

TRIAD HOSPITALS INC
Form S-4/A
February 25, 2004
Table of Contents

As Filed with the Securities and Exchange Commission on February 25, 2004

Registration No. 333-112481

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TRIAD HOSPITALS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State of or other jurisdiction of incorporation or organization)

8062

(Primary Standard Industrial

Classification Code Number)

5800 Tennyson Parkway

Plano, Texas 75024

(214) 473-7000

75-2816101

(I.R.S. Employer

Identification No.)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Donald P. Fay, Esq.

Executive Vice President, General Counsel and Secretary

5800 Tennyson Parkway

Plano, Texas 75024

(214) 473-7000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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1301 Avenue of the Americas

New York, New York 10019-6092

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective time until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED FEBRUARY 25, 2004

PROSPECTUS

Triad Hospitals, Inc.

Offer to Exchange

\$600 million aggregate principal amount of registered

7% Senior Subordinated Notes due 2013

for any and all of a like principal amount of outstanding unregistered

7% Senior Subordinated Notes due 2013

We are offering to exchange 7% senior subordinated notes due 2013 that have been registered under the Securities Act of 1933, as amended, which we refer to as the exchange notes, for any and all of the \$600 million aggregate principal amount outstanding of our 7% senior subordinated notes due 2013 that were issued and sold by us on November 12, 2003 in a private offering exempt from registration under the Securities Act, which we refer to as the old notes.

Material Terms of this Exchange Offer

Expires 5:00 p.m., New York City time, on _____, 2004, unless extended.

Not subject to any condition other than that this exchange offer not violate applicable law or any applicable interpretation of the Staff of the Securities and Exchange Commission and certain other customary conditions.

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You may withdraw your tender of old notes at any time prior to the expiration of this exchange offer.

Affiliates of our company may not participate in this exchange offer.
The exchange of old notes should not be a taxable exchange for U.S. federal income tax purposes.

The terms of the exchange notes to be issued are substantially identical to the old notes, except for certain transfer restrictions and registration rights relating to the old notes.

We will not receive any proceeds from this exchange offer.

You may tender old notes only in denominations of \$1,000 and multiples of \$1,000.

We do not intend to apply for listing of the exchange notes on any securities exchange or to seek approval for quotation of the exchange notes through an automated quotation system.

Please refer to Risk Factors beginning on page 15 of this document for important information you should consider in connection with this exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be issued in this exchange offer or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated _____, 2004

Table of Contents

PROSPECTUS

TABLE OF CONTENTS

<u>Forward-Looking Statements</u>	1
<u>Prospectus Summary</u>	2
<u>Risk Factors</u>	16
<u>The Exchange Offer</u>	28
<u>Use of Proceeds</u>	39
<u>Capitalization</u>	39
<u>Selected Historical Financial Data</u>	40
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	43
<u>Business</u>	68
<u>Management</u>	87
<u>Description of Other Indebtedness</u>	92
<u>Description of the Notes</u>	94
<u>Book Entry; Delivery and Form</u>	130
<u>Plan of Distribution</u>	132
<u>Material U.S. Federal Income Tax Considerations</u>	133
<u>Legal Matters</u>	134
<u>Experts</u>	134
<u>Available Information</u>	134
<u>Information Not Required in Prospectus</u>	II-1

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus contains disclosures which are forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as may, believe, will, expect, project, estimate, anticipate or continue. See Summary, Risk Factors, Business Strategy and Management's Discussion and Analysis of Financial Condition and Results of Operations. These forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations and our future financial condition and results. These factors include, but are not limited to:

the highly competitive nature of the healthcare business;

the efforts of insurers and other payers, healthcare providers, and others to contain healthcare costs;

possible changes in Medicare, Medicaid and other government programs that may further limit reimbursements to healthcare providers;

changes in federal, state or local regulation affecting the healthcare industry;

the possible enactment of federal or state healthcare reform;

the ability to attract and retain qualified management and personnel, including physicians and nurses;

the departure of key executive officers from our company;

claims and legal actions relating to professional liabilities and other matters;

fluctuations in the market value of our common stock;

changes in accounting standards;

changes in general economic conditions or geopolitical events;

future acquisitions, joint venture developments or divestitures which may result in additional charges;

the ability to enter into managed care provider arrangements on acceptable terms;

the availability and terms of capital to fund the expansion of our business;

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changes in business strategy or development plans;

our ability to obtain adequate levels of general and professional liability insurance;

potential adverse impact of known and unknown government investigations; and

timeliness of reimbursement payments received under government programs.

As a consequence, current plans, anticipated actions and our future financial condition and results may differ from those expressed in any forward-looking statements made by or on behalf of our company. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented herein. We do not undertake any obligation to update publicly or revise any forward-looking statements.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus and may not contain all of the information that is important to you. This prospectus includes the specific terms of the exchange notes we are offering, as well as information regarding our business and detailed financial data. In this prospectus, the terms we, us, our, our company and Triad refer to Triad Hospitals, Inc. and its subsidiaries, except where it is clear from the context that such term means only Triad Hospitals, Inc. In addition, in this prospectus, unless the context otherwise requires, the term notes refers to both the old notes that are the subject of this exchange offer and the exchange notes that will be issued in exchange for old notes in this exchange offer. Information regarding HCA Inc. that is included in this prospectus is derived from reports and other information filed by HCA with the Commission.

About Our Company

Who We Are

We are one of the largest publicly owned hospital companies in the United States and provide healthcare services through hospitals and ambulatory surgery centers that we own and operate in small cities and selected urban markets primarily in the southern, midwestern and western United States. Our hospital facilities include 56 general acute care hospitals and 15 ambulatory surgery centers located in the states of Alabama, Alaska, Arizona, Arkansas, California, Indiana, Kansas, Louisiana, Mississippi, Missouri, Nevada, New Mexico, Ohio, Oklahoma, Oregon, South Carolina, Texas and West Virginia. Included among these facilities is one hospital operated through a 50/50 joint venture that is not consolidated for financial reporting purposes, two hospitals under construction, two hospitals that we lease to a third party and four hospitals designated as held for sale. We are also a minority investor in three joint ventures that own seven general acute care hospitals in Georgia and Nevada. Through our wholly-owned subsidiary, Quorum Health Resources, LLC, referred to as QHR, we also provide management and consulting services to independent general acute care hospitals located throughout the United States. For the year ended December 31, 2002, we had revenues, EBITDA and net income of \$3,541.1 million, \$538.1 million and \$141.5 million, respectively, and for the nine months ended September 30, 2003, we had revenues, EBITDA and net income of \$2,890.3 million, \$390.0 million and \$95.7 million, respectively.

What We Do

Our general acute care hospitals typically provide a full range of services commonly available in hospitals, such as internal medicine, general surgery, cardiology, oncology, neurosurgery, orthopedics, obstetrics, diagnostic and emergency services. Our hospitals also generally provide outpatient and ancillary healthcare services such as outpatient surgery, laboratory, radiology, respiratory therapy, cardiology and physical therapy. Outpatient services also are provided by ambulatory surgery centers that we operate. In addition, some of our general acute care hospitals have a limited number of licensed psychiatric beds and provide psychiatric skilled nursing services.

In addition to providing capital resources and general management, we make available a variety of management services to our healthcare facilities. These services include ethics and compliance programs, national supply and equipment purchasing and leasing contracts, accounting, financial and clinical systems, governmental reimbursement assistance, information systems, legal support, personnel management, internal audit, access to regional managed care networks, resource management, and strategic and business planning.

Table of Contents

Our Mission

Our mission is to continuously improve the quality of healthcare services provided to the communities we serve by creating an environment that fosters physician participation, recognizes the value and contributions of our employees and strives to meet the unique healthcare needs of our local communities. Our objective is to provide quality healthcare services to our communities, while simultaneously generating strong financial performance and appropriate returns to our investors, through disciplined and balanced execution of a comprehensive business strategy that reinforces both quality of care and financial strength.

Our Business Strategy

Our business strategy combines an operating strategy devoted to working with providers, employees and communities and a capital strategy devoted to investing capital in a disciplined manner into internal and external development projects that enhance patient care and provide appropriate returns to our investors. We believe our business strategy differentiates us from many peers and competitors.

Our Operating Strategy

The foundation of our operating strategy is to work cooperatively and collaboratively with physicians, communities and employees in a manner that benefits all constituents. We actively involve local providers, local community leaders and our own employees in our critical decision making in order to enhance the quality of physicians' practices, the quality of the healthcare environment in each community and the professional satisfaction of our employees. We believe this strategy results in increased volumes, rates and operating margins, and in external development opportunities with not-for-profit hospitals attracted to our operating strategy. Our collaborative operating strategy has several components:

Actively involve healthcare providers in decision making. We believe that working cooperatively and collaboratively with physicians to develop and maintain strong, mutually beneficial relationships with them leads to improved physician satisfaction, resource management and quality of care. We believe that this results in higher volumes, rates and operating margins and in external development opportunities. To reinforce the collaboration, we have established in each market a Physician Leadership Group, or PLG, consisting of leading physicians who practice at our local hospitals. Each PLG meets monthly with corporate and hospital management to establish local priorities and address physician concerns. A national Physician Leadership Group, consisting of representatives from the local PLGs, meets regularly with members of our corporate management to address broader corporate and national objectives. Our corporate management includes a team of experienced physicians who focus entirely on maintaining our physician relations. We also believe the PLGs generate and facilitate external development opportunities as more physicians and not-for-profit-hospitals are able to learn through physician word-of-mouth about our operating strategy of working collaboratively with providers.

Similarly, we believe that working cooperatively and collaboratively with our nurses and other employees to develop and maintain strong, mutually beneficial relationships with them leads to improved satisfaction, morale and retention of our employees, as well as better quality of care for our patients. We believe that this leads to higher patient satisfaction, volumes, rates and operating margins. In each of our markets, we have a Nursing Leadership Group, or NLG, chaired by the facility Chief Nursing Officer and comprising facility nurses who work with corporate and hospital management to establish local priorities and company-wide best practices for nursing care. A national Nursing Leadership Group, consisting of representatives from the local NLGs, addresses broader corporate and national objectives with members of our corporate management team. We have also created Departmental Operations Committees that address key clinical and support functions represented by specific hospital departments, including radiology, dietary and plant operations. Members, chosen for their leadership qualities demonstrated at our facilities, meet regularly to share best practices and

other initiatives, both locally and nationally.

Table of Contents

Actively involve communities in decision making. Our community philosophy is a simple one: our stockholders own the bricks and mortar, but the hospitals effectively belong to the communities we serve. We seek to have each community embrace its hospital as an important local asset in order to make the facility successful. To that end, we have local Boards of Trustees consisting solely of local physicians and community leaders. We empower each local Board of Trustees with responsibilities related to strategic and capital planning and overall supervision of the quality of care provided to the community. By involving local communities in key decisions affecting their hospitals, we believe we can achieve higher volumes, rates and operating margins.

Actively partner with not-for-profit hospitals. An integral part of our operating strategy is to be a preferred partner for the not-for-profit hospitals that comprise approximately 85% of the nation's acute care hospitals. For not-for-profit hospitals, we offer three alternatives for potentially improving their performance: contract management, consulting services and capital partnership. We believe that these relationships can result in attractive growth opportunities that are consistent with, and that reinforce, the other components of our business strategy.

We provide management and consulting services through our QHR subsidiary to over 200 not-for-profit hospitals in the United States. These are typically independent hospitals in rural communities who we believe benefit from the management infrastructure QHR provides, infrastructure that they might not otherwise afford on their own.

We also provide an attractive alternative to any not-for-profit hospital that needs capital. We can either buy its hospital or partner with it in a joint venture, often for the purpose of developing a new or replacement hospital for the community. We believe we often have a competitive advantage over some of our peers and competitors in buying or partnering with not-for-profit hospitals as a result of:

our operating strategy of working cooperatively and collaboratively with physicians, employees and communities, which appeals to many not-for-profits;

our QHR management subsidiary's relationship and reputation with leading not-for-profits nationwide; and

our flexibility regarding shared governance and ownership with not-for-profits through joint ventures with those who prefer to retain some ownership rather than sell.

Our Capital Strategy

Our capital strategy consists of the disciplined investment of capital for routine maintenance projects as well as internal and external development projects intended to grow volumes, rates and operating margins. Except for routine maintenance projects, our capital projects are typically projected to generate a return greater than the weighted average cost of capital for that project. We are, however, willing to trade short-term returns for longer-term returns that we believe will be superior.

For existing facilities, we currently expect to spend approximately \$115 to 125 million annually on routine maintenance capital expenditures for structural and cosmetic repairs at our facilities. We also identify and invest in expansion opportunities where we perceive that demand is not being adequately met due to population growth or insufficient existing healthcare services. Expansion opportunities may include adding beds, adding operating rooms or introducing specialty services in order to meet demand and decrease outmigration.

For external development, we pursue acquisition opportunities, but only selectively and opportunistically. In situations where sellers are concerned solely with obtaining the highest price, especially in an auction, we generally do not have a competitive advantage over others and thus generally do not prevail.

Table of Contents

However, in situations where sellers also place value on our collaborative culture and strategy, we believe we often have a competitive advantage and sometimes can prevail, even in an auction, and even when we may not submit the highest financial offer. We also build new hospitals, either on our own or in partnership with not-for-profit hospitals, especially in small-city markets with populations of 50,000-200,000 and in other markets that tend to be most receptive to our strategy of working collaboratively with providers and communities. We also build replacement facilities for existing facilities, usually by becoming a capital partner with a not-for-profit hospital that lacks capital to rebuild an old or aging facility but has a favorable clinical reputation and market position.

Our principal executive offices are located at 5800 Tennyson Parkway, Plano, Texas 75024, and our phone number is (214) 473-7000. Our corporate website address is <http://www.triadhospitals.com>. Information contained on our website is not part of this prospectus.

Recent Operating Results

On February 23, 2004, we announced consolidated financial results for the three months and year ended December 31, 2003.

For the three months and year ended December 31, 2003, we reported revenues of \$1.05 billion and \$3.87 billion, respectively, diluted earnings (loss) per share after discontinued operations of \$(0.01) and \$1.26, respectively, and diluted earnings per share from continuing operations of \$0.03 and \$1.32, respectively. Our earnings per share include refinancing transaction costs of \$39.9 million (\$24.9 million after tax) related to our refinancing of \$325 million in 11% senior subordinated notes with \$600 million in 7% senior subordinated notes, and a non-cash impairment of fixed assets of \$16.3 million (\$10.2 million after tax) related to Alice Regional Hospital. We signed a definitive agreement on February 20, 2004 to sell this facility for an undisclosed amount that is \$16.3 million less than the carrying value of the hospital's fixed assets, and we expect to consummate the transaction by April 30, 2004. Accordingly, we recorded an impairment as of December 31, 2003 to reflect the fair market value now implied by the expected sales price. For the three months and year ended December 31, 2003, we still reported Alice in continuing operations because we had not decided to sell by December 31, 2003. For 2004, we expect to begin reporting Alice in discontinued operations, with prior periods reclassified. We expect the reclassification to have no significant impact on 2004 diluted earnings per share from continuing operations. For the three months and year ended December 31, 2003, we reported in discontinued operations, with prior periods reclassified, the results from Cambio Health Solutions, LLC, El Dorado Hospital, and Medical Center at Terrell. We had already completed or made decisions prior to December 31, 2003 to complete the divestiture of those assets.

For the three months ended December 31, 2003, on a same-facility basis compared to the prior year three month period, inpatient admissions increased 7.2%, adjusted admissions increased 8.2%, inpatient surgeries increased 4.1%, patient revenue per adjusted admission increased 4.3%, patient revenues increased 12.8%, and revenues increased 11.8%. Same-facility results included facilities owned for the full fourth quarter of both years.

For the three months and year ended December 31, 2003, cash flow from operating activities was \$70.9 million (after cash interest and tax of \$59.0 million) and \$363.8 million (after cash interest and tax of \$136.4 million), respectively. We spent \$98.2 million and \$281.1 million on capital expenditures during the three months and year ended December 31, 2003, respectively, and \$185.3 million on acquisitions during both periods. We also paid debt principal of \$488.8 million during the quarter and \$539.5 million during the year, in each case including \$320.8 million of the 11% senior subordinated notes and \$150 million of our tranche A and tranche B bank debt, with some of the proceeds from the issuance of the \$600 million in 7% senior subordinated notes. At December 31, 2003, cash and cash equivalents were \$15.2 million, and we had \$221 million available under our \$250 million revolving credit facility which was reduced by \$29 million of outstanding letters of credit. Long-term debt outstanding was \$1.76 billion and stockholders' equity totaled \$2.08 billion at December 31, 2003.

Table of Contents

During the first quarter of 2004, we expect to report a pre-tax gain of approximately \$82 million (\$0.62 after-tax impact to earnings per share) on the sale of two hospitals and three ambulatory surgery centers in the Kansas City area to HCA. We signed a definitive agreement on January 30, 2004, to sell the facilities for approximately \$136 million, based on HCA's exercise of a call option. The sale will result in elimination annually of approximately \$18 million in cash flow from operations (rental revenue) and approximately \$5 million in depreciation expense. For the three months and year ended December 31, 2003, we still reported operating results from these facilities in continuing operations because we had not reached a definitive agreement before December 31, 2003. However, for 2004, we will report Kansas City, including both the \$82 million gain and the operating results, in discontinued operations, with prior periods reclassified.

Table of Contents

Summary of the Exchange Offer

Background	On November 12, 2003, we issued \$600 million aggregate principal amount of 7% Senior Subordinated Notes due 2013 in a private offering. These old notes were not registered under the Securities Act. In connection with the offering of the old notes, we entered into a registration rights agreement with the initial purchasers of the old notes, dated November 12, 2003, which we refer to as the registration rights agreement, in which we agreed to offer to exchange your old notes for new notes which have been registered under the Securities Act. This exchange offer is intended to satisfy that obligation.
Securities Offered	\$600,000,000 aggregate principal amount of 7% Senior Subordinated Notes due 2013 which we have registered under the Securities Act.
Issuer	Triad Hospitals, Inc.
The Exchange Offer	We are offering to exchange \$1,000 principal amount of exchange notes for each \$1,000 principal amount of your old notes. The terms of the old notes and the exchange notes are identical in all material respects, except that the exchange notes do not restrict transfer and do not include exchange or registration rights. After this exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your old notes. Under limited circumstances, certain holders of outstanding old notes may require us to file a shelf registration statement under the Securities Act. As of this date, there is \$600 million aggregate principal amount of old notes outstanding.
Required Representations	<p>In order to participate in this exchange offer, you will be required to make certain representations to us in a letter of transmittal, including that:</p> <ul style="list-style-type: none">any exchange notes will be acquired by you in the ordinary course of your business;you have no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes; andyou are not our affiliate as defined under Rule 405 of the Securities Act.
Resale	<p>Based upon the existing interpretations of the staff of the Commission as described in several no-action letters to other issuers regarding similar exchange offers, we believe that the exchange notes issued in this exchange offer can be freely traded by you without compliance with the registration and prospectus delivery provisions of the Securities Act provided that:</p> <ul style="list-style-type: none">the exchange notes issued in this exchange offer are being acquired in the ordinary course of your business;

Table of Contents

you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in the distribution of the notes issued to you in this exchange offer; and

you are not our affiliate as defined under Rule 405 of the Securities Act.

If our belief is inaccurate and you transfer any exchange note issued to you in this exchange offer without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes from such requirements, you may incur liability under the Securities Act. We do not assume, or indemnify you against, such liability.

Each participating broker-dealer that is issued exchange notes in this exchange offer for its own account in exchange for old notes which were acquired by such participating broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes issued in this exchange offer. We have agreed in the registration rights agreement that a participating broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in this exchange offer.

We do not intend to apply for listing of the exchange notes on any securities exchange or to seek approval for quotation of the exchange notes through an automated quotation system. Accordingly, there can be no assurance that an active market will develop upon completion of this exchange offer or, if developed, that such market will be sustained or as to the liquidity of any market.

Expiration Date

This exchange offer will expire at 5:00 p.m., New York City time, on _____, 2004, unless extended, in which case the term expiration date shall mean the latest date and time to which we extend this exchange offer.

Conditions to the Exchange Offer

This exchange offer is subject to certain customary conditions, which may be waived by us. This exchange offer is not conditioned upon any minimum principal amount of old notes being tendered.

Procedures for Tendering Your Old Notes

If you wish to tender your old notes for exchange pursuant to this exchange offer, you must do one of the following on or before the expiration date:

make a book-entry transfer of your old notes into the exchange agent's account at The Depository Trust Company

Table of Contents

and either transmit a properly completed and duly executed letter of transmittal, which accompanies this prospectus, or a manually signed facsimile of the letter of transmittal, together with any other required documentation, to the exchange agent at the address set forth in this prospectus under "The Exchange Offer" Exchange Agent, and on the front cover of the letter of transmittal, or transmit a computer generated message transmitted by means of The Depository Trust Company's Automated Tender Offer Program system and received by the exchange agent and forming a part of a confirmation of book entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; or

transmit the certificates for your old notes and a properly completed and duly executed letter of transmittal, or a manually signed facsimile of the letter of transmittal, together with any other required documentation, to the exchange agent.

If either of these procedures cannot be satisfied on a timely basis, then you should comply with the guaranteed delivery procedures described below.

By executing the letter of transmittal, each holder of notes will make representations to us described under "The Exchange Offer" Procedures for Tendering.

Special Procedures for Beneficial Owners

If you are a beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old notes in this exchange offer, you should contact such registered holder promptly and instruct such registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your old notes, either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the registered holder.

The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

Guaranteed Delivery Procedures

If you wish to tender your old notes and time will not permit the documents required by the letter of transmittal to reach the exchange agent prior to the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you must tender your old notes according to the guaranteed delivery procedures described under "The Exchange Offer" Procedures for Tendering" Guaranteed Delivery Procedures.

Table of Contents

Acceptance of Old Notes and Delivery of Exchange Notes

Subject to the conditions described under The Exchange Offer Conditions to the Exchange Offer, we will accept for exchange any and all old notes which are validly tendered in this exchange offer, and not withdrawn, prior to the expiration date. We will issue the exchange notes as soon as practicable after the expiration date.

Withdrawal Rights

You may withdraw the tender of your old notes at any time prior to the expiration date, subject to compliance with the procedures for withdrawal described in this prospectus under The Exchange Offer Withdrawal Rights.

U.S. Federal Income Tax Considerations

For a summary of material federal income tax considerations relating to the exchange of old notes for exchange notes, see Material U.S. Federal Income Tax Considerations.

Exchange Agent

Citibank, N.A., the trustee under the indenture governing the notes, is serving as the exchange agent. The address, telephone number and facsimile number of the exchange agent are set forth in this prospectus under The Exchange Offer Exchange Agent.

Consequences of Failure to Exchange Old Notes

If you do not exchange your old notes for exchange notes pursuant to this exchange offer, you will continue to be subject to the restrictions on transfer provided in the old notes and in the indenture governing the notes. In general, the old notes may not be offered or sold, unless they are registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently intend to register the old notes under the Securities Act. See Risk Factors. If you fail to exchange your old notes, they will continue to be restricted securities and may become less liquid.

Table of Contents

Summary of Terms of the Notes

The exchange notes are identical in all material respects to the old notes, except that the exchange notes will no longer contain transfer restrictions and holders of exchange notes will no longer have registration rights. The exchange notes will evidence the same debt as the old notes, which they replace, and will be governed by the same indenture.

Issuer	Triad Hospitals, Inc.
Notes	\$600,000,000 aggregate principal amount of 7% Senior Subordinated Notes due 2013.
Maturity	November 15, 2013
Interest Payment Dates	May 15 and November 15, commencing on May 15, 2004.
Ranking	<p>The notes are unsecured senior subordinated indebtedness. The notes rank senior in right of payment to any of our future subordinated indebtedness, equal in right of payment with any of our existing and future senior subordinated indebtedness and subordinated in right of payment to any of our existing and future senior indebtedness. In addition, the notes are effectively subordinated to our current and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, and all existing and future indebtedness and other liabilities of our subsidiaries.</p> <p>As of September 30, 2003, after giving effect to the offering of the old notes and the use of proceeds therefrom, we would have had approximately \$1,172.4 million of senior indebtedness including \$568.0 million of secured indebtedness and approximately \$4.4 million of indebtedness of our subsidiaries, excluding guarantees of other indebtedness of ours.</p>
Optional Redemption	<p>Prior to November 15, 2008, we may redeem all or any portion of the notes at a redemption price equal to 100% of principal amount plus the Applicable Redemption Premium described in this prospectus, plus accrued and unpaid interest to the redemption date. We may redeem the notes, in whole or in part, at any time on or after November 15, 2008 at our option at the redemption prices set forth herein under Description of the Notes Optional Redemption, plus accrued and unpaid interest to the redemption date.</p>
Optional Redemption Upon Equity Offerings	<p>On or before November 15, 2006, we may redeem up to 35% of the notes with the net proceeds of certain equity offerings at 107% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, if at least 65% of the aggregate principal amount of the originally issued notes remain outstanding. See Description of the Notes Redemption Optional Redemption.</p>

Table of Contents

Certain Covenants

The indenture governing the notes contains certain covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to:

incur additional indebtedness;

sell assets;

enter into certain transactions with affiliates;

make certain restricted payments such as investments and dividends on or purchases of our capital stock; or

merge or consolidate with or transfer all or substantially all of our assets to another entity.

Change in Control

Upon a change in control of our company, we will be required to offer to repurchase the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase. Our ability to repurchase the notes upon a change in control will be limited by the terms of our debt agreements. In addition, we cannot assure you that we will have the financial resources to repurchase the notes. See Description of the Notes Certain Covenants Purchase of Notes upon a Change in Control.

Use of Proceeds

We will not receive any net proceeds from this exchange offer.

Risk Factors

You should carefully consider all of the information in this prospectus. In particular, you should evaluate the specific risk factors under Risk Factors, which begins on page 15, for a discussion of certain risks that should be considered by investors in connection with this exchange offer.

Table of Contents**Summary Historical Information**

We derived our summary historical financial information presented below from our historical financial statements. In the opinion of our management, the summary financial information as of and for each of the nine-month periods ended September 30, 2002 and September 30, 2003 reflects all adjustments, which consist only of normal recurring adjustments, necessary to present fairly our financial position and results of operations as of the applicable dates and for the applicable periods. Historical results are not necessarily indicative of the results to be expected in the future. In addition, interim results may not be indicative of the results to be expected in the future.

The information included in this section should be read in conjunction with our selected historical financial data included elsewhere in this prospectus and the historical consolidated financial statements and related notes contained in the annual report, and other information, that we have filed with the Commission and that are incorporated by reference in this prospectus. See Available Information for information on where you can obtain copies of information we have filed with the Commission.

	As of and for the Year Ended December 31,					As of and for the Nine Months Ended September 30,	
	1998	1999	2000	2001	2002	2002	2003
(in millions, except per share and statistical data)							
Summary of Operations:							
Revenues	\$ 1,588.7	\$ 1,329.1	\$ 1,235.5	\$ 2,669.5	\$ 3,541.1	\$ 2,622.1	\$ 2,890.3
Income (loss) from operations (a)	(85.5)	(95.6)	4.4	6.0	141.5	105.8	95.7
Net income (loss) (a)(b)	(87.1)	(95.6)	4.4	2.8	141.5	105.8	95.7
Financial Position:							
Assets	\$ 1,371.3	\$ 1,341.1	\$ 1,400.5	\$ 4,165.3	\$ 4,381.6	\$ 4,354.3	\$ 4,483.7
Long-term debt, including amounts due within one year	14.3	555.4	590.7	1,773.8	1,692.0	1,708.0	1,642.0
Intercompany balances payable to HCA	613.7						
Working capital	184.9	187.6	191.9	381.0	399.2	415.6	398.1
Capital expenditures	114.9	132.7	94.4	200.6	296.6	225.0	182.9
Stockholders' equity	500.7	559.9	573.7	1,731.5	1,954.5		