

## **FRIST FAMILY PANDEMIC FORTUNES** *FAMILY ASSETS DOUBLE SINCE MARCH 2020*

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The Frist family -- founders and biggest shareholder of the largest for-profit hospital conglomerate in America, the Hospital Corporation of America (HCA) -- have seen their wealth double during the over 11 months of the pandemic.

Thomas F. Frist Jr. and his immediate family have seen their personal wealth increase from \$7.5 billion on March 18, 2020 to \$15.6 billion on March 8, 2021, a gain of \$8.1 billion, or 108 percent.<sup>1</sup>

Half of these gains --almost \$4 billion -- came since September 2020, when *Forbes* reported the Thomas F. Frist Jr. family wealth at \$11.5 billion.

The Frists have a 20 percent ownership stake in HCA. Frist family wealth has fluctuated with the value of these holdings but has been above \$7 billion since March 2016, according to *Forbes*.

Among 27 U.S. billionaires whose wealth comes from the health sector, the Frist family has seen the single biggest wealth gain during the pandemic. HCA is the only hospital provider on this list of 27 U.S. billionaires, including fortunes tied to pharmaceutical and biotechnology companies (see table below).

### **Pandemic Profiteering**

The extraordinary wealth gains of the Frist family come at a time when some segments of the healthcare industry have reaped enormous profits during the pandemic, even as workers and their patients face enormous strains. Part of these profits come from squeezing workers and cutting costs, while showering top management with lavish compensation.

- **Profits.** HCA made nearly \$4 billion in profits in 2020 during the pandemic, up more than \$200 million from 2019.<sup>2</sup> At the same time the company cut supply costs by \$112 million,<sup>3</sup> even though workers spoke out for months about inadequate PPE and having to reuse single use equipment like masks and gloves.<sup>4</sup>
- **CEO Pay.** HCA CEO Sam Hazen was paid \$27 million in 2019, making him the highest paid CEO in the hospital sector for that year (2020 figures have not yet been released). Hazen's 2019 compensation was higher than the CEO of Humana, \$16.7 million. His pay is 478 times the *median* HCA employee, up from 383 times in 2018.<sup>5</sup> His pay is over 1,038 times the *lowest* paid worker at HCA, which is \$12.50 at its El Paso facility.<sup>6</sup> Hazen is paid roughly \$13,000 an hour. According to the Economic Policy Institute, the average ratio of U.S. CEO pay to median worker was 320 to 1 in 2019.<sup>7</sup>
- **Staffing Levels.** In 2019, HCA's staffing levels were 29 percent below the national average.<sup>8</sup> HCA's low staffing levels have been linked to poor patient outcomes. For example, low staffing levels at HCA's Colorado hospitals may have contributed to patient death as well as other preventable harm. From the *Denver Post*: "A patient at North Suburban Medical Center died this spring after no one was available to change the battery on a machine measuring blood oxygen levels, in what employees and inspection records reveal is only the most extreme example of dangerous understaffing of HealthOne hospitals in metro Denver. Five nurses and a doctor who've worked at North Suburban and two other Denver-area hospitals owned by HealthOne told *The Denver Post* they were understaffed, leading in some cases to an increase in preventable pressure sores and infections, and a failure to regularly provide basic hygiene care."<sup>9</sup>

## Impact on Frontline Health Care Workers

In addition to inadequate staffing levels and insufficient supplies for PPE, poor wages have been the focus of HCA critics for some time. But the issue worsened during the pandemic as frontline health care workers were forced to take much greater risks. Meanwhile, HCA continued to push back on worker demands. For example, it successfully delayed the vote to unionize 1,800 nurses at its Mission Hospital in Asheville, North Carolina for six months, claiming that delay was necessary during a pandemic.<sup>10</sup>

One frontline HCA worker who has risked his life in the line of duty at his hospital in Kansas City is Jemelle Brown. He contracted COVID-19 as he cared for patients in the pandemic. Despite putting his life on the line for his job, he receives poverty wages of \$13 an hour. Brown has been unable to afford a place to live of his own for the past two and a half years because HCA does not pay him a living wage, forcing him to live apart from his son as he stays with family to save enough money to move into an apartment of his own.

## **Frist Family Wealth and U.S. Billionaires**

The surge in wealth flowing to Frist family is extraordinary, even for U.S. billionaires who have seen their wealth accelerate during the pandemic. U.S. billionaires have seen their wealth increase \$1.3 trillion, or 44 percent, over the 11 months since the beginning of the pandemic lockdowns in March 2020, according to an analysis by Americans for Tax Fairness (ATF) and the Institute for Policy Studies (IPS). The combined wealth of 660 U.S. billionaires now tops \$4.2 trillion.<sup>11</sup>

The last three decades have been good to U.S. billionaires whose combined wealth is up 18-fold over the past 30 years – from \$240 billion in 1990 to \$4.2 trillion today, according to research by ATF and IPS.<sup>12</sup> For perspective, the \$4.2 trillion in wealth is nearly double the collective \$2.4 trillion in wealth held by the entire bottom half of American society, or 165 million people.<sup>13</sup>

March 18, 2020 is used as the unofficial beginning of the pandemic because by then most federal and state economic restrictions responding to the virus were in place. March 18 was also the date that *Forbes* picked to measure billionaire wealth for the 2020 edition of its annual billionaires report,<sup>14</sup> which provided a baseline that ATF and IPS compare periodically with real-time data from the *Forbes* website. PolitiFact has favorably reviewed this methodology.<sup>15</sup>

## **Wealth Estimates**

*Forbes* is an excellent source of up-to-the moment wealth estimates. They estimate the Thomas Frist Jr. wealth as “Thomas Frist, Jr. & family.” Wealth-X, another wealth research service, breaks out estimates for individual members of the Frist family, including Thomas Frist Jr. (age 82), his brother and former U.S. Senator William “Bill” Harrison Frist (age 69), and his three children, Patricia Frist Elcan (age 56), Thomas F. Frist, III (age 53), and William Robert Frist (age 51). Wealth-X estimates a combined \$22.4 billion in private wealth. According to Wealth-X, the two largest family wealth holdings are by Thomas F. Frist Jr. and

his son, Thomas F. Frist III who each have estimated wealth of \$10.7 billion and \$8.8 billion, as of March 8, 2021.

### **Extended Frist Family Wealth Estimates**

<b>Name:</b>	<b>Relation to Thomas Jr.:</b>	<b>Wealth:</b>	<b>Age:</b>
<b>Thomas F. Frist Jr</b>		\$10.7 billion	82
<b>Patricia Elcan</b>	Daughter	\$192 million	56
<b>Thomas F. Frist III</b>	Son	\$8.8 billion	53
<b>William "Bill" Frist</b>	Brother	\$80 million	69
<b>William Robert Frist</b>	Son	\$2.6 billion	51
<b>Total:</b>		\$22.37 billion	

**Source: Wealth-X, March 8, 2021**

## U.S. Billionaires in Health Care Sector

Wealth changes March 18, 2020 to March 5, 2021

Name	Change in Wealth (\$ in millions)	% Change	Net Worth on March 18, 2020 (\$ in millions)	Net Worth on March 5, 2021 (\$ in millions)	Source
<b>Totals:</b>	\$35,100	51.32%	\$68,400	\$103,500	
Thomas Frist, Jr.	\$8,100	108.00%	\$7,500	\$15,600	Hospitals
Li Ge	\$5,100	102.00%	\$5,000	\$10,100	Biotech
Carl Cook	\$2,500	31.25%	\$8,000	\$10,500	Medical Devices
Ronda Stryker	\$2,200	51.16%	\$4,300	\$6,500	Medical Equipment
John Brown	\$2,200	73.33%	\$3,000	\$5,200	Medical Equipment
Osman Kibar	\$1,500	107.14%	\$1,400	\$2,900	Biotech
Reinhold Schmieding	\$1,400	26.42%	\$5,300	\$6,700	Medical Devices
Jon Stryker	\$1,400	51.85%	\$2,700	\$4,100	Medical Equipment
Hao Hong	\$1,200	63.16%	\$1,900	\$3,100	Pharmaceuticals
Phillip Frost	\$1,000	66.67%	\$1,500	\$2,500	Pharmaceuticals
Patrick Soon-Shiong	\$1,000	15.63%	\$6,400	\$7,400	Pharmaceuticals
Pat Stryker	\$1,000	50.00%	\$2,000	\$3,000	Medical Equipment
Alice Schwartz	\$1,000	66.67%	\$1,500	\$2,500	Biotech
David Paul	\$600	60.00%	\$1,000	\$1,600	Medical Devices
Randal J. Kirk	\$300	15.79%	\$1,900	\$2,200	Pharmaceuticals
Stewart Rahr	\$0	0.00%	\$2,300	\$2,300	Drug Distribution
Robert Duggan	\$0	0.00%	\$1,800	\$1,800	Pharmaceuticals
James Leininger	\$0	0.00%	\$1,500	\$1,500	Medical Products
George Yancopoulos	\$0	0.00%	\$1,100	\$1,100	Pharmaceuticals
Gary Michelson	\$0	0.00%	\$1,700	\$1,700	Medical Patents
Amy Wyss	\$0	0.00%	\$2,000	\$2,000	Medical Equipment
Leonard Schleifer	-\$300	-14.29%	\$2,100	\$1,800	Pharmaceuticals
John Martin	-\$200	-15.38%	\$1,300	\$1,100	Pharmaceuticals
Forrest Preston	-\$100	-8.33%	\$1,200	\$1,100	Healthcare
Robert Langer	N/A	N/A	N/A	\$1,600	Biotech
Keith Dunleavy	N/A	N/A	N/A	\$1,400	Health IT
Timothy Springer	N/A	N/A	N/A	\$2,200	Biotech

Source: Forbes

### SOURCES

March 18, 2020 data: Forbes, "[Forbes Publishes 34th Annual List Of Global Billionaires](#)" April 7, 2020

March 5, 2021 Forbes, "[The World's Real-Time Billionaires, Today's Winners and Losers](#)," accessed 3/5/21

March 8, 2020 data: Wealth-X [www.wealthx.com](http://www.wealthx.com), accessed March 8, 2021.

## NOTES

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<sup>1</sup> Forbes lists the wealth as “Thomas Frist, Jr. & family,” not explaining who is family.

<sup>2</sup> Tara Bannow, “Sicker Patients, stronger reimbursement among HCA’s Profitable 2020,” *Modern Healthcare*, February 2, 2021.

<https://www.modernhealthcare.com/finance/sicker-patients-stronger-reimbursement-behind-hcas-profitable-2020>

<sup>3</sup> HCA Investor report, Fourth Quarter 2020.

<https://investor.hcahealthcare.com/news/news-details/2021/HCA-Healthcare-Reports-Fourth-Quarter-2020-Results-and-Provides-2021-Guidance/default.aspx>

<sup>4</sup> Cheryl Clark, “HCA Workers Tell Investors the Company Fails Them,” *MedPage Today*, November 5, 2020

<https://www.medpagetoday.com/infectiousdisease/covid19/89493>. Also see: SEIU, “After 2 Deaths, Riverside Community Hospital Workers to Protest,” July 16, 2020.

<https://www.seiu-uhw.org/press/after-2-deaths-riverside-community-hospital-workers-to-protest-lack-of-protective-equipment-while-treating-covid-19-patients-friday-july-17/>.

<sup>5</sup> Tara Bannow, “HCA Healthcare CEO made \$27 million in first year,” *Modern Healthcare*, March 12, 2020. <https://www.modernhealthcare.com/providers/hca-healthcare-ceo-made-27-million-first-year#>

<sup>6</sup> Source: The \$12.50 an hour is the lowest paid worker wage in HCA facility in El Paso, TX. This disclosure was made by CEO Samuel Hazen came during an “earnings call” with investors discussion of 4<sup>th</sup> Quarter 2020, on February 2, 2021. Hazen was asked about the possibility of the Biden admin raising the minimum wage. He cited the company's current living wage policy and said a \$15 min wage would have a "minimal impact" on the company. The transcript of the call can be found here:

<https://seekingalpha.com/article/4402846-hca-healthcare-inc-hca-ceo-sam-hazen-on-q4-2020-results-earnings-call-transcript>

<sup>7</sup> Economic Policy Institute, “CEO pay increased 14 percent in 2019 and now make 320 times their typical workers,” August 20, 2020. <https://www.epi.org/press/ceo-pay-increased-14-in-2019-and-now-make-320-times-their-typical-workers/>

<sup>8</sup> Analysis of Medicare Cost Report data. FTE Rate compares the number of staff (full time equivalents) to the volume of patients. The formula is: Full Time Equivalents/ (Adjusted Inpatient Days/ Days in period). The adjustment to inpatient days accounts for outpatient utilization at the facilities. These averages are weighted averages.

<sup>9</sup> <https://www.denverpost.com/2020/08/31/healthone-hca-hospitals-low-staffing-levels/>

<sup>10</sup> Alex N. Press, “North Carolina Nurses Union Victory is One for the History Books,” *Jacobin*, September 2020. <https://jacobinmag.com/2020/09/north-carolina-union-mission-hospital-nurses>.

<sup>11</sup> Institute for Policy Studies, “U.S. Billionaire Wealth Grows \$1.3 trillion since Mid-March,” February 24, 2021. <https://ips-dc.org/u-s-billionaire-wealth-grows-1-3-trillion-since-mid-march-2020/>

<sup>12</sup> See Americans for Tax Fairness: [www.americansfortaxfairness.org/billionaires](http://www.americansfortaxfairness.org/billionaires)

<sup>13</sup> See Federal Reserve data from third Quarter 2020.

<https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/chart/#range:2005.3,2020.3;quarter:124;series:Net%20worth;demographic:networth;population:all;units:levels>

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<sup>14</sup> March 18, 2020 data: *Forbes*, "[Forbes Publishes 34th Annual List Of Global Billionaires](#)" April 7, 2020

<sup>15</sup> Nusaiba Mizan, Politifact, "All the billionaires in America, their net worth combined ...has increased by \$800 billion during the pandemic," *Associated Press*, October 12, 2020. <https://www.politifact.com/factchecks/2020/oct/12/joe-biden/biden-says-billionaires-gained-800-billion-study-l/>