



# 2009 Investor Day

**Tenet Healthcare Corporation**

Dallas, Texas

June 2, 2009

# Forward-looking Statements

Some of the statements in today's presentations are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements represent our current belief as to future events or results. Actual events or results, however, may differ significantly due to many factors, including: (i) a reduction in payments we receive from managed care payers; (b) changes in the Medicare and Medicaid programs or other government health care programs, including modifications to patient eligibility requirements, funding levels or the method of calculating payments or reimbursements; (c) volumes of uninsured and underinsured patients, and our ability to satisfactorily and timely collect our patient accounts receivable; (d) competition; (e) our ability to attract and retain employees, physicians and other health care professionals; (f) changes in, or our ability to comply with, laws and government regulations; (g) the effect on our business of the recent worldwide financial and credit crisis; (h) our relative leverage and the amount and terms of our indebtedness; (i) our ability to save or control costs or streamline operations; (j) the ultimate resolution of claims, lawsuits and investigations; (k) adverse fluctuations in interest rates and other risks related to interest rate swaps or any other hedging activities we undertake; and (l) other risks and uncertainties discussed in our filings with the Securities and Exchange Commission, which risks and uncertainties are incorporated herein by reference. Do not rely on any forward-looking statement, as we cannot predict or control many of the factors that ultimately may affect our ability to achieve the results estimated. We make no promise to update any forward-looking statement, whether as a result of changes in underlying factors, new information, future events or otherwise.

## Non-GAAP Information

The presentations at today's conference may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented at today's conference, see our earnings release for the quarterly period ended March 31, 2009 and the financial tables attached thereto, which are available, together with today's presentations, on the investor center section of our website at [www.tenethealth.com](http://www.tenethealth.com).





# Introduction & Overview

**Trevor Fetter**

President & Chief Executive Officer

Dallas, Texas

June 2, 2009

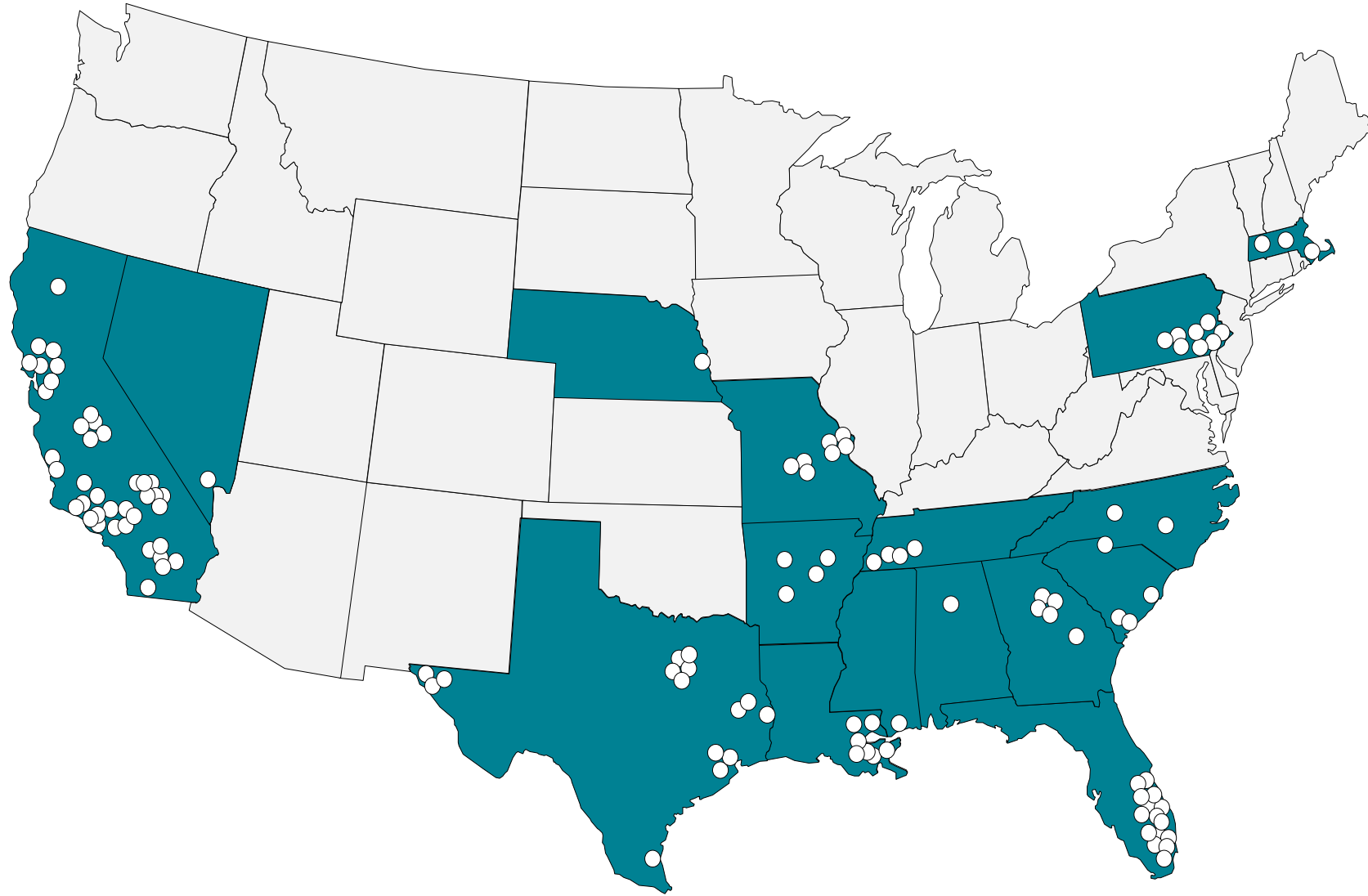
# Tenet Today

- Legacy issues have been resolved
- Hospital portfolio has been rationalized
- Launched and implemented key operational initiatives
- Financial metrics have positive trends
- Revitalized outpatient business & launched innovative services business
- Well-positioned for the future

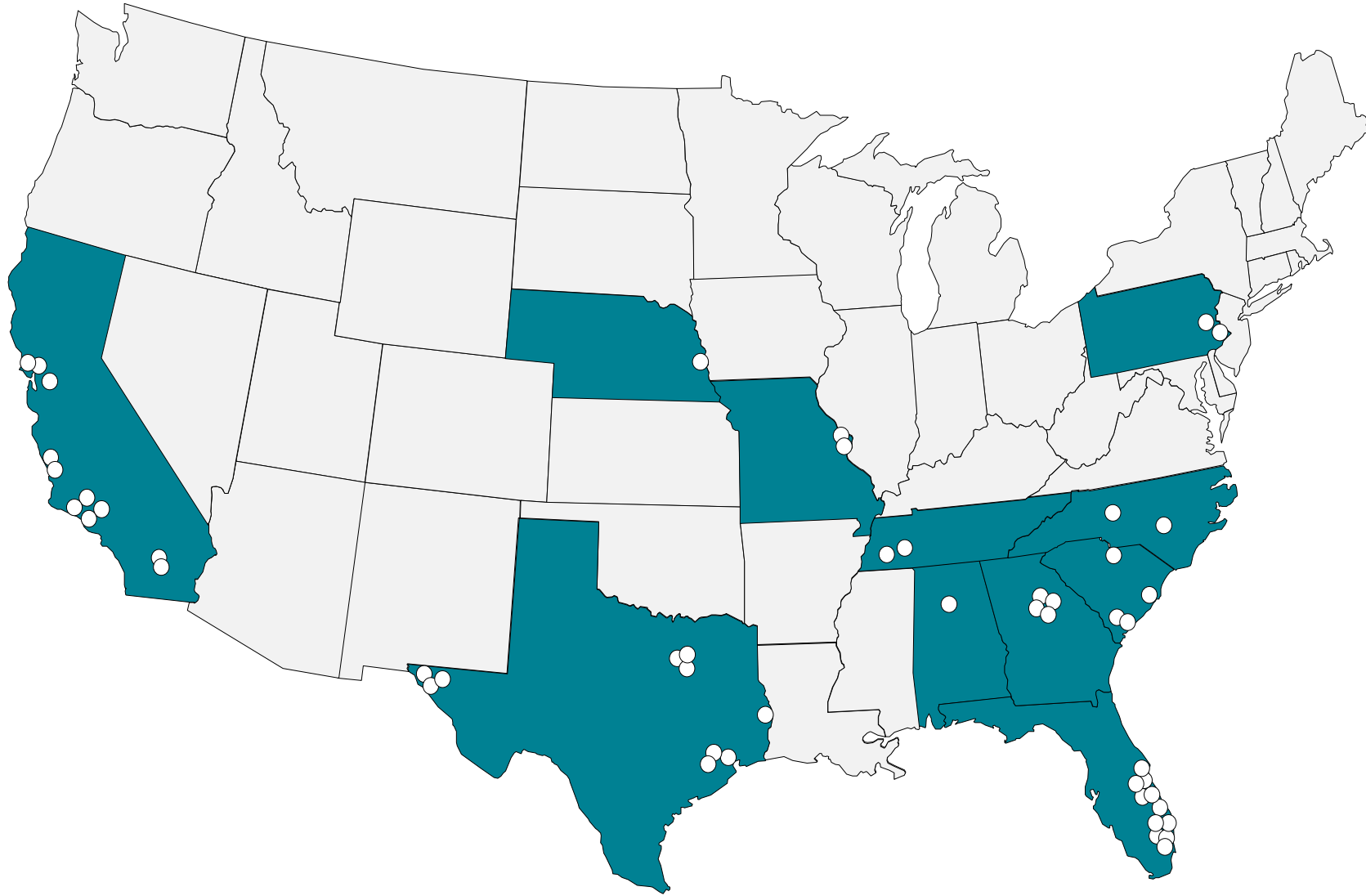
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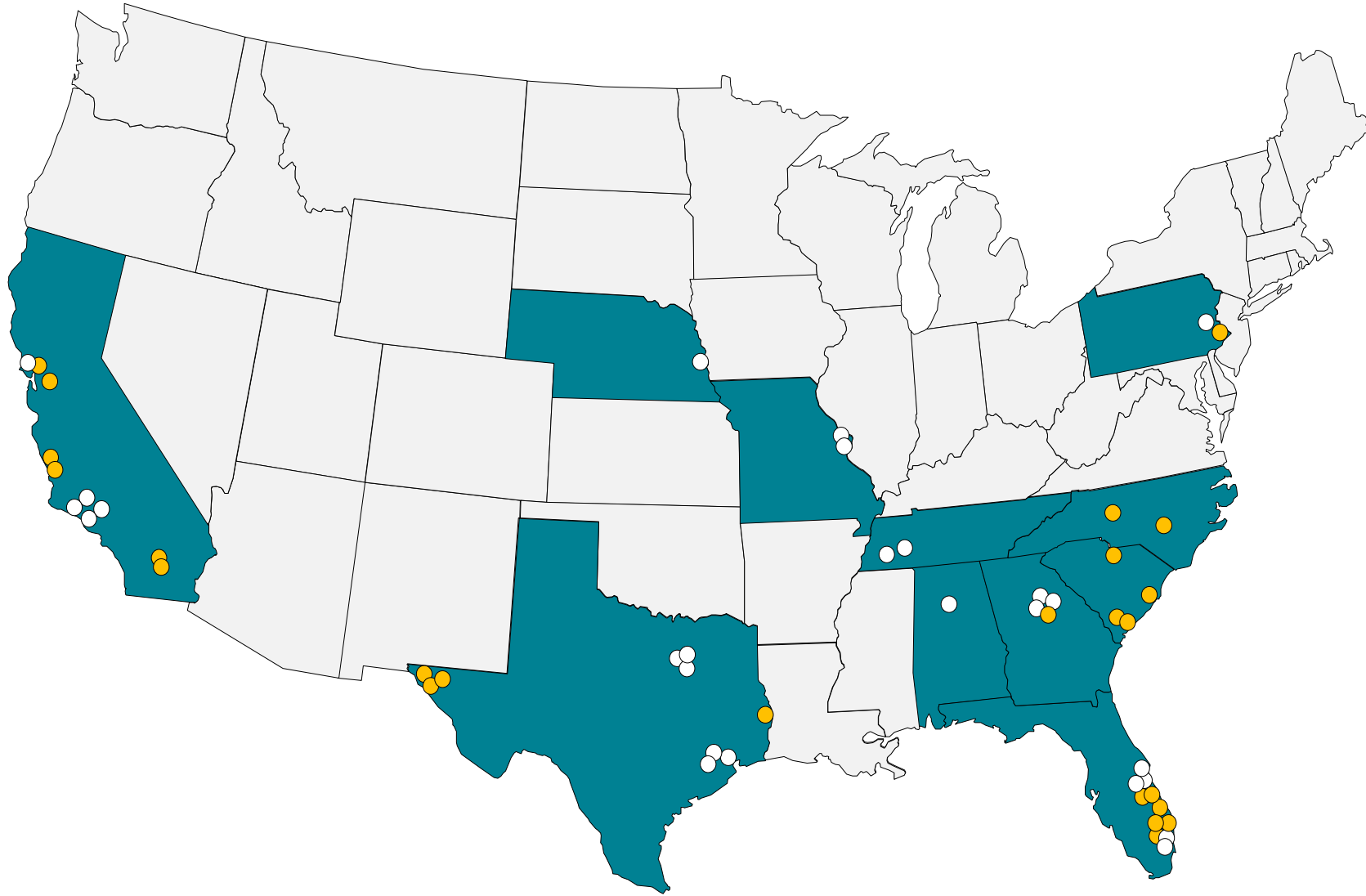
# Tenet Portfolio – 2003



# Tenet Portfolio – Today



# Tenet Portfolio – #1 or #2 in the Market



# Tenet Portfolio – Quality Designations

- **UnitedHealth Premium Specialty Center Designations**
  - 34 hospitals received a total of 97 designations
- **Blue Cross and Blue Shield National Blue Distinction Centers**
  - 18 designations
- **CIGNA Centers of Excellence**
  - 38 hospitals received a total of 214 designations
- **United Resource Network Centers of Excellence**
  - 12 designations

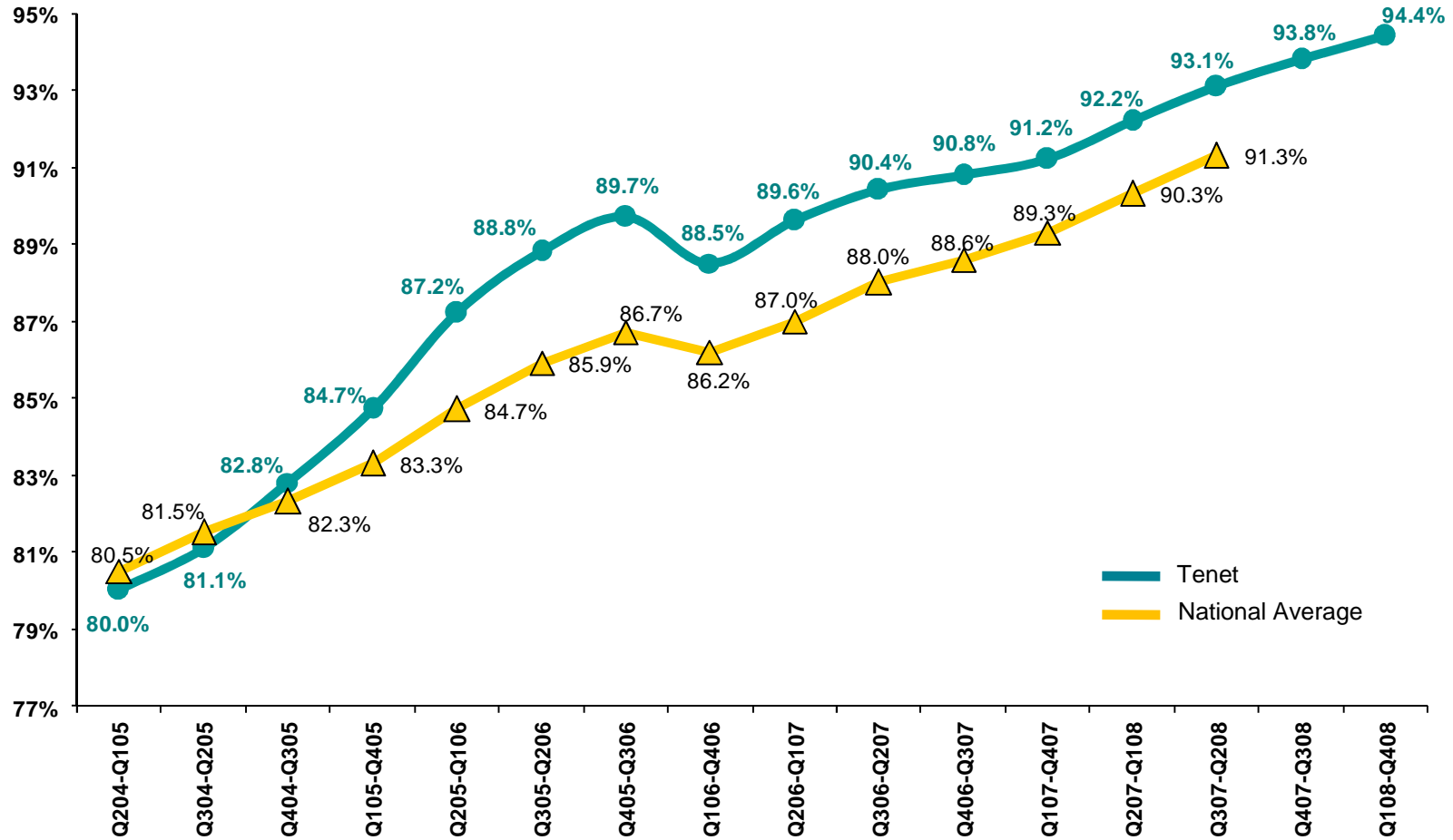
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C2Q

# Outstanding Performance on Core Measures

CMS Hospital Compare Core Measures  
(AMI, HF, PN, SCIP)

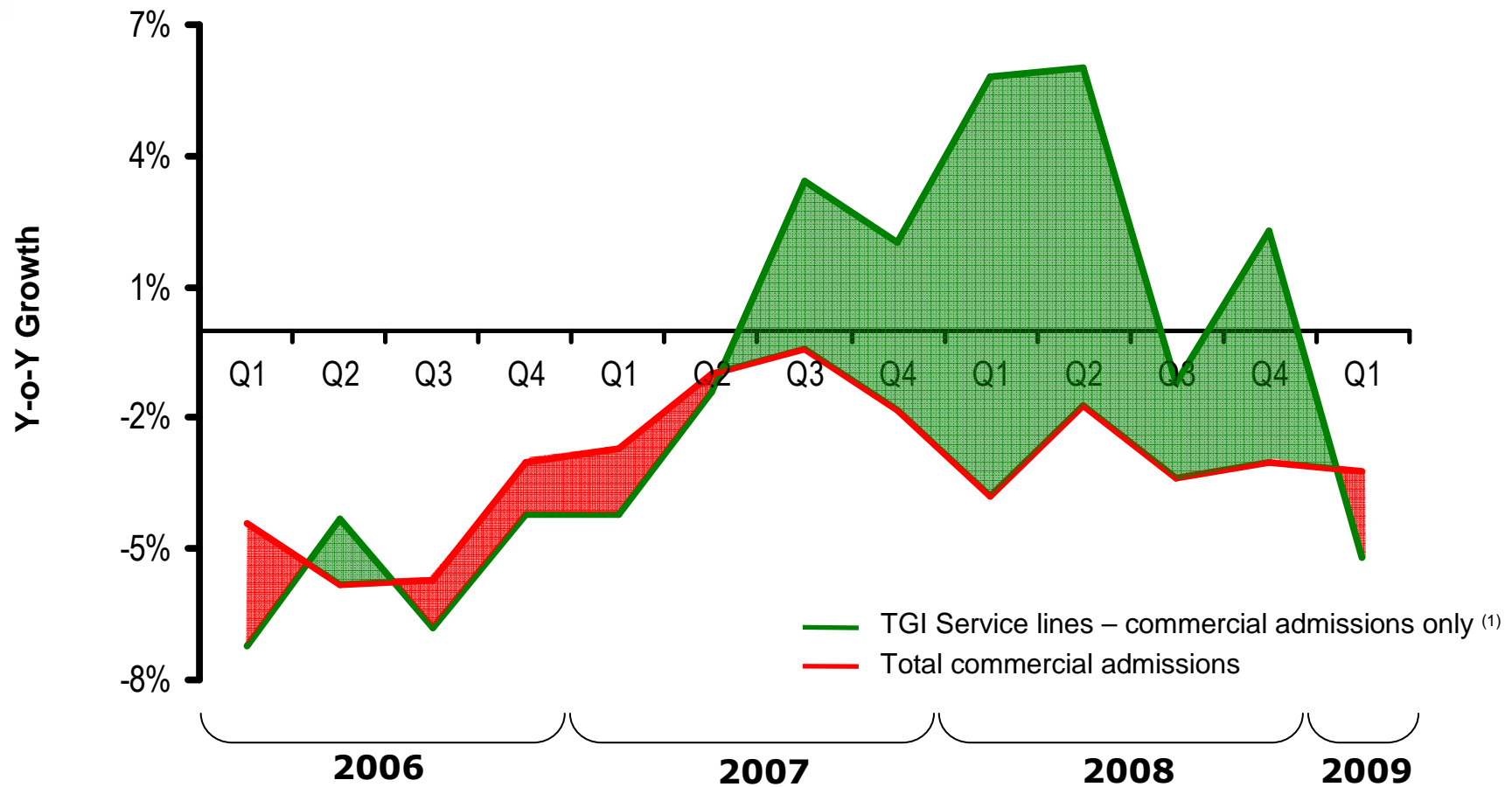


Source: CMS Hospital Compare website.



TGI

# TGI Commercial Admissions Growth Relative to Total Commercial Admissions Growth

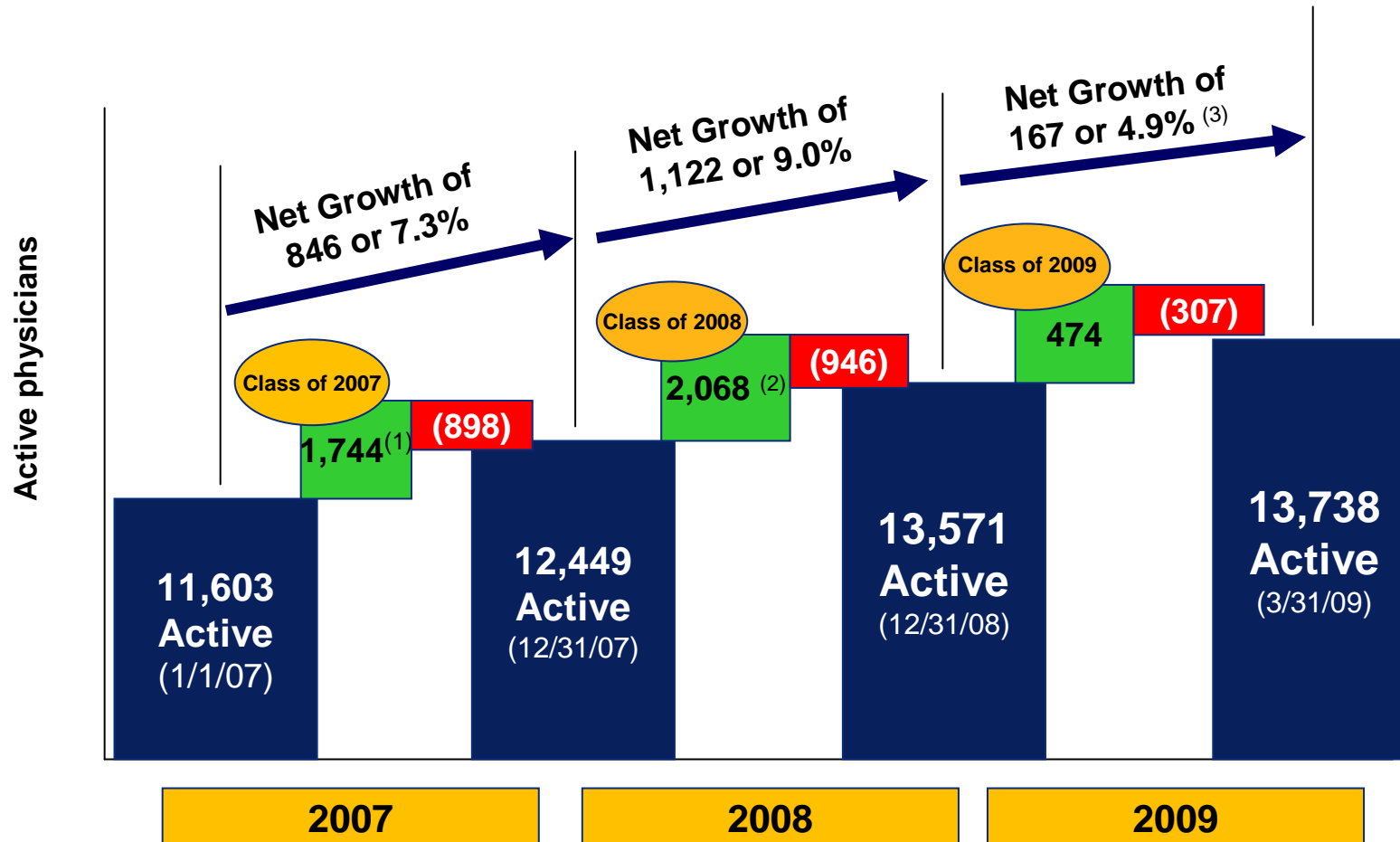


(1) Data represents commercial admissions growth in 7 service lines which are typically emphasized by TGI: general surgery, major trauma, neonatal, neurological medicine, neurosurgery, open heart and orthopedic surgery

PRP

# Physician Recruiting Efforts Building Foundation for Growth

18.4% net growth in active physicians since Jan. 1, 2007



(1) Includes 166 physicians with existing privileges at other Tenet hospitals, primarily in El Paso

(2) Includes 103 physicians with existing privileges at other Tenet hospitals, primarily in El Paso

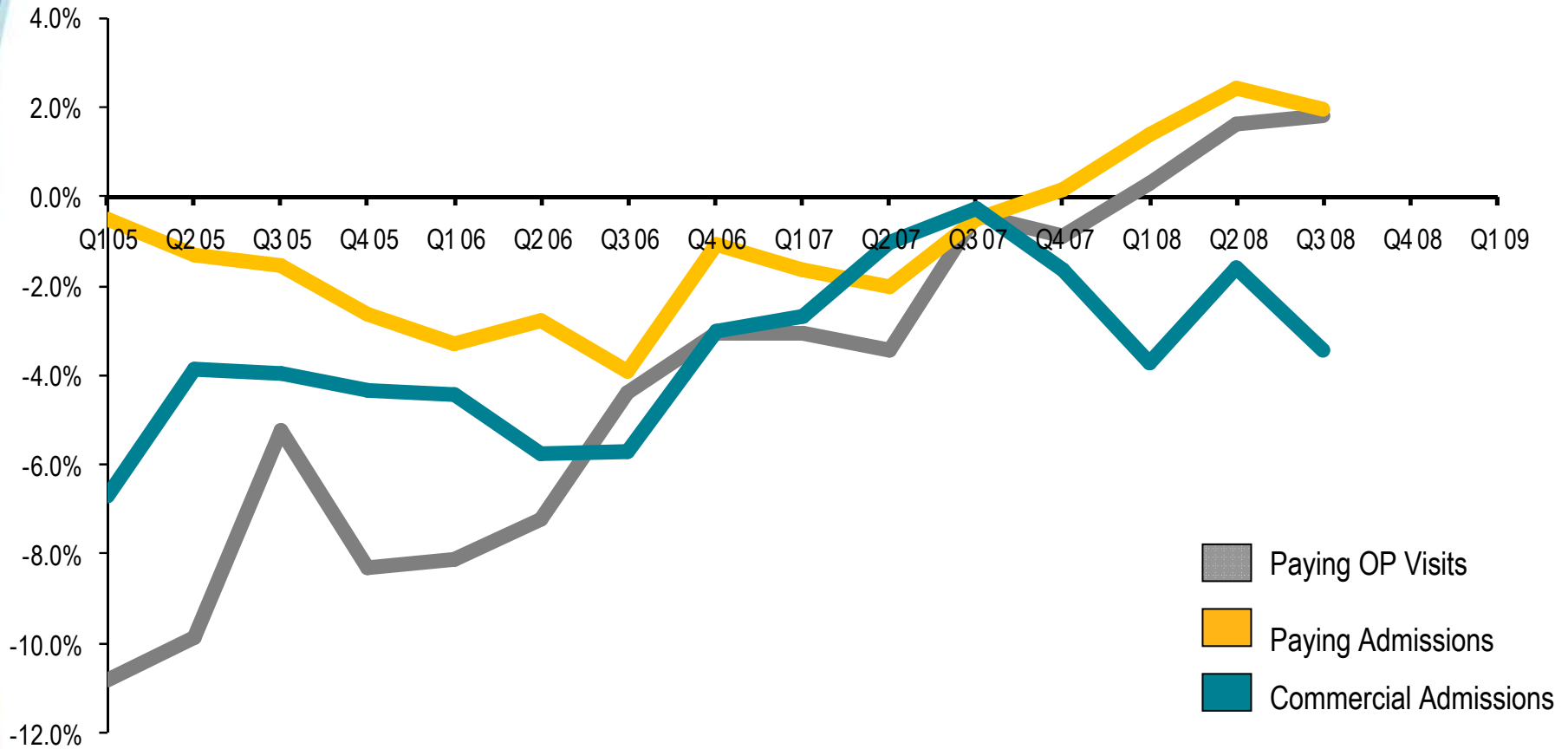
(3) Q1'09 growth annualized



# Tenet Today

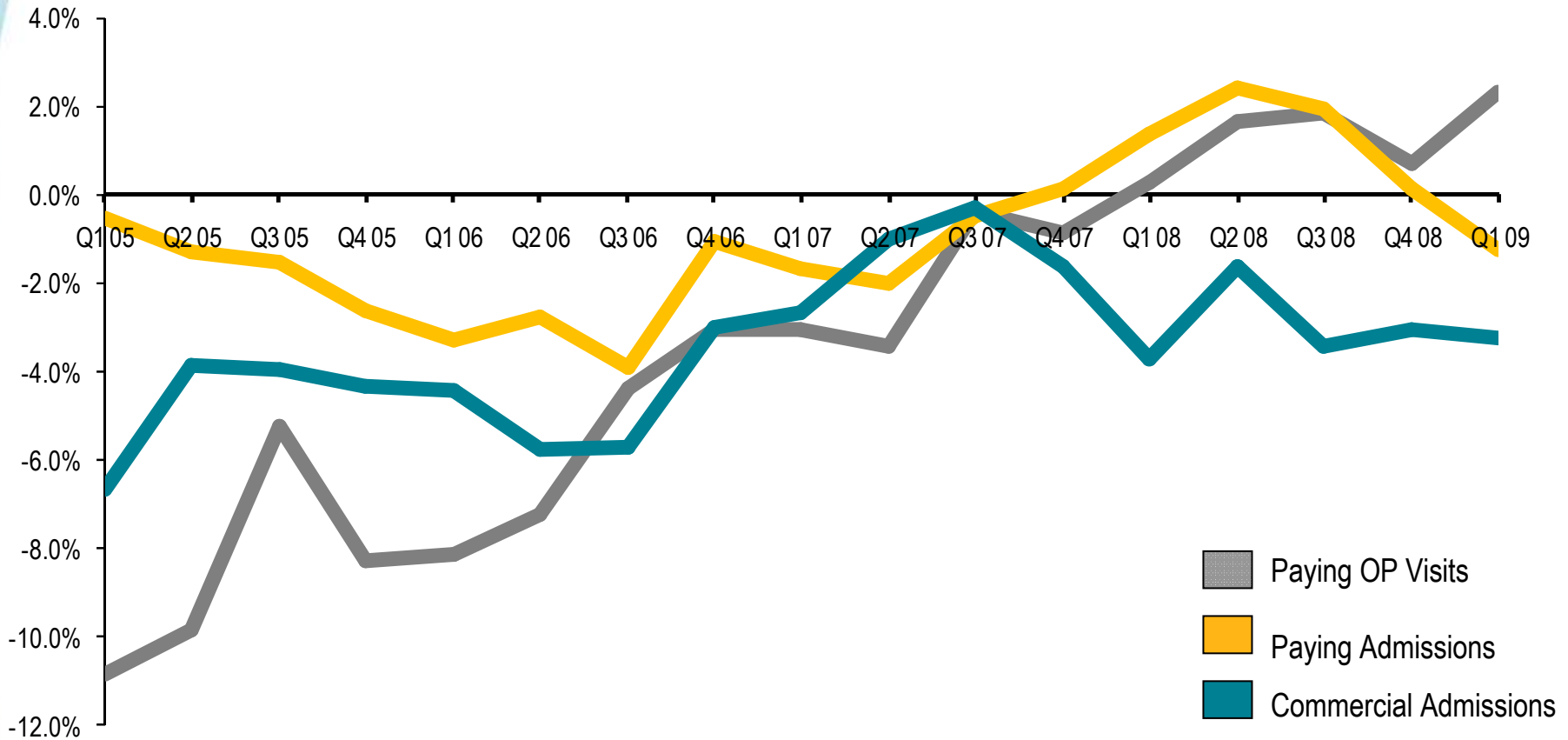
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# Volumes Trends Favorable

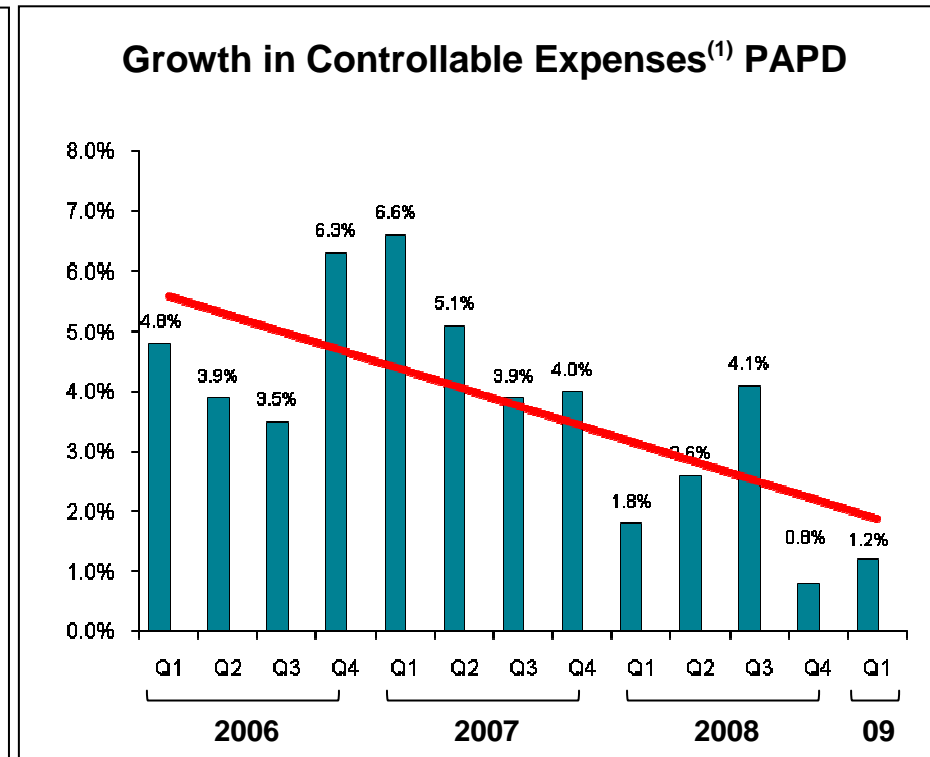
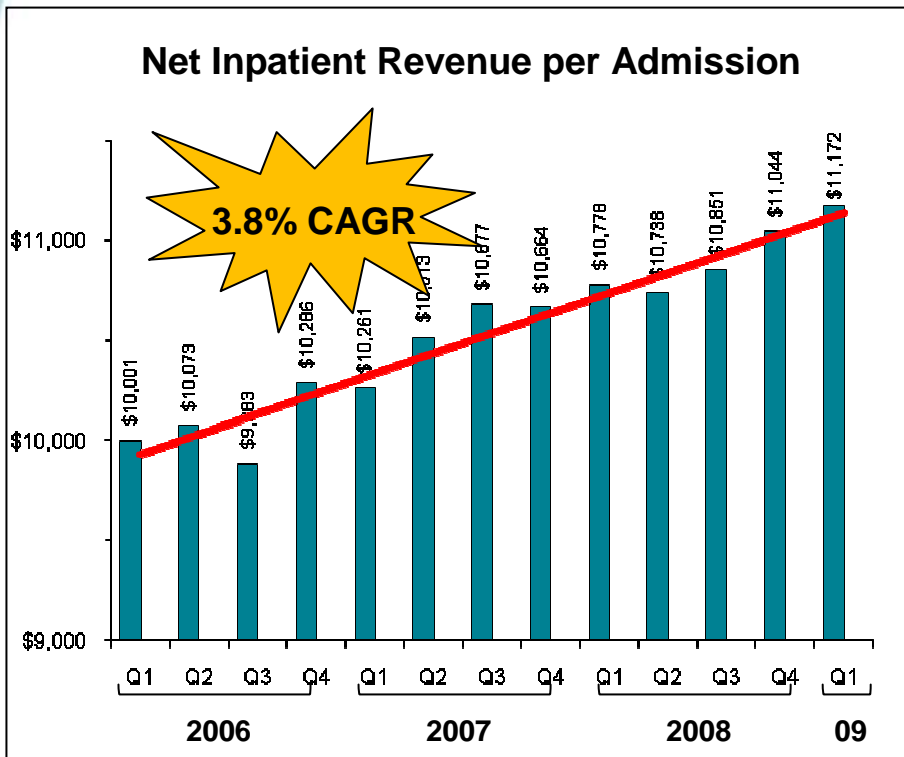


- Paying OP Visits
- Paying Admissions
- Commercial Admissions

# Volumes Trends Favorable



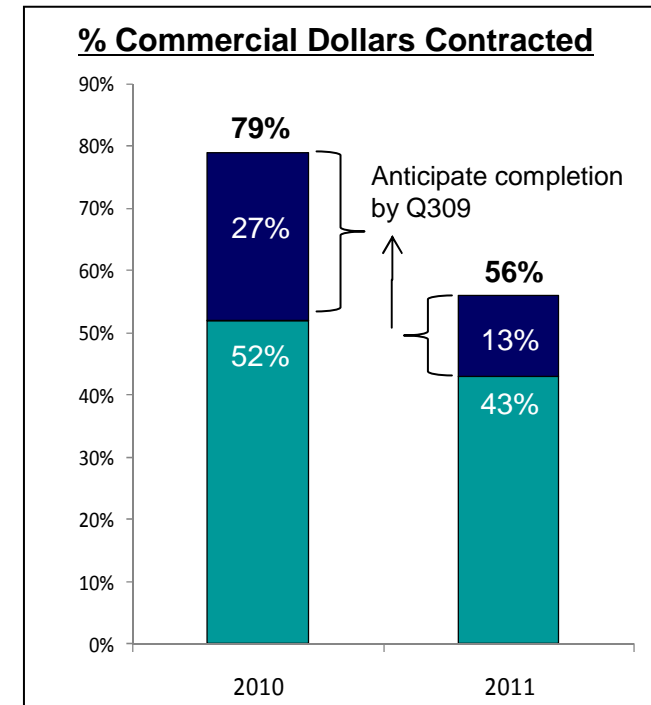
# Strong Pricing Growth and Cost Controls



<sup>(1)</sup> Year-over-year growth in same-hospital controllable expenses defined as SWB, supplies, and other operating expenses.

# Deliberate and Innovative Pricing Strategy

- Not “locking rates” too far into the future pending uncertain inflationary environment
  - Virtually 100% contracted for 2009\*
  - Currently 52% contracted for 2010\*, expect to be 79% contracted by Q309
  - Currently 43% contracted for 2011\*, expect to be 56% contracted by Q309
- Contracting for pay-for-performance incentives
- Exploring “shared savings” model with payers

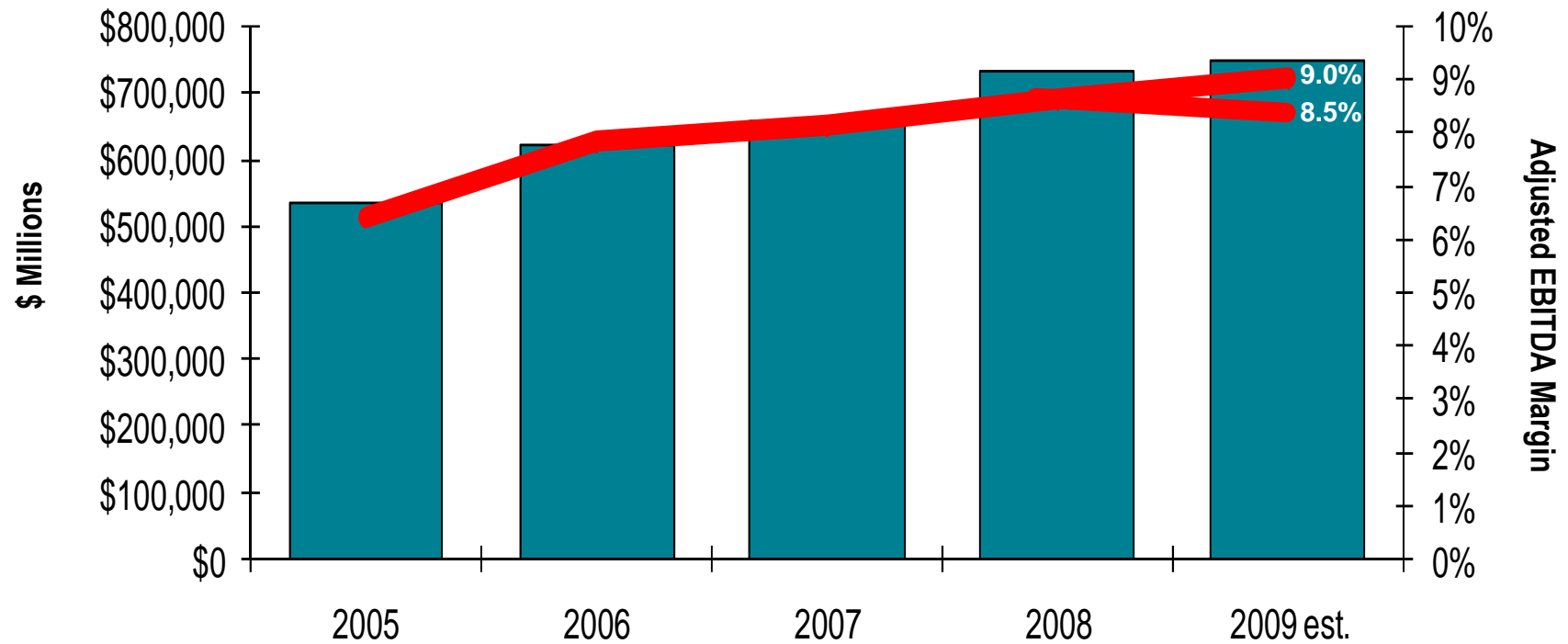


\* % commercial dollars contracted

# Earnings Trend Favorable

Adjusted EBITDA  
Adjusted EBITDA Margin

Same Hospital Adjusted EBITDA and Adjusted EBITDA Margin



Note: 2009 bar represents mid-point of revised Outlook provided on April 21, 2009.



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# We've Generated Strong Growth Trends in Outpatient Volumes

- Outpatient business constitutes 31% of Tenet's revenue
  - 3.8 million visits
- 57 free-standing centers
  - 36 Diagnostic Imaging Centers (DICs)
  - 21 Ambulatory Surgery Centers (ASCs)
- Growth strategy
  - Improve and grow existing hospital-based and campus-based outpatient facilities
  - Modest emphasis on de novo and joint-ventured centers
  - Selective acquisition of high return ASCs and DICs

# Enhanced Focus on Outpatient Business is Generating Volume Growth

**Tenet Outpatient Visits**  
Same hospital % change from prior year



# Conifer Health Solutions: Launched & Growing

**CONIFER**  
HEALTH SOLUTIONS

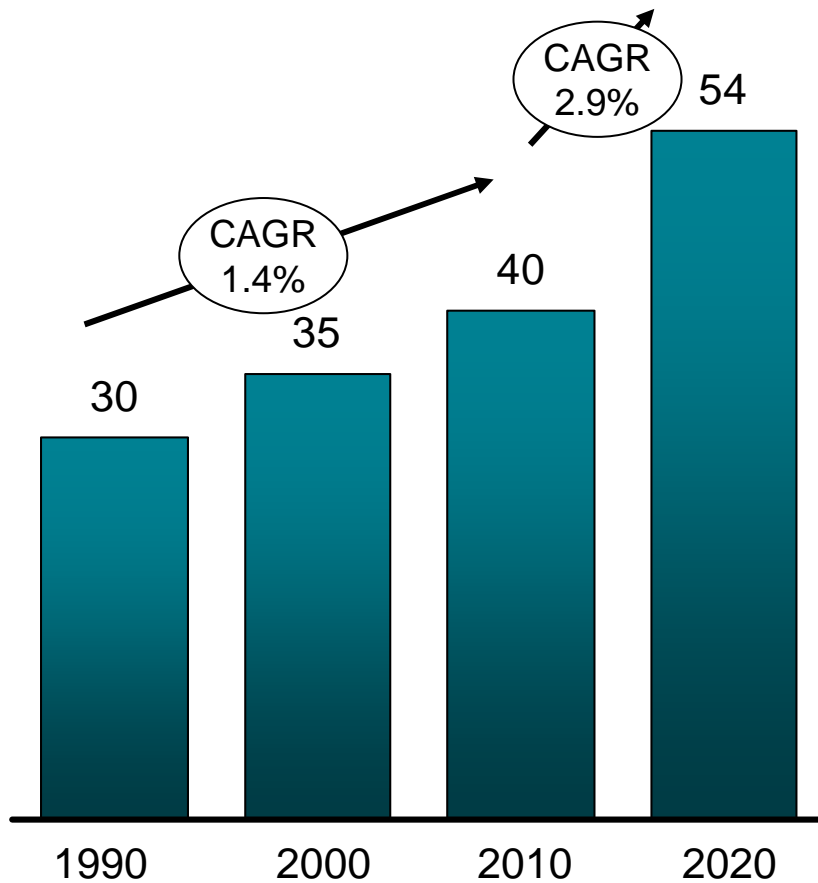
- **Conifer Revenue Cycle Solutions** offer comprehensive revenue cycle services ranging from patient pre-registration through the processing of governmental, managed care and self-pay claims
  - Four clients (10 hospitals) including Trinity Medical, RHD, Centura Health, USC/Norris
  - Currently in contract negotiations with three large healthcare systems
- **Conifer Patient Communications** provides communication services that include physician referrals, patient education, marketing services and pre-admission clinical appropriateness reviews
  - 23 new clients in the last six months
  - 75 total clients

# Tenet Today

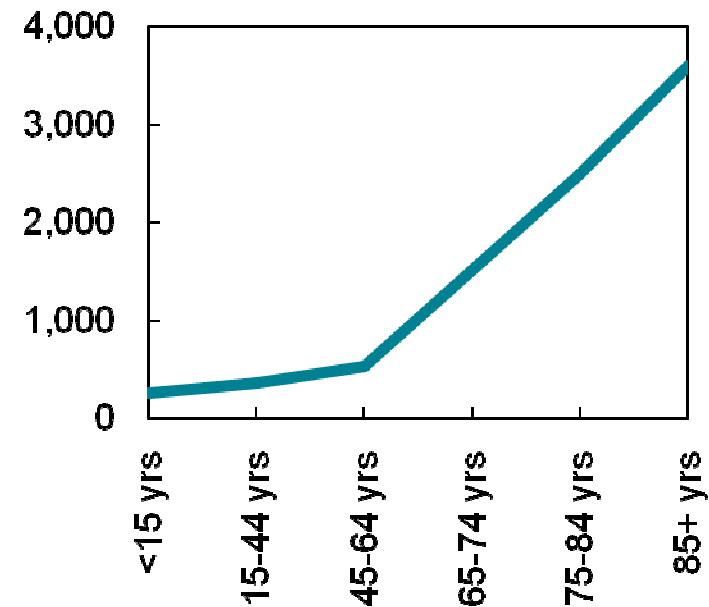
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# Aging Will Drive Increased Hospital Utilization

U.S. population over age 65  
Millions of people



Healthcare utilization/resource consumption rates by age  
Days of inpatient care per year, per 1,000 patients



# Healthcare Reform – Key Issues

Government's Perspective	Proposed Solution
<ul style="list-style-type: none"><li>• Too many uninsured and under insured</li></ul>	<ul style="list-style-type: none"><li>• Establish minimum level of coverage for all</li></ul>
<ul style="list-style-type: none"><li>• Costs out of control / unsustainable</li></ul>	<ul style="list-style-type: none"><li>• Expand HIT</li><li>• Employ “comparative effectiveness” to reduce costs</li></ul>
<ul style="list-style-type: none"><li>• Payment systems reward volume of services, not quality and value</li></ul>	<ul style="list-style-type: none"><li>• Expand quality reporting</li><li>• Adopt value-based purchasing</li><li>• Impose penalties for poor quality</li></ul>
<ul style="list-style-type: none"><li>• System does not promote coordination among providers</li></ul>	<ul style="list-style-type: none"><li>• Bundle payments</li></ul>
<ul style="list-style-type: none"><li>• Insufficient preventative and primary care</li></ul>	<ul style="list-style-type: none"><li>• Mandate preventative care coverage</li><li>• Provide wellness incentives</li><li>• Expand primary care workforce</li><li>• Establish “medical homes”</li></ul>
<ul style="list-style-type: none"><li>• Too much waste, fraud and abuse</li></ul>	<ul style="list-style-type: none"><li>• Expand enforcement resources and increase penalties</li></ul>

# How Tenet is Positioned to Win

- Sound, proven strategies
- Stronger balance sheet and liquidity
- Poised to benefit from demographic trends
- Well-positioned for healthcare reform
  - Known for high standards of quality
  - Economies of scale enable adoption of government mandates