

October 29, 2020

Dear Investor:

We are writing to you as employees and on behalf of our colleagues at hospitals affiliated with Hospital Corporation of America (HCA) Healthcare (NYSE: HCA), the largest hospital system in the US.

We are writing to share information with HCA investors regarding the company's management failures in response to the COVID-19 crisis and to urge you to seek additional information from the company regarding these failures. We believe these failures are of serious concern to all HCA stakeholders. In this letter we will share details of the company's failure to value their most vital asset — their workers. We call attention to the potential impact of these failures on your investment in the company and offer suggestions for how to protect the long-term value of your investment in HCA on behalf of plan participants. As you will see in the information we share below, even though we as workers are at the core of the company's ability to operationalize their business, we believe we are not valued by company leadership.

We are particularly concerned that HCA's PPE protocols may be systemically putting lives at risk. Six months into the COVID-19 crisis, HCA is still not consistently providing life-saving PPE, and in some cases is instead forcing caregivers to utilize less reliable masks or to risk cross-contamination by re-using single-use PPE for multiple shifts.

These practices are not sustainable for us or our colleagues, as frontline nurses and caregivers. They are also not sustainable for our patients and the communities we serve, especially as nearly 200,000 people in the U.S. have died from COVID-19. We hope that after reading this letter you might be willing to meet with us to discuss these issues in more depth. We have included contact information at the end of this letter.

As Guardian and Kaiser Health News have documented, over 1300 healthcare workers in the US have died fighting COVID-19, disproportionately people of color and immigrants. Among our losses are several of our colleagues at HCA hospitals:

- In April 2020, our colleague, Registered Nurse Celia Yap Banago died days before her retirement after 40 years at Kansas City's HCA Research Medical Center, and other colleagues became ill after treating COVID-19 positive patients without adequate PPE. A colleague who treated the same patient and became ill said that patient was transferred to their floor from the emergency room with what appeared to be symptoms consistent with COVID-19. As it was not a COVID-19 floor, staff did not have access to personal protective equipment, which was only provided to the floors that worked with potential COVID-19 patients. "We didn't even have access to it," she said.
- After working without adequate PPE, at least two have died: Rosa Luna, a housekeeper of 25 years, and Sally Lara, a laboratory assistant who returned from retirement to serve in the pandemic.

- In August 2020, Registered Nurse Vincent de Jesus from HCA's Sunrise Medical Center in Nevada died after contracting COVID-19.
- Our colleagues from other HCA hospitals have tested positive for COVID, including workers in Houston and Kansas City.
- And HCA employees across the country have raised concerns publicly about inadequate PPE protocols and other workplace safety issues in the pandemic:
  - Becker's Hospital Review: Nurses union sends cease and desist letter to HCA rejecting new N95 respirator protocols (4/20/2020)
  - Focus Daily News: HCA Faces Backlash from Healthcare Workers Over PPE Access (5/1/2020)
  - CBS-12 News: Hospital workers say they need more PPE as coronavirus cases spike (6/26/2020)
  - Las Vegas Review Journal: Workers ask regulators to look into claims of unsafe conditions at 3 hospitals (8/14/2020)

As noted in a recent lawsuit, HCA has asked us to work without adequate personal protective equipment, including masks, gowns, hairnets, gloves, and facial shields; required employees to work despite having COVID-19 symptoms; pressured employees not to take precautionary measures against COVID-19 exposure, such as sanitization, if they hindered efficiency; ignored worker complaints about lack of PPE; had inadequate contact tracing, and pressured workers to ignore workplace-safety measures. HCA's troubling approach has become major news during the pandemic.

In addition to those stories that have been reported in the news, we want to share some personal stories from our colleagues:

- "Asking nurses who work the COVID floor to share gowns and recycle masks is unsafe. We deserve PPE and safe staffing to provide quality care to our patients and our communities." Karen Ballentyne, Registered Nurse, California
- "I have to wear the same mask for 12 hours and if I ask for another one it's a ruckus. I need to be careful. I have children at home and an elderly parent. I already had to get my husband and pregnant daughter tested for COVID-19 hope they are negative." Jennifer Aguilar, Surgical Tech, Texas
- "I work in the pharmacy department. We not only work with sterile environments that require PPE every day, but we also deliver medications to every single floor, including COVID 19 floors. Not having sufficient PPE not only elevates the department's risk of exposure, but also the entire hospital." Carla Garcia, Pharmacy Technician, Texas
- "My first assignment was to work for the environmental services department. I was given a cart with a bucket of soapy water and a few rags and told to go clean the emergency department. I did not know what chemicals were in the soapy bucket. I was not given any gloves or mask or hats or even any instruction on how I was supposed to clean the area. I went to my own surgical department and grab some gloves and masks and set off to go clean the emergency department." Linda White, Surgical Technologist, Florida
- "I want adequate PPE to protect my life and the life of my patients. Due to the shortage of PPE, some are forced to use their N95 mask for multiple days. I am frustrated,

especially when I see my coworkers get COVID-19. I had a pregnant coworker contract COVID-19.” Toni Baldie, Registered Nurse, Florida

The irony is that HCA has made hundreds of millions in profits.

The second quarter financial statements show that the company has cut back significantly on supply expenses: about \$1.75 billion, down from nearly \$2.2 billion in the same period last year<sup>1</sup> (a decrease of roughly 17%). We are astonished at this. We can tell you directly that we do not have enough N95 masks and other personal protective equipment; the personal stories we recounted above give you some specifics about these shortages. We think that the company’s financial statements show that they could *increase* their PPE purchasing. And we are concerned that the second quarter was so profitable in part because the company is not spending as much on PPE as it could. In other words, we worry that HCA’s short-term profits may be coming at the expense of essential frontline caregivers like ourselves and the health and safety of our patients, families and communities. We believe that this should be of concern (again) for all HCA stakeholders and may affect how you understand your fiduciary duty during the pandemic.

Given all of this, we want to offer some suggestions to you as investors about the kinds of questions you may want to ask HCA that can help protect us, all HCA workers, all HCA patients, and you, HCA investors.

For example, you may want to ask HCA management to provide investors with the following information and materials:

1. The total number of HCA employees who have tested positive for COVID-19 with detail by title, race, and ethnicity.
2. The total number of HCA employees who have died from COVID-19 with detail by title, race and ethnicity.
3. The company’s infectious disease prevention and control plan, including the company’s practices regarding hazard identification and assessment, employee training, and provision of personal protective equipment.
4. An assessment of the company’s current PPE supplies and expected available PPE for the duration of the pandemic.
5. An assessment of how the company has determined that the current and expected future PPE is adequate to protect its employees from COVID-19 infection, and specifically how the current and expected future PPE is adequate to implement the infectious disease control and prevention plan requested above in #3.

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<sup>1</sup> [https://s23.q4cdn.com/949900249/files/doc\\_financials/2020/Q2/PR-HCA-Reports-Second-Quarter-2020-Results.pdf](https://s23.q4cdn.com/949900249/files/doc_financials/2020/Q2/PR-HCA-Reports-Second-Quarter-2020-Results.pdf)

6. A detailed accounting of the company's supply expense decrease in the second quarter of 2020, as compared to the second quarter of 2019, ideally showing specific supply categories (especially PPE) and the expenditure amounts in each category.
7. Any modifications of senior executive compensation during the COVID-19 pandemic, including whether or not the company is incentivizing executives through specific COVID-19 metrics to protect patients, workers, and investors.

As the largest health system in the U.S., HCA's choices play an important role in our nation's critical public health needs at this time and investors should ensure that HCA takes necessary steps to protect essential frontline caregivers, patients, communities, and investors.

Thank you for your consideration. We believe all HCA stakeholders need to work together to protect the people of HCA in this critical time. We would very much welcome the opportunity to speak with you on these issues to ensure you have the information you need. If you would like to speak further with us, you may contact us at [HCAInvestorLetter@gmail.com](mailto:HCAInvestorLetter@gmail.com).

Sincerely,



Karen Ballentyne, California



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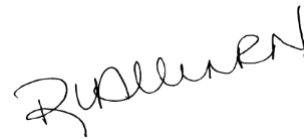
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cc: HCA leadership team; board