TENET HEALTHCARE CORP
Form 424B3
December 11, 2012
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Registration Statement No. 333-185161

PROSPECTUS

$300,000,000

TENET HEALTHCARE CORPORATION

Offer to exchange our 6.75% Senior Notes due 2020, which have been registered under the

Securities Act of 1933, as amended, for any and all of our outstanding 6.75% Senior Notes due 2020 issued on

October 16, 2012 (CUSIP No: 88033G BV1 and U88030AP3)

The exchange offer and withdrawal rights will expire at 5:00 P.M., Eastern time, on January 10, 2013 (which date shall be 21 business days after commencement), unless extended.

We are offering to exchange up to $300,000,000 aggregate principal amount of our new 6.75% Senior Notes due 2020, which have been registered under the Securities Act of 1933, as amended (the Securities Act) referred to in this prospectus as the new notes, for any and all of our outstanding 6.75% Senior Notes due 2020 issued on October 16, 2012 (CUSIP No: 88033G BV1 and U88030AP3), referred to in this prospectus as the old notes. The new notes and the old notes are collectively referred to in this prospectus as the notes.

We issued the old notes on October 16, 2012 in a transaction not requiring registration under the Securities Act. We are offering you new notes, with terms substantially identical to those of the old notes, in exchange for old notes in order to satisfy our registration obligations from that previous transaction. If you fail to tender your old notes, you will continue to hold unregistered notes that you will not be able to transfer freely.

See Risk Factors starting on page 5 of this prospectus for a discussion of risks associated with the exchange of old notes for the new notes offered hereby.

We will exchange new notes for all old notes that are validly tendered and not withdrawn before expiration of the exchange offer. You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer. The exchange procedure is more fully described in The Exchange Offer Procedures for Tendering.

The terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions and registration rights applicable to the old notes do not apply to the new notes. See Description of the New Notes for more details on the terms of the new notes.

We will not receive any proceeds from the exchange offer.

There is no established trading market for the new notes or the old notes.

The exchange of old notes for new notes should not be a taxable event for United States federal income tax purposes. See Certain United States Federal Income Tax Considerations.

All broker-dealers must comply with the registration and prospectus delivery requirements of the Securities Act. See Plan of Distribution.

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

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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SUMMARY

This summary highlights selected information from this prospectus and is therefore qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this prospectus. It may not contain all the information that is important to you. We urge you to read carefully this entire prospectus and the other documents to which it refers to understand fully the terms of the notes. References in this prospectus to Tenet, the Company, we, us, our and ours refer to Tenet Healthcare Corporation and its consolidated subsidiaries unless the context otherwise requires.

Our Company

Tenet Healthcare Corporation is an investor-owned health care services company whose subsidiaries and affiliates own and operate acute care hospitals and related health care facilities. At September 30, 2012, our subsidiaries operated 49 hospitals with a total of 13,216 licensed beds, primarily serving urban and suburban communities, as well as 112 free-standing and provider-based outpatient centers. In addition to providing health care services, we also offer revenue cycle management, health care information management and patient communications services, and we own a management services business that provides network development, utilization management, claims processing and contract negotiation services to physician organizations and hospitals that assume managed care risk.

We were incorporated in the state of Nevada in 1975. Our executive offices are located at 1445 Ross Avenue, Suite 1400, Dallas, Texas 75202. Our telephone number is (469) 893-2200. We can be found on the world wide web at www.tenethealth.com. Information on our website is not part of this prospectus.

The Exchange Offer

On October 16, 2012, we completed a private offering of $300,000,000 aggregate principal amount of 6.75% Senior Notes due 2020. As part of that offering, we entered into an exchange and registration rights agreement with the initial purchaser of the old notes in which we agreed, among other things, to deliver this prospectus to you and to complete an exchange offer for the old notes. Below is a summary of the exchange offer.

Old notes	6.75% Senior Notes due 2020 originally issued on October 16, 2012 (CUSIP No. 88033G BV1 and U88030AP3).
New notes	Notes of the same series, the issuance of which has been registered under the Securities Act. The terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes.
Terms of the offer	We are offering to exchange a like amount of new notes for our old notes in denominations of $2,000 in principal amount and integral multiples of $1,000 in excess thereof. In order to be exchanged, an old note must be properly tendered and

	accepted. All old notes that are validly tendered and not withdrawn will be exchanged. As of the date of this prospectus, there are $300,000,000 aggregate principal amount of old notes outstanding. We will issue new notes promptly after the expiration of the exchange offer.
Expiration time	The exchange offer will expire at 5:00 P.M., Eastern time, on January 10, 2013 (which date shall be 21 business days after commencement), unless extended.
Procedures for tendering	To tender old notes, you must complete and sign a letter of transmittal in accordance with the instructions contained in it and forward it by mail, facsimile or hand delivery, together with any other documents required by the letter of transmittal, to the exchange agent, either with the old notes to be tendered or in compliance with the specified

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	procedures for guaranteed delivery of old notes. Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Holders of old notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such person promptly if they wish to tender old notes pursuant to the exchange offer. See The Exchange Offer Procedures for Tendering. Letters of transmittal and certificates representing old notes should not be sent to us. Such documents should be sent only to the exchange agent. Questions regarding how to tender and requests for information should be directed to the exchange agent. See The Exchange Offer Exchange Agent.
Acceptance of old notes for exchange; issuance of new notes	Subject to the conditions stated in The Exchange Offer Conditions to the Exchange Offer, we will accept for exchange any and all old notes that are properly tendered in the exchange offer before the expiration time. The new notes will be delivered promptly after the expiration time.
Interest payments on the new notes	The new notes will bear interest from the most recent date through which interest has been paid on the old notes. If your old notes are accepted for exchange, then you will receive interest on the new notes and not on the old notes.
Withdrawal rights	You may withdraw your tender at any time before the expiration time.
Conditions to the exchange offer	The exchange offer is subject to customary conditions. We may assert or waive these conditions in our sole discretion. If we materially change the terms of the exchange offer, we will resolicit tenders of the old notes. See The Exchange Offer Conditions to the Exchange Offer for more information.
Resales of new notes	Based on interpretations by the staff of the Securities and Exchange Commission, or SEC, as detailed in a series of no-action letters issued by the SEC to third parties, we believe that the new notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act as long as: • you are acquiring the new notes in the ordinary course of your business; • you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in a distribution of the new notes; • you are not an affiliate of ours; and • you are not a broker-dealer that acquired any of its old notes directly from us. If you fail to satisfy any of the foregoing conditions, you will not be permitted to tender your old notes in the exchange offer and you must

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	comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or other transfer of your old notes unless such sale is made pursuant to an exemption from such requirements. Each broker or dealer that receives new notes for its own account in exchange for old notes that were acquired as a result of market-making or other trading activities must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any offer to resell, resale or other transfer of the new notes issued in the exchange offer, including the delivery of a prospectus that contains information with respect to any selling holder required by the Securities Act in connection with any resale of the new notes. See The Exchange Offer Resales of New Notes.
Exchange agent	The Bank of New York Mellon Trust Company, N.A. is serving as the exchange agent in connection with the exchange offer. The address and telephone and facsimile numbers of the exchange agent are listed under the heading The Exchange Offer Exchange Agent.
Use of proceeds	We will not receive any proceeds from the issuance of new notes in the exchange offer. We will pay all expenses incident to the exchange offer. See Use of Proceeds and The Exchange Offer Fees and Expenses.

The New Notes

The terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions and registration rights applicable to the old notes do not apply to the new notes. The new notes will evidence the same debt as the old notes and will be governed by the same indenture. Where we refer to notes in this prospectus, we are referring to both the old notes and the new notes.

Notes offered	Up to $300,000,000 aggregate principal amount of 6.75% Senior Notes due 2020, which have been registered under the Securities Act.
Maturity date	February 1, 2020.
Listing	We do not intend to apply for listing of the new notes on any securities exchange or for inclusion of the notes in any automated quotation system.
Interest	Interest on the new notes will accrue at the rate of 6.75% per annum, accruing from the most recent date to which interest has been paid on the old notes. Interest on the new notes will be payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2013, to holders of record on the immediately preceding January 15 and July 15.
Guarantees	None.
Ranking	The new notes will be our unsecured senior obligations and will rank equally in right of payment with all of our existing and future unsecured senior debt, will rank senior in right of payment to all of

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	our existing and future unsecured subordinated debt, will be subordinated to our senior secured obligations to the extent of the value of the collateral securing our senior secured obligations, and will be effectively subordinated to our obligations under our credit agreement and the obligations of our subsidiaries that guarantee our senior secured obligations to the extent of the value of the collateral securing borrowings thereunder. See Description of the New Notes.
Change of Control	Upon the occurrence of a change of control (as specified in Description of the New Notes Repurchase at the Option of Holders), we may be required to purchase all or any part of the notes at 101% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest.
Redemption	We may redeem the notes, in whole or in part, at any time, at a redemption price equal to 100% of the principal amount of the notes and any accrued but unpaid interest thereon, plus a make-whole payment. See Description of the New Notes Make-Whole Redemption.
Certain Covenants	The indenture governing the new notes will contain covenants that, among other things, will restrict our ability and the ability of our subsidiaries to: • incur liens; • enter into sale and lease-back transactions; or • consolidate, merge or sell all or substantially all of our assets, other than in certain transactions between one or more of our wholly owned subsidiaries and us. These restrictions are subject to a number of important exceptions and qualifications. In particular, there are no restrictions on our ability or the ability of our subsidiaries to incur additional indebtedness (other than restrictions on the ability of our subsidiaries to guarantee our indebtedness), make restricted payments, pay dividends or make distributions in respect of capital stock, purchase or redeem capital stock, enter into transactions with affiliates or make advances to, or invest in, other entities (including unaffiliated entities). See Risk Factors Risks Related to the New Notes The protections provided in the new notes are limited, and we may take actions that could adversely affect the new notes.
Form and denominations	We will issue the new notes in fully registered form, in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Each of the new notes will be represented by one or more global notes registered in the name of a nominee of The Depository Trust Company, or DTC. You will hold a beneficial interest in one or more of the notes through DTC, and DTC and its direct and indirect participants will record your beneficial interest in their books. Except under limited circumstances, we will not issue certificated new notes.
Trustee	The Bank of New York Mellon Trust Company, N.A.

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RISK FACTORS

We have included discussions of cautionary factors describing risks relating to our business and an investment in our securities in our Annual Report on Form 10-K for the year ended December 31, 2011 (Annual Report), which is incorporated by reference into this prospectus. See Where You Can Find More Information for an explanation of how to get a copy of this report. Other risks related to the New Notes include the following:

- The protections provided in the new notes are limited, and we may take actions that could adversely affect the new notes.

- We depend on funds from our subsidiaries, which affects our ability to obtain funds to meet our debt service obligations.

- We may be unable to purchase the new notes upon a change of control.

- Although the new notes are referred to as senior notes, they will be effectively subordinated to any secured debt we may incur and structurally subordinated to indebtedness of our subsidiaries.

- There is no public market for the new notes, and you cannot be sure that an active trading market will develop for the new notes.

Our subsequent filings with the SEC may contain amended and updated discussions of significant risks. We cannot predict future risks or estimate the extent to which they may affect our financial performance.

Risks Related to the Exchange Offer

You may have difficulty selling the old notes you do not exchange.

If you do not exchange your old notes for new notes in the exchange offer, you will continue to be subject to the restrictions on transfer of your old notes as described in the legend on the global notes representing the old notes. There are restrictions on transfer of your old notes because we issued the old notes under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may offer or sell the old notes only if they are registered under the Securities Act and applicable state securities laws or offered and sold under an exemption from, or in a transaction not subject to, these requirements. We do not intend to register any old notes not tendered in the exchange offer and, upon consummation of the exchange offer, you will not be entitled to any rights to have your untendered old notes registered under the Securities Act. In addition, the trading market, if any, for the remaining old notes will be adversely affected depending on the extent to which old notes are tendered and accepted in the exchange offer.

Broker-dealers may need to comply with the registration and prospectus delivery requirements of the Securities Act.

Any broker-dealer that (1) exchanges its old notes in the exchange offer for the purpose of participating in a distribution of the new notes or (2) resells new notes that were received by it for its own account in the exchange offer may be deemed to have received restricted securities and will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction by that broker-dealer. Any profit on the resale of the new notes and any commission or concessions received by a broker-dealer may be deemed to be underwriting compensation under the Securities Act.

You may not receive new notes in the exchange offer if the exchange offer procedure is not followed.

We will issue the new notes in exchange for your old notes only if you tender the old notes and deliver a properly completed and duly executed letter of transmittal and other required documents before expiration of the exchange offer. You should allow sufficient time to ensure timely delivery of the necessary documents. Neither the exchange agent nor we are under any duty to give notification of defects or irregularities with respect to the tenders of old notes for exchange. If you are the beneficial holder of old notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender in the exchange offer, you should promptly contact the person in whose name your old notes are registered and instruct that person to tender on your behalf.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in, or incorporated by reference into, this prospectus constitute forward-looking statements. Such forward-looking statements are based on management s current expectations and involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those expressed or implied by such forward-looking statements. Additional information regarding forward looking statements is included in Forward-Looking Statements under Item 1 of Part 1 of our Annual Report on Form 10-K for the year ended December 31, 2011.

USE OF PROCEEDS

We will not receive proceeds from the issuance of the new notes offered hereby. In consideration for issuing the new notes in exchange for old notes as described in this prospectus, we will receive old notes of like principal amount. The old notes surrendered in exchange for the new notes will be retired and canceled.

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SELECTED FINANCIAL DATA

The following tables present selected historical consolidated financial data for Tenet Healthcare Corporation and its wholly owned and majority-owned subsidiaries. The consolidated statements of operations and consolidated statements of cash flow data for the years ended December 31, 2011, 2010 and 2009 and the consolidated balance sheet data as of December 31, 2011 and 2010 have been derived from our audited consolidated financial statements, which are included in our Current Report on Form 8-K filed on October 1, 2012, which is incorporated by reference in this prospectus, except for basic earnings (loss) per share attributable to Tenet Healthcare Corporation common shareholders from continuing operations and diluted earnings (loss) per share attributable to Tenet Healthcare Corporation common shareholders from continuing operations, which have been updated as a result of a reverse stock split.

The consolidated operating results for the years ended December 31, 2008 and 2007 have been derived from unaudited consolidated financial information not included or incorporated by reference in this prospectus, except for basic earnings (loss) per share attributable to Tenet Healthcare Corporation common shareholders from continuing operations and diluted earnings (loss) per share attributable to Tenet Healthcare Corporation common shareholders from continuing operations which have been updated as a result of a reverse stock split. All periods presented have been reclassified in accordance with the provisions of Accounting Standards Update (ASU) 2011-07, Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities. The consolidated cash flow data for the years ended December 31, 2008 and 2007 and the consolidated balance sheet data as of December 31, 2009, 2008 and 2007 have been derived from unaudited consolidated financial statements not included or incorporated by reference in this prospectus.

The consolidated operating results and consolidated cash flow data for the nine months ended September 30, 2012 and 2011, and the consolidated balance sheet data as of September 30, 2012, have been derived from our unaudited condensed consolidated financial statements included in our Form 10-Q for the fiscal quarter ended September 30, 2012, which is incorporated by reference in this prospectus. The consolidated balance sheet data as of September 30, 2011 has been derived from our unaudited condensed consolidated financial statements included in our Form 10-Q for the fiscal quarter ended September 30, 2011, which is not included or incorporated by reference herein. The unaudited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial reporting. We believe all adjustments, including normal recurring adjustments, considered necessary for a fair presentation of the results of the interim periods have been included.

The following information should be read in conjunction with the information under the caption Risk Factors contained herein and incorporated by reference herein from our Annual Report. The following information should also be used in conjunction with the information under the caption Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, both included in our Current Report on Form 8-K filed on October 1, 2012, and both included in our Form 10-Q for the fiscal quarter ended September 30, 2012, each of which has been incorporated by reference in this prospectus.

The operating results data presented below are not necessarily indicative of our future results of operations. Reasons for this include, but are not limited to: overall revenue and cost trends, particularly the timing and magnitude of price changes; fluctuations in contractual allowances and cost report and commercial contract settlements and valuation allowances; managed care contract negotiations, settlements or terminations and payer consolidations; changes in Medicare and Medicaid regulations; Medicaid funding levels set by the states in which we operate; the timing of approval by the Centers for Medicare & Medicaid Services of Medicaid provider fee revenue programs; trends in patient accounts receivable collectability and associated provisions for doubtful accounts; fluctuations in interest rates; levels of malpractice insurance expense and settlement trends; the timing of when we meet the criteria to recognize electronic health record incentives; impairment of long-lived assets and goodwill; restructuring charges; losses, costs and insurance recoveries related to natural disasters; litigation and investigation costs; acquisitions and dispositions of facilities and other assets; income tax rates and deferred tax asset valuation allowance activity; changes in estimates of accruals for annual incentive compensation; the timing and amounts of stock option and restricted stock unit grants to employees and directors; gains or losses from early extinguishment of debt; and changes in occupancy levels and patient volumes. Factors that affect patient volumes and, thereby, our results of operations at our hospitals and related health care facilities include, but are not limited

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to: the business environment, economic conditions and demographics of local communities; the number of uninsured and underinsured individuals in local communities treated at our hospitals; seasonal cycles of illness; climate and weather conditions; physician recruitment, retention and attrition; advances in technology and treatments that reduce length of stay; local health care competitors; managed care contract negotiations or terminations; any unfavorable publicity about us, which impacts our relationships with physicians and patients; changes in health care regulation; and the timing of elective procedures. These considerations apply to year-to-year comparisons as well.

OPERATING RESULTS

	Years Ended December 31,					Nine Months Ended September 30,	
	2011	2010	2009	2008	2007	2012	2011
	(In Millions, Except Per-Share Amounts)						
Net operating revenues:							
Net operating revenues before provision for doubtful accounts	$ 9,371	$ 8,992	$ 8,785	$ 8,368	$ 7,874	$ 7,373	$ 7,018
Less provision for doubtful accounts	717	727	684	618	547	585	536
Net operating revenues	**8,654**	**8,265**	**8,101**	**7,750**	**7,327**	**6,788**	**6,482**
Operating expenses:							
Salaries, wages and benefits	4,015	3,830	3,781	3,707	3,546	3,166	3,001
Supplies	1,548	1,542	1,534	1,477	1,364	1,164	1,167
Other operating expenses, net	2,020	1,857	1,831	1,852	1,781	1,604	1,526
Electronic health record incentives	(55)					(13)	(50)
Depreciation and amortization	398	380	373	357	324	314	298
Impairment of long-lived assets and goodwill, and restructuring charges, net	20	10	27	16	36	12	18
Hurricane insurance recoveries, net of costs					(3)		
Litigation and investigation costs, net of insurance recoveries	55	12	31	41	12	3	24
Operating income	**653**	**634**	**524**	**300**	**267**	**538**	**498**
Interest expense	(375)	(424)	(445)	(418)	(419)	(303)	(275)
Gain (loss) from early extinguishment of debt	(117)	(57)	97				
Investment earnings	3	5		22	47	2	3
Net gain on sales of investments			15	139			
Income (loss) from continuing operations, before income taxes	**164**	**158**	**191**	**43**	**(105)**	**237**	**226**
Income tax benefit (expense)	(61)	977	23	25	59	(90)	(73)
Income (loss) from continuing operations, before discontinued operations	**$ 103**	**$ 1,135**	**$ 214**	**$ 68**	**$ (46)**	**$ 147**	**$ 153**
Basic earnings (loss) per share attributable to Tenet Healthcare Corporation common shareholders from continuing operations	**$ 0.58***	**$ 9.09***	**$ 1.67***	**$ 0.54***	**$ (0.41)***	**$ 1.25***	**$ 1.06***
Diluted earnings (loss) per share attributable to Tenet Healthcare Corporation common shareholders from continuing operations	**$ 0.56***	**$ 8.03***	**$ 1.63***	**$ 0.54***	**$ (0.41)***	**$ 1.21***	**$ 1.03***

* On September 27, 2012, our Board of Directors approved a decrease to the number of authorized shares of our Common Stock by a ratio equal to one-for-four (1:4) (the Reverse Split Ratio) and a proportionate decrease, by a ratio equal to the Reverse Split Ratio, to the number of issued and outstanding shares of our Common Stock, each simultaneously effective at 5:00 p.m., Eastern Time, on October 10, 2012. The diluted and basic earnings per share data presented herein have been adjusted to reflect this, as if such change occurred at the beginning of the respective period. On October 1, 2012, 46,300 shares of our 7% mandatory convertible preferred stock automatically converted to 1,978,633 shares of our Common Stock; such conversion did not have a material effect on our financial condition and as a result pro-forma adjustments for such conversion have not been presented herein.

BALANCE SHEET DATA

	As of December 31,					As of September 30,	
	2011	2010	2009	2008	2007	2012	2011
				(In Millions)			
Working capital (current assets minus current liabilities)	$ 542	$ 586	$ 689	$ 760	$ 512	$ 655	$ 497
Total assets	8,462	8,500	7,953	8,174	8,393	8,470	8,293
Long-term debt, net of current portion*	4,294	3,997	4,272	4,778	4,771	4,508	3,966
Total equity	1,492	1,819	697	147	88	1,269	1,761

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* On October 16, 2012, we completed a private offering of $500,000,000 in aggregate principal amount of 4.75% senior secured notes due 2020 and $300,000,000 in aggregate principal amount of 6.75% senior unsecured notes due 2020. On November 1, 2012, we completed a tender offer to purchase for cash any and all of our outstanding 7.375% senior notes due 2013 and $55,305,000 of such notes remains outstanding.

CASH FLOW DATA

	Years Ended December 31,					Nine Months Ended September 30,	
	2011	2010	2009	2008	2007	2012	2011
	(In Millions)						
Net cash provided by operating activities	$ 497	$ 472	$ 425	$ 208	$ 326	$ 337	$ 324
Net cash used in investing activities	(503)						