

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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 2, 2020 (March 27, 2020)

HCA HEALTHCARE, INC.
(Exact Name of Registrant as Specified in Charter)

**Delaware
(State or Other
Jurisdiction
of Incorporation)**

001-11239
(Commission File Number)

27-3865930
(IRS Employer
Identification No.)

One Park Plaza, Nashville, Tennessee 37203
(Address of Principal Executive Offices) (Zip Code)

(615) 344-9551
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value per share	HCA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Executive Officer and Board of Director Compensation Changes in Response to COVID-19 Pandemic

On March 31, 2020, the Compensation Committee (the “Committee”) of the Board of Directors of HCA Healthcare, Inc. (the “Company”) approved a 30 percent reduction in base salary for the Company’s named executive officers and other executive officers for the period from April 1, 2020 through May 31, 2020. Also, on March 31, 2020, the Board of Directors of the Company approved the waiver of all cash compensation retainers for non-management board members for the period from April 1, 2020 through December 31, 2020.

2020 Senior Officer Performance Excellence Program

On March 27, 2020, the Committee adopted the 2020 Senior Officer Performance Excellence Program (the “Senior Officer PEP”). Under the Senior Officer PEP, the executive officers of the Company shall be eligible to earn performance awards based upon the achievement of certain specified performance targets. The Senior Officer PEP award opportunities for the Company’s named executive officers and other executive officers are weighted (i) 80% for the achievement of certain EBITDA (as defined in the Senior Officer PEP) targets and (ii) 20% for the achievement of targets associated with certain quality of care metrics. The EBITDA weighted portion of the American Group and National Group Presidents’ Senior Officer PEP awards is based 50% on Company EBITDA and 50% on EBITDA for their respective Group. The quality weighted portion of the Senior Officer PEP is based on each of the following quality of care categories: Healthcare-Associated Infections and Core Measures (50%) and Care Experience (50%) (each as defined in the Senior Officer PEP).

Target Senior Officer PEP award opportunities for 2020 for the Company’s named executive officers are as follows:

- 170% of base salary for Samuel N. Hazen, our Chief Executive Officer;
- 125% of base salary for William B. Rutherford, our Executive Vice President and Chief Financial Officer;
- 110% of base salary for Jon M. Foster, our President — American Group;
- 110% of base salary for Charles J. Hall, our President — National Group; and
- 85% of base salary for Jonathan B. Perlin, M.D., our President — Clinical Services Group and Chief Medical Officer.

With respect to the EBITDA weighted portion of the Senior Officer PEP, participants will receive 100% of the EBITDA weighted portion of the target award for target performance, 25% of the EBITDA weighted portion of the target award for a minimum acceptable (threshold) level of performance, and a maximum of 200% of the EBITDA weighted portion of the target award for maximum performance. With respect to the quality weighted portion of the Senior Officer PEP, participants will receive 100% of the quality weighted portion of the target award applicable to each individual quality of care metric for performance at or above the target level of performance for such metric and 0% of the quality weighted portion of the target award applicable to each individual quality of care metric for performance at or below the minimum (threshold) level of performance for such metric; provided, that, (i) in the event the Company exceeds its consolidated target level of EBITDA adopted by the Committee with respect to the EBITDA weighted portion of the Senior Officer PEP, each individual quality of care metric which qualifies for 100% payout as described above will be multiplied by the EBITDA payout percentage and (ii) in the event the Company’s actual EBITDA is less than 90% of such target level of EBITDA, there will be no payment with respect to the quality weighted portion of the Senior Officer PEP.

Awards pursuant to the Senior Officer PEP will be paid solely in cash. No payments will be made for performance below specified threshold amounts. Payouts between threshold and target (with respect to the quality weighted and EBITDA weighted portions) or target and maximum (with respect to the EBITDA weighted portion) will be calculated by the Committee in its sole discretion using straight-line interpolation. The Committee may make adjustments to the terms and conditions of, and the criteria included in, awards under the Senior Officer PEP in recognition of unusual or nonrecurring events affecting a participant or the Company, or the financial statements of the Company, or in certain other instances specified in the Senior Officer PEP. In addition, in the event the applicable governmental agency adjusts any of the definitions of the quality of care metrics during the performance period, appropriate adjustments shall be made to the targets, or results, or both, to properly account for such changes, in the Committee’s sole discretion. Awards pursuant to the Senior Officer PEP are also subject to recovery or adjustment by the Company in certain circumstances in which the operating results on which the payment was based were restated or otherwise adjusted or in the event a participant’s conduct is not in good faith and materially disrupts, damages, impairs or interferes with the business of the Company and its affiliates.

The foregoing description of the Senior Officer PEP does not purport to be complete and is qualified in its entirety by reference to the Senior Officer PEP, a copy of which is attached to this report as Exhibit 10.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	HCA Healthcare, Inc. 2020 Senior Officer Performance Excellence Program
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 2, 2020

HCA HEALTHCARE, INC.

/s/ John M. Franck II
John M. Franck II
Vice President – Legal and Corporate Secretary

HCA HEALTHCARE, INC.
2020 SENIOR OFFICER PERFORMANCE EXCELLENCE PROGRAM

Purpose and Administration of the Program

The 2020 Senior Officer Performance Excellence Program (the “Program”) has been established by HCA Healthcare, Inc. (the “Company”) to encourage outstanding performance from its senior officers. Awards under the Program shall be administered as “Performance-Based Awards” pursuant to the 2020 Stock Incentive Plan for Key Employees of HCA Healthcare, Inc. and its Affiliates, (the “2020 Plan”). Subject to applicable law, all designations, determinations, interpretations, and other decisions under or with respect to the Program or any award shall be within the sole discretion of the Compensation Committee of the Board of Directors of HCA Healthcare, Inc., including any subcommittee formed pursuant to Section 3(a) of the 2020 Plan (the “Committee”), may be made at any time and shall be final, conclusive and binding upon all persons. Designations, determinations, interpretations, and other decisions made by the Committee with respect to the Program or any Award, including but not limited to the application of the PEP Recoupment Policy, described herein, need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated.

Participation

All officers of the Company who have been designated by the Company as “executive officers” of the Company during 2020 (the “Fiscal Year”) are eligible to receive an award pursuant to the Program (each, a “Participant”).

Incentive Calculation and Payment of Awards

Awards shall be calculated based on the financial results for the Fiscal Year and most recently available quality and patient experience results and shall be paid within two and one-half months following the end of the Fiscal Year. No awards will be paid to a Participant until the Chief Executive Officer has affirmed that the Participant’s behavior and actions during the Fiscal Year were consistent with the Company’s stated mission and values, the Code of Conduct and other regulatory requirements.

The Committee will make awards pursuant to the Program (each, an “Award”) as set forth on Schedule A hereto, on such terms as the Committee may prescribe based on the performance criteria set forth on Schedule A hereto and such other factors as it may deem appropriate. The targets for the performance criteria shall be determined by the Committee, in its discretion, within the first ninety (90) days of the Fiscal Year. The Committee shall determine and certify whether and to what extent each performance or other goal has been met prior to the payment of any Award hereunder. A Participant is required to remain employed with the Company through the end of the Fiscal Year in order to have a legally binding right to the Award.

Awards pursuant to the Program will be paid solely in cash.

Except as provided for in any employment agreement or as the Committee may otherwise determine in its sole and absolute discretion, termination of a Participant’s employment prior to the end of the Fiscal Year will result in the forfeiture of the Award by the Participant, and no payments shall be made with respect thereto.

This Program is not a “qualified” plan for federal income tax purposes, and any payments are subject to applicable tax withholding requirements.

Adjustments for Unusual or Nonrecurring Events

In addition to any adjustments enumerated in the definition of the performance goals set forth on Schedule A hereto, the Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting any Participant, the Company, or any subsidiary or affiliate, or the financial statements of the Company or of any subsidiary or affiliate; in the event of changes in applicable laws, regulations or accounting principles; or in the event the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Program. The Committee is also authorized to adjust performance targets or awards downward to avoid unwarranted windfalls.

PEP Recoupment Policy

The Company may recover any incentive compensation awarded or paid pursuant to this Program based on (i) achievement of financial results that were subsequently the subject of a restatement due to material noncompliance with any financial reporting requirement under either GAAP or the federal securities laws, other than as a result of changes to accounting rules and regulations, or (ii) a subsequent finding that the financial information or performance metrics used by the Committee to determine the amount of the incentive compensation were materially inaccurate, in each case regardless of individual fault. In addition, the Company may recover any incentive compensation awarded or paid pursuant to this Program based on a Participant's conduct which is not in good faith and which materially disrupts, damages, impairs or interferes with the business of the Company and its affiliates. This PEP Recoupment Policy applies to any incentive compensation earned or paid to a Participant pursuant to this Program. Subsequent changes in status, including retirement or termination of employment, do not affect the Company's rights to recover compensation under this policy. The Committee will administer this policy and exercise its discretion and business judgment in the fair application of this policy based on the facts and circumstances as it deems relevant in its sole discretion. More specifically, the Committee shall determine in its discretion any appropriate amounts to recoup, the officers from whom such amounts shall be recouped (which need not be all officers who received the bonus compensation at issue) and the timing and form of recoupment; provided, that only compensation paid or settled within three years prior to the Committee taking action under this PEP Recoupment Policy shall be subject to recoupment; provided further, that any recoupment pursuant to clause (i) or (ii) of the first sentence of this paragraph shall not exceed the portion of any applicable bonus paid hereunder that is in excess of the amount of performance-based or incentive compensation that would have been paid or granted based on the actual, restated financial statements or actual level of the applicable financial or performance metrics as determined by the Committee in its sole discretion.

For avoidance of doubt, the Company may set off the amounts of any such required recoupment against any amounts otherwise owed by the Company to a Participant as determined by the Committee in its sole discretion, solely to the extent any such offset complies with the requirements of Section 409A of the Code and the guidance issued thereunder.

If any restatement of the Company's financial results indicates that the Company should have made higher performance-based payments than those actually made under the Program for a period affected by the restatement, then the Committee shall have discretion, but not the obligation to cause the Company to make appropriate incremental payments to affected Participants then-currently employed by the Company. The Committee will determine, in its sole discretion, the amount, form and timing of any such incremental payments, which shall be no more than the difference between the amount of performance-based compensation that was paid or awarded and the amount that would have been paid or granted based on the actual, restated financial statements.

No Right to Employment

The grant of an award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any subsidiary or affiliate.

No Trust or Fund Created

Neither the Program nor any award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any subsidiary or affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any subsidiary or affiliate pursuant to an award, such right shall be no greater than the right of any unsecured general creditor of the Company or any subsidiary or affiliate.

No Rights to Awards

No person shall have any claim to be granted any award and there is no obligation for uniformity of treatment among Participants. The terms and conditions of awards, if any, need not be the same with respect to each Participant. The Company reserves the right to terminate the Program at any time in the Company's sole discretion.

Section 409A of the Internal Revenue Code

This Program is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code.

Interpretation and Governing Law

This Program shall be governed by and interpreted and construed in accordance with the internal laws of the State of Delaware, without reference to principles of conflicts or choices of laws. In the event the terms of this Program are inconsistent with the terms of any written employment agreement between a Participant and the Company, the terms of such written employment agreement shall govern the Participant's participation in the Program. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the 2020 Plan.

2020 PEP Measures and Weightings

	Target PEP Opportunity¹ (% of base salary)	EBITDA Weight²	Quality Weight³
CEO	170%	80%	20%
EVP & CFO	125%	80%	20%
Group Presidents	85-110%	80%	20%
Other Participants	50-75%	80%	20%

¹ **PEP Opportunity:** Target PEP Opportunities are expressed as a percentage of base salary as approved by the Committee. Maximum PEP opportunity payouts shall not exceed 200% of the Target PEP Opportunity stated above for any Participant.

² **EBITDA Weight:** For the minimum acceptable (threshold) level of performance with respect to the EBITDA measure, a Participant may receive 25% of the EBITDA-weighted portion of the Target PEP Opportunity. For target level of performance with respect to the EBITDA measure, a Participant may receive 100% of the EBITDA-weighted portion of the Target PEP Opportunity. For the maximum level of performance with respect to the EBITDA measure, a Participant may receive 200% of the EBITDA-weighted portion of the Target PEP Opportunity. Payouts for performance between the threshold and maximum levels of performance for Participants will be calculated by the Committee in its sole discretion using straight-line interpolation.

The EBITDA weighted portion of the American Group and National Group Presidents' PEP awards will be based 50% on Company EBITDA performance and 50% on their respective Group's EBITDA performance.

For the purposes of this calculation, EBITDA means earnings before interest, income taxes, depreciation, amortization, net income attributable to noncontrolling interests, gains or losses on sales of facilities, gains or losses on extinguishment of debt, legal claim costs (benefits), asset or investment impairment charges, restructuring charges, expenses for share-based compensation under ASC Topic 718, and any other gains or charges resulting from significant, unusual and/or nonrecurring events, as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report for the Fiscal Year, as determined in good faith by the Board or the Committee in consultation with the CEO. In the event the Company disposes of any facility during the Fiscal Year, the EBITDA target for such year shall be adjusted appropriately (based on the number of days during the year for which the facility was owned) to reflect the disposition. In the event the Company acquires a facility during the Fiscal Year, the EBITDA attributable to such facility will not be included in the calculation of the Company's EBITDA performance for the Fiscal Year.

³ **Quality Weight:** The Quality Weight for each Participant is based on each of the following three quality categories: Healthcare-Associated Infections and Core Measures (50%) and Care Experience (50%) (as defined below). For performance at or below the minimum acceptable (threshold) level of performance with respect to each individual quality metric, a Participant will not receive a payout for that metric. For target level of performance with respect to each individual quality metric, a Participant may receive 100% of the Quality-weighted portion of the PEP Opportunity tied to that individual quality metric. Payouts for performance above the threshold and below the target levels of quality metric performance for Participants will be calculated by the Committee in its sole discretion using straight-line interpolation.

In the event the Company exceeds its consolidated target level of EBITDA adopted by the Committee with respect to the EBITDA measure, the Committee shall multiply the payout percentage calculated for each individual quality metric which qualifies for 100% payout as described above by the EBITDA payout percentage. In the event the Company's actual EBITDA is less than 90% of the target level of EBITDA set by the Committee, there will be no payout with respect to the quality-weighted portion of PEP opportunity.

Healthcare Associated Infections metrics are Central Line-Associated Blood Stream Infection (CLABSI), Catheter-Associated Urinary Tract Infection (CAUTI), Surgical Site Infections (SSI), Methicillin Resistant Staphylococcus Aureus (MRSA) and *Clostridium difficile* (*C. diff*) for the Centers for Medicare and Medicaid Services (CMS) reportable patient populations as defined by the Centers for Disease Control and Prevention's National Healthcare Safety Network (CDC – NHSN).

The Core Measures metric includes the following inpatient core measure: Sepsis Bundle (SEP-1) as developed by The Joint Commission and the Centers for Medicare and Medicaid Services (CMS) and set forth in the Specifications Manual for National Hospital Inpatient Quality Measures.

The Care Experience metric for inpatients is the CMS Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) overall rating top box score (CMS defines the "top box" score for the overall rating question to be a response of nine or ten on the CMS HCAHPS survey). The Care Experience metric for emergency room patients is the Press Ganey Emergency Room overall rating "top box" score (Press Ganey defines the top box score for the overall question to be a response of Very Good on the Patient Experience Emergency Room survey).

In the event the applicable governmental agency adjusts any of the definitions of the quality metrics set forth above during the performance period, appropriate adjustments shall be made to the targets, or results, or both, to properly account for such changes, in the Committee's sole discretion.

In the event the Company acquires or opens new facilities during the measurement period, the newly opened or acquired facilities will be excluded for purposes of calculating the Company's performance on the quality weighted metrics.

The threshold, target and maximum EBITDA performance levels and other goals shall be set by the Committee in its sole discretion.