”

Frist Sr. went on to explain the importance of doing little things to make patients and co-workers feel important. To this day, VanDevender said he takes off his watch when he gets to the hospital so that he doesn’t make a patient feel rushed by looking at it, he sits down when talking to patients for the same reason, and he always asks if he or she has any questions before leaving the room. He also is aware of how each housekeeper, nurse, administrator and doctor in a hospital is dependent upon one another – all lessons taught by Frist Sr. that VanDevender now aims to pass on to a new generation at HCA.

“If I had to say what it is I learned from Dr. Frist [Sr.], it would be his remarkable way of making people feel known and wanting them to succeed more than he wanted himself to succeed,” VanDevender said. “I really think to some degree that’s something you’re born with. You can encourage people to be more that way, but with him in particular, that’s just who he was.”
HOW HCA WILL SHAPE ITS FUTURE

BY JOEL STINNETT | JSTINNETT@BIZJOURNALS.COM | 615-846-4278

When HCA Healthcare Inc. committed to buy 100,000 iPhones over the next three years for its doctors and nurses in hospitals, CEO Milton Johnson planned to announce the deal in HCA’s next earnings call with investors. He wanted to tout how the company was using mobile technology to improve care – but Apple Inc. asked him not to.

Instead, on Apple’s next earnings call, the tech giant broke the news itself as evidence of its commitment to health care.

“I said, ‘Now I know why they wouldn’t let me do it,’” Johnson said with a laugh. “But it’s an example of technology organizations understanding the opportunity that exists in health care.”

That opportunity is why Johnson said HCA has invested millions of dollars in research, analytics and innovation that will shape not only the next 50 years of HCA, but the future of the $3 trillion health care industry. HCA has bought health-tech companies, poured money into data analytics and launched subsidiaries in an effort to speed up its innovation inside an industry that’s traditionally seen as slow to adopt new technologies. That urgency is essential: In addition to the rising costs, lower reimbursements and declining hospital admissions facing health care providers, outsiders such as Amazon and Apple are looking to take a bite out of the industry.

But, as the largest health care system in the country, with 179 hospitals and nearly 3.3 million patient admissions last year, HCA does not plan on lagging behind anyone.

“My charge has been: I want to lead this. Not be a follower,” Johnson said. “To be able to invest in technology you have to be able to spread it over a large scale … and we do.”

CONTINUED ON PAGE 26A
New partners, new risk

Franklin-based Digital Reasoning, a fast-growing tech company that got its start in the Department of Defense analyzing data for the intelligence community, has been one of HCA’s partners. The company’s artificial intelligence technology is used to analyze multiple types of structured and unstructured data, such as handwritten doctors’ notes, to identify trends that were previously invisible.

“I have an analytics background, not health care, but what attracted me to the company was that the bulk of the data in health care is unstructured [not in a database] and all the value there is in data we haven’t yet looked at,” Digital Reasoning CEO Brett Jackson said at a Nashville Business Journal health care event in March. “What a fabulous opportunity.”

HCA also sees opportunity in Digital Reasoning, investing $15 million in the company in 2016 and participating in a $30 million round of funding in March. Perlin said the industry is working to speed up the analysis of information to the point where doctors will be notified of an irregular heart beat through a patient’s Fitbit and proactively call them in for an appointment.

As it aims to innovate and apply new technology to health care, HCA is going after “those who are good at innovation, it’s a different set of people.”

For you as a patient, your entire care team — your physicians, nurses, techs and everyone else responsible for your care in the facility — will be connected to a phone. … This whole thing around care coordination with technology is a game changer, and we’re leading in that area.”

HILTON JOHNSON, CEO, HCA Healthcare Inc.

Setting industry standards

Ed Cantwell, CEO of the Nashville-based Center for Medical Interoperability, has assembled a slate of health care titans to tackle technology communication problems that endanger lives and waste billions of dollars annually.

“If you’re looking for a way to lower the cost of health care, it’s a different set of people that are working on the problem,” Cantwell said. “Along with HCA’s size comes an obligation to the nation.”

Interoperability is the ability for different medical technologies to easily share data in a way that improves patient care. To get the industry to move on standardization, it’s time to have a group of competitors — including HCA, Community Health Systems Inc. and LifePoint Health — to set standards for health care technology. HCA, and specifically Johnson, has made the digitization of health care more than just a talking point — it’s at the center of the business.

HCA is working with the interoperability center to not only set criteria that health-tech products must meet, but to test products to verify how well they meet those standards. It’s one example, Johnson said, of the way the company is working to “take advantage of our unique scale” to keep HCA at the top of the industry for another 50 years.

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Research Institute, the company bought Cambridge, MA-based data analytic-soft- ware company Genospace LLC. HCA also launched Parallon Technology Solutions LLC in 2011, which provides tech support for electronic health records as well as IT services and consulting to hospitals and physicians nationwide.

HCA is looking outside of the company for innovation more than ever, while aiming to foster innovation inside its walls. HCA Chief Information Officer Marty Paslick said the company is diligent in determining which firms to work with — “the technology must fit into HCA’s existing strategy from business and medical standpoint — and sometimes it’s easier to develop technologies in-house.”

Paslick leads a team of 5,500 employees in the IT department, making HCA one of the region’s largest tech employers.

A U.S. patent search shows that HCA did not receive a single patent between 1975 and 2013, the oldest data available, and 2013. The company has received 135 patents, however, in the past three years — something Paslick attributed to the rapid advancement of technology.

“It’s just kind of the transition of health care. Technology and health care are so con- nected to the company’s strategy,” Paslick said. “There are a lot of great emerging ideas for health care, and HCA wants to partner with those types of thought leaders.”
HCA’S COMPETITIVE ADVANTAGE: SCALE

“We have access to more data than anyone else.”

As a young tax accountant at HCA Healthcare Inc., Milton Johnson would say “hello” to co-founder Dr. Thomas Frist Jr. when he saw him in the halls of the company’s corporate campus. But it wasn’t until Johnson volunteered to run the office’s United Way campaign in the early 1980s that he got to know the legendary entrepreneur.

Johnson says he deeply applied himself with United Way, sitting on the nonprofit’s national and local boards and starting the Tocqueville Society in 1984, a group of philanthropic leaders from each community dedicated to expanding high-level personal giving to the United Way. As part of Johnson’s duties leading the corporate office campaign, he met regularly with Frist Jr. in his office to update him on its progress.

“I remember that clearly as my first time sitting in his office one-on-one,” Johnson said. “Now, there’s rarely a week that goes by that we don’t have a conversation.”

That’s because the former tax accountant is now CEO of the hospital giant that Frist Jr. helped build. Johnson took the helm of the nation’s largest hospital operator in 2018, positioning him as one of the most powerful people in health care.

We recently sat down with Johnson at HCA’s Nashville headquarters to discuss what makes the company unique, why it’s important to invest in technology and what the next 50 years look like for Middle Tennessee’s largest publicly traded company.

When you took over as CEO, did Dr. Thomas Frist Jr. give you any advice?

Yeah. “Don’t screw it up.” Everyone thinks that’s the best advice, but it’s really good advice. I remember him teaching me and other leaders in this company the secrets of the job. It doesn’t work that way. I was here 30 years before I became CEO, so there were so many things that he taught me and other leaders in this company taught me to prepare me to be CEO.

When you think about technology, to be able to invest in technology, you have to be able to spread it across a large scale. ... We have 30 million patient encounters a year within HCA.”

MILTON JOHNSON, CEO, HCA Healthcare Inc.

Does the company intentionally foster talent internally? We have such a deep bench and depth of executive talent in our company, and we have been fortunate to be able to have a succession plan. Ever since Tommy came back in 1997, I don’t think the next CEO has been a surprise.

What is your biggest accomplishment as CEO so far? What I’m most pleased about is a couple of things. One is how the company has embraced ... patient satisfaction and patient experience, and we have stepped up our game there.

The other thing is emphasizing leadership development in this organization. We are emphasizing and investing in it, quite a bit, what I consider world-class leadership development programs to support the pipeline. We’ve been successful financially, the stock has more than doubled in five years, but that’s the result of the actions of people.

Why is it important for HCA to be a leader in technology and big data, instead of a fast follower? Number one, we have access to more data than anyone else. Scale here is critically important. When you think about technology, to be able to invest in technology, you have to be able to spread it across a large scale. A small, single system can’t make the sort of investments I’m taking about. ... We have 30 million patient encounters [a measure of interactions between patients and health care providers] a year within HCA, so when you have that sort of scale it allows you to make those sort of investments. It’s also a competitive advantage for us. ... It gives us recognition among the physician community. It gives us recognition among the scientific community. It gives us recognition among the pharma companies, in terms of clinical trials. We can identify a drug that will not work faster than any other organization because of our scale. ... So, it’s good for business, but most importantly, it’s good for our patients.

You are the new chairman of the Nashville Health Care Council. What role has it played in establishing Nashville as a health care leader? The health care council has grown, now we have technology companies involved, professional services firms involved. We’ve got people coming from New York to Nashville to be a part of the council. ... It’s expanded outside of Nashville. When we get together, ... we put down our competitive approach and do what’s right for Nashville. It started out as a good way to get Nashville a stage for health care and that has been very successful.

What makes HCA unique from other health care and hospital companies?

The people who believe and support the culture and the value systems of the organization. That, I think, has been the key — the people leading our hospitals, the nurses taking care of our patients, and we’ve been fortunate to have great leadership in this company.

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HCA INNOVATIONS
‘Changing the way we take care of people’

In 1968, HCA Healthcare Inc. was just one hospital, but inside were men with big ideas. Before Dr. Thomas Frist Jr. began flying around the world buying hospitals, health care was not a marketable industry. Nearly all hospitals were operated by the government or religious organizations. But the HCA co-founder had a new idea: What if the private sector could buy and operate medical centers across the country?

In some ways, HCA’s existence is an innovation: It was the first company to operate medical centers across the country?

Now, the company owns 179 hospitals and 119 free-standing surgery centers in the United States and United Kingdom. The hospital group treats more than 3 million patients a year. In an era where technology is rapidly innovating, HCA can now use its size to conduct large-scale clinical research that might change patient care. It already has begun.

“You go from a process where your No. 1 objective is to make sure your employees get paid, that ledgers and books get closed, and you fast forward to today, where our data-science initiatives and our other clinical capabilities are really changing the way we take care of people,” HCA Chief Information Officer Marty Paslick said. “When you see technology radically start to change how patients are cared for — man, that’s pretty cool stuff.”

Here are six advancements HCA has made in the modern era and why they matter:

TAGS FOR BABIES

In 2005, HCA created a new kind of tag to identify newborn babies: a soft, foam band designed to fit comfortably on babies’ ankles, with a luggage-tag-style barcode that can be scanned to tell a doctor or nurse exactly what medication the baby needs and when it should be administered. The tag matches the baby’s identity with its mother, ensuring parents will go home with the right child.

Paper wristbands with barcodes had long been used on adults in hospitals, but they didn’t work well with babies. The material irritated their sensitive skin, and it was difficult to make them small enough not to fall off their wrists.

HCA was the first to design the bands in a way that would assure they stayed on without irritating the skin.

The pilot program began in 2005 and was rolled out to all HCA hospitals the following year. Now, most hospitals use a similar band.

MRSA PREVENTION

In 2007, the Centers for Disease Control and Prevention began conducting its research project REDUCE MRSA, studying ways to reduce the number of MRSA infections in hospitals, at 43 HCA hospitals and 73 intensive care units around the country. MRSA is a common staph infection born in hospitals that kills about 20,000 people in the United States annually.

Doctors studied the effects of “universal decolonization,” or giving everyone who comes into the ICU a sponge bath and nose drops with a topical antiseptic for five days. The trial found that cleansing every patient reduced MRSA infections by 37 percent and all bloodstream infections by 44 percent.

HCA began requiring this decolonization in its adult ICUs in 2013. Sixty-five to 80 percent of hospitals are now using decolonization in their ICUs, one of the doctors behind the study not affiliated with HCA said in 2017.

SEPSIS TREATMENT

Last year, HCA developed a technology called SPOT (sepsis prevention and optimization of therapy) that works as a digital checklist for sepsis, a condition in which a body responds faster than traditional screening. That lead time is crucial because a patient’s mortality risk increases 8 percent every hour with the condition.

BREAST CANCER TREATMENT

The Sarah Cannon Research Institute, an HCA subsidiary, had good news for breast cancer patients this year. Through a clinical trial, the institute used an already available genetic test to determine if an early-stage breast cancer patient’s tumor has a high, medium or low risk of growing back after surgery. The center determined that when the test comes back low risk, the patient can forgo chemotherapy.

More than half of the 7,000 patients studied were deemed as low risk, and all of those patients avoided chemo without their cancer returning, according to a report Sarah Cannon published in June.

MY 39 WEEKS

In 2007, HCA began work on a program called “My 39 Weeks,” testing the accuracy of what doctors consider to be a full-term pregnancy. Previously, a healthy pregnancy was thought to be 37 to 42 weeks. Many doctors allowed women to have elective deliveries at 37 and 38 weeks of pregnancy, even though brains and lungs are still developing at that point in gestation, according to a study in the American Journal of Obstetrics and Gynecology.

Studying more than 17,000 deliveries in 27 hospitals over three months, HCA found that infants delivered without medical necessity at 37 to 38 weeks were four times more likely to spend time in the neonatal intensive care unit than babies delivered at 37 weeks and beyond.

In 2013, the American College of Obstetricians and Gynecologists officially narrowed “full term” to mean 39 to 40 weeks of pregnancy. Nationally, the rate of early elective births (meaning less than 39 weeks) among all deliveries went from 17 percent in 2010, to 4.6 percent in 2013, to 1.9 percent in 2016, according to nonprofit watchdog The Leapfrog Group.

MOBILE RECORDS

In 2016, HCA bought Mobile Heartbeat, a company that developed an app called MH-CURE, which makes all the clinical work a nurse or doctor does on the computer available on a smartphone. The app aims to improve workflow and give doctors and nurses mobile access to clinical programs that can help diagnose a patient or flag certain infections.

This February, HCA announced it was buying 100,000 iPhones for doctors and nurses across all its hospitals to use the MH-CURE app.
HCA’s new recruit
‘I wanted to work in the place that saved my father’

“I’m excited if you can’t tell,” said HCA recruit Brea Trepanier one Tuesday in June.

It was Trepanier’s second day of orientation for a year-long nursing residency with HCA Healthcare Inc. She wore scrubs as she headed into classrooms filled with about 60 new nurses at HCA division TriStar Health’s new Simulation Learning Center in Antioch.

Trepanier’s journey to HCA started with her father’s heart attack in 2016. He recovered at St. David’s Round Rock Medical Center in Texas, an HCA hospital.

The event threw her family for a loop, Trepanier said, but she left the hospital with a clear vocation. The 30-year-old had been interested in health care since she volunteered as a candy striper at age 16, but Trepanier decided right then that she wanted to be a nurse at an HCA hospital so she could help other patients the way the nurses at St. David’s helped her father.

“As a nurse, it’s your job to be an advocate for your patients,” Trepanier said. “My philosophy is to treat every patient like your mother, daughter, sister, father.”

Trepanier wanted to work in the place that saved her father. So even though she lived and went to school about 100 miles away in San Antonio, she decided to work as a patient-care technician at St. David’s while completing the nursing program at San Antonio College.

When she graduated with her associate’s degree last spring, she, her husband and 4-year-old son moved closer to her husband’s family in Nashville.

The move led her to a new job at Centennial Medical Center, right next to HCA’s headquarters, where she is among a new crop of nurses who have more training resources than ever before. In the simulation center, she will get to practice putting in IVs and saving someone’s life when their heart or breathing has stopped.

“I love simulation centers because it gives you a chance to make mistakes,” Trepanier said. “You can mess up without killing anyone.”

Trepanier said she was attracted to HCA because of the company’s willingness to innovate. She sees HCA’s $3 million investment in the simulation center, designed specifically for the nursing residency program, as just one example of how the company invests in its employees.

HCA also invests in education, which is important to Trepanier. She wants to continue her education, and HCA’s tuition-assistance program will help.

“HCA, overall, not only values their patients, but their staff,” Trepanier said. “And that translates into better patient care.”

— Rachel Rippetoe
As an ER doctor at TriStar’s Skyline Medical Center, Nkem Ezeamama never knows what medical crisis she’ll face next. “I like the fast pace,” she said. “I love that you get to continue to learn because you don’t know what’s coming through the door. It could be something you’ve seen 20,000 times before, or it could be something you’ve never seen.”

Navigating that uncertainty is part of what she loves about the job, and it’s a talent she uses to help patients in Nashville and abroad.

The 30-year-old doctor has worked in Skyline’s emergency department since 2015, her first job after medical school. She was raised in Nigeria, where her parents each own businesses. Ezeamama said she came to the United States to earn her medical degree and planned to return home. But her specialty, emergency medicine, isn’t widely practiced in Nigeria, so she decided to stay in the U.S. “I promised I would go back ... and I do in the form of mission trips,” Ezeamama said. “It’s seriously one of the best experiences anyone can have.”

Each April, Ezeamama and a group of doctors from the Association of Nigerian Physicians in the Americas set up a mobile hospital in rural Nigeria with whatever supplies and equipment they can spare from their practices. Health care in Nigeria is largely prepaid fees for service. So, each morning of the group’s 10-day mission, Ezeamama said hundreds of people line up to be seen by the doctors free of charge. Patients suffer from everything from chronic conditions such as high blood pressure and diabetes to painful injuries like broken bones.

Ezeamama said she typically works with the surgery group, operating to treat hernias or remove tumors, often working until 2 a.m. “It’s rewarding for patients and for us. You go into it knowing you’ll make a difference,” Ezeamama said.
On behalf of our 22,000 Nashville-area HCA Healthcare colleagues, we thank our partners and friends in Middle Tennessee who have made it possible for us to fulfill our mission: Above all else, we are committed to the care and improvement of human life.

Thank you to our affiliated physicians, nurses and other clinicians who have treated our patients with the highest level of quality and compassion.

Thank you to our many partners, including vendors and suppliers, who have collaborated with us throughout our 50-year history.

Thank you to the city, county and state officials who have worked with us to improve the health of people throughout Tennessee.

Thank you to the community agencies that have made Nashville such a wonderful place to live, work and do business.

Thank you to our peers in healthcare, who have made Nashville such a vibrant and dynamic healthcare landscape, all to the benefit of the patients and the community.

And thank you to the entrepreneurial spirit of Nashvillians across all industries and spheres, who for 50 years have inspired and motivated us to continually innovate and advance.

It has been an honor to grow alongside Nashville. We look forward to many more years of improving life and making history together.