

HCA Healthcare, Inc. (HCA)

Vote Yes: Item 4 - Report on Healthcare Consequences

Annual Meeting: April 23, 2026

Contact: Julie Mayfield | julievmayfield@gmail.com

THE RESOLUTION

RESOLVED: HCA Healthcare, Inc. (“HCA”) shareholders request that its Board of Directors publish a report within one year of the upcoming annual meeting (at reasonable expense and omitting proprietary and personally protected information) describing the healthcare consequences and impacts its hospital acquisitions in the last decade have had on impacted communities. The report should include information on (i) the number of physician departures post-acquisition; (ii) a comparison of pre- and post-acquisition patient satisfaction ratings; (iii) a comparison of the number of staff per occupied beds pre- and post-acquisition; and (iv) an assessment of the impacted community’s perception of HCA and response to the acquisition.

SUPPORTING STATEMENT: This resolution is squarely aligned with long-term shareholder value and fiduciary responsibility. It asks the HCA Board to provide investors with material insight into how acquisition-driven growth has affected patient care, workforce stability, and community trust.

SUMMARY

HCA’s growth strategy has relied heavily on hospital acquisitions, and one of its largest acquisitions was of Mission Health in Asheville, North Carolina in 2019. The aftermath of this particular acquisition has raised serious questions about whether post-acquisition operational practices are creating systemic legal, regulatory, financial, and reputational risk for HCA rather than durable value.

Publicly documented patient safety failures at Mission Hospital point to fundamental breakdowns in care delivery. Since being acquired by HCA in 2019, Mission Hospital has incurred four Immediate Jeopardy findings, including two within a recent four-month period. They also had Emergency Medical Treatment and Labor Act (EMTALA) violations in 2024 and 2025. For context, approximately 2% of all CMS hospital inspections result in an Immediate Jeopardy finding, and EMTALA violations occur in less than 5% of hospitals annually.

At the same time, Mission Hospital has become a stark illustration of workforce instability. Large-scale physician and nursing departures have led to an increased reliance on high-cost temporary staffing. This will likely result in margin erosion and operational fragility. HCA is now exposed to heightened regulatory scrutiny, legal liability, reputational damage, and downstream reimbursement risk. For long-term institutional investors, these may not be isolated operational issues but, rather, potential enterprise-level risks.

RATIONALE FOR A YES VOTE

1. HCA's mismanagement of Mission Hospital is a direct threat to institutional value and corporate revenue.
2. HCA's mismanagement of Mission Hospital has led to increased potential legal liability.

DISCUSSION

1. HCA's mismanagement of Mission Hospital is a direct threat to institutional value and corporate revenue.

HUMAN CAPITAL MANAGEMENT AND MARGIN EROSION

At Mission Hospital, the exodus of hundreds of nurses has depleted critical, experienced human capital, forcing increased reliance on high-cost travel nurses and retention bonuses reaching \$50,000. Fully a third of the nurses currently working at Mission Hospital are travelers, up from a quarter in 2025. Similarly, Mission increasingly relies on locum tenens physicians to make up for the more than 200 physicians that have left since 2019. This outsized reliance on traveling medical professionals contributes to margin erosion that traditional financial models may underestimate. The shareholder resolution seeks disclosure on staff-to-bed ratios and physician departures, which are essential for assessing financial health. Without the information requested in the resolution, investors lack visibility into whether this costly inefficiency is being replicated across HCA's broader portfolio.

FIDUCIARY DUTY

The resolution also seeks comparisons of pre- and post-acquisition patient satisfaction, which is not merely a social metric. As seen in Asheville, a dramatic drop in patient satisfaction can be a precursor to regulatory intervention, as low satisfaction often leads to an increase in complaints and grievances that trigger regulatory review. The repeated Immediate Jeopardy findings and EMTALA violations at Mission Hospital represent multiple, operational failures in patient safety that are a direct threat to institutional value, as they jeopardize Mission Hospital's Medicare and Medicaid revenue. The report requested by the resolution would provide insight for shareholders into whether other hospitals were at similar risk.

REPUTATIONAL DRAG ON ENTERPRISE VALUE

Institutional capital should not tolerate the reputational drag of Mission Hospital on HCA. The disconnect between HCA's brand promise and its operational reality may have caused permanent brand damage in key markets and has definitely caused damage in North Carolina. There is a robust Asheville-based, anti-HCA Facebook page with over 16,000 members, and Reclaim Healthcare WNC formed in order to give voice to the community's anger, highlight HCA's mismanagement, and create accountability for them.

Mission Health was intended to be a beachhead in North Carolina, and HCA had plans to expand across the state. HCA's future expansion in North Carolina, however, is no longer an option given the Mission experience and HCA's resulting reputation. Indeed, HCA was not even a finalist to purchase the hospital system in Wilmington, NC and, though Mission Hospital's 800+ beds are consistently full, the state has twice denied HCA permission to add acute care beds. Those new beds have instead gone to Advent Health, which is using them to build a new hospital just north of Asheville. Over 200 more acute care beds are scheduled to

be awarded in 2026 and 2027, and the likelihood of those being awarded to HCA and Mission Hospital appears small. North Carolina is the third fastest growing state in the country, and HCA's mismanagement of Mission means it must forgo the opportunity to serve any of that growth. The requested report would show whether HCA is suffering similar reputational harm in other markets.

2. HCA's mis-management of Mission Hospital has led to increased potential legal liability.

The requested report on community perception and impact is vital to understanding legal exposure. In addition to the regulatory censures cited above, operations at Mission also triggered a lawsuit by the North Carolina Attorney General over HCA's failure to comply with conditions of Mission Health's sale. Community resentment also resulted in two anti-trust lawsuits, one by individuals and the other by local governments, and a suit for damages by Buncombe County, home to Mission Hospital. Nurses at Mission Hospital formed the first and only nurses' union in North Carolina, and recent firings of nurses raises the possibility of employment lawsuits. This "Asheville Liability" signals that HCA's current integration strategy creates systemic risk, inviting forensic scrutiny of billing practices and operational management.

RESPONSE TO HCA'S STATEMENT IN OPPOSITION

The Board's statement in opposition to the resolution mischaracterizes the resolution and is unpersuasive.

The Resolution is Not About Acquisition Strategy.

As a threshold matter, it is misleading for HCA to characterize the resolution as seeking shareholder influence over HCA's acquisition strategy. Indeed, the Proposal does not address HCA's acquisition strategy at all. Instead, it asks HCA to examine and report on the impact of its operations on surrounding communities following acquisitions.

The Request Is Not Overly Broad, Costly, or Impracticable, Nor Does It Seek To Change The Company's Ordinary Business Operations.

The proposed report is narrowly focused on four data points, over a set period of time. It is likely at least three of those data points are already being tracked, e.g. staffing ratios, physician departures, and patient satisfaction trends. To suggest this report poses an unnecessary burden undermines the principle of corporate accountability. A large healthcare entity should possess the data and analytical capabilities to assess the long-term consequences of its strategic acquisitions.

The Board mischaracterizes the requested report as an intrusion into ordinary business operations. While it does request information resulting from hospital operations, it does not seek to dictate changes to business operations based on that information. Indeed, in 2025, the SEC found that a virtually identical resolution transcended HCA's ordinary business operations and refused to allow HCA to exclude it. Information about operations that result in regulatory, legal, and reputational exposure that put patients at risk and threaten revenue streams, as they have at Mission Hospital, is exactly the kind of information the Patient Safety and Quality of Care Committee should consider. The information would likewise be valuable to shareholders rather than of "limited benefit", as the Board contends. These are precisely the types of risks institutional investors are obligated to monitor under modern stewardship standards.

Awards and Recognitions Do Not Address the Core Question.

While quality metrics and Healthgrades recognition are important, they do not nullify the repeated, serious

regulatory sanctions against the Mission Hospital. A hospital can provide excellent care in certain areas, as Mission Hospital does, *and* it can have major failures, as Mission Hospital also does. Without transparent, comparative data across other HCA hospitals, shareholders cannot determine if these issues are an anomaly or a systemic problem.

Existing Disclosures Are Inadequate.

Community investments, economic contributions, and general quality metrics do not address the resolution's focus: post-acquisition staffing, regulatory compliance patterns, operational changes, and patient safety outcomes. Large public companies routinely produce integration assessments, risk reviews, and human capital disclosures. The resolution calls for material, decision-useful information that could enable investors to understand whether HCA is appropriately managing risks associated with its hospital acquisitions and that current disclosures do not provide.

CONCLUSION

Patient safety failures, regulatory censure, multiple lawsuits, clinician attrition, inability to expand, and community backlash are leading indicators of future financial underperformance, not secondary concerns. Without transparent, standardized reporting on post-acquisition outcomes, investors are unable to properly assess the reputational, legal and financial risks, nor can they evaluate whether HCA's management of hospitals it acquires is sustainable, whether it is increasing long-term regulatory and reputational exposure, and whether governance oversight is sufficient at the Board level.

Importantly, this resolution is modest, reasonable, and constructive. It does not prescribe operational changes or seek to place shareholders in a position to influence acquisition strategy. It simply requests transparency so that shareholders can make informed decisions and exercise responsible oversight.

Voting in favor of this resolution sends a clear signal that institutional capital expects accountability, transparency, and disciplined governance — especially where patient safety and community trust are concerned. A vote **FOR** this resolution is a vote to learn whether repeated failures at Mission Hospital are isolated or indicative of broader issues in other locations. It reinforces that long-term shareholder value in healthcare depends on sustainable operations, not the mere acquisition of a hospital or system.

We respectfully urge you to vote **FOR** this resolution at HCA Healthcare's Annual Meeting. Thank you for your stewardship and consideration.

--

For questions, please contact Julie Mayfield, Reclaim Healthcare WNC (RHWNC), julievmayfield@gmail.com

**This is not a solicitation of authority to vote your proxy.
Please DO NOT send us your proxy card as it will not be accepted**