



Texas Business Healthcare Association

November 13, 2017

COME JOIN US AS

TX BHA GIVES THX

AT FRIENDSGIVING

November 20, 2017

7pm • GSB 5.153

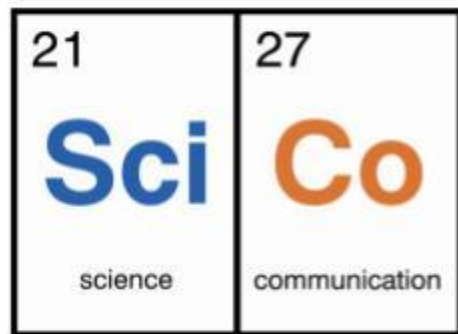
PLEASE BRING
SOMETHING TO SHARE



Interested in STEM? Want to teach? Join SciCo!

Science Communication -- *Deliver hands-on STEM education to students and promote the development and use of scientific methods at an early age*

- Non-profit organization founded in 2008
- Teach hands-on STEM projects in middle schools in Austin
- Mentor and leadership positions available
- Fill out interest form below for more info:
 - <https://tinyurl.com/ybyug9ko>



Stock Market Update



Key Finance Terms



Price-Earnings Ratio and Dividend Yield

- $P/E = \text{Market Value per Share} / \text{Earnings per Share}$
 - How much investors need to pay to receive \$1 of company's earnings
 - High P/E: investors willing to pay more per \$1 of earnings
 - Low P/E: investors less inclined to pay as much for \$1 of earnings
- $\text{Dividend Yield (\%)} = \text{Annual Dividends per Share} / \text{Price per Share}$
 - How much dividends investors receive per \$1 of stock they hold
 - Other considerations: Absence of capital gains

Highest P/E Ratios in the S&P 500			
Add	Symbol	P/E	Price
+	<u>EOG</u> EOG Resources Inc	10,609.00	104.60
+	<u>HLT</u> Hilton Worldwide Holdings Inc	767.55	72.88
+	<u>FMC</u> FMC Corp	625.90	93.51

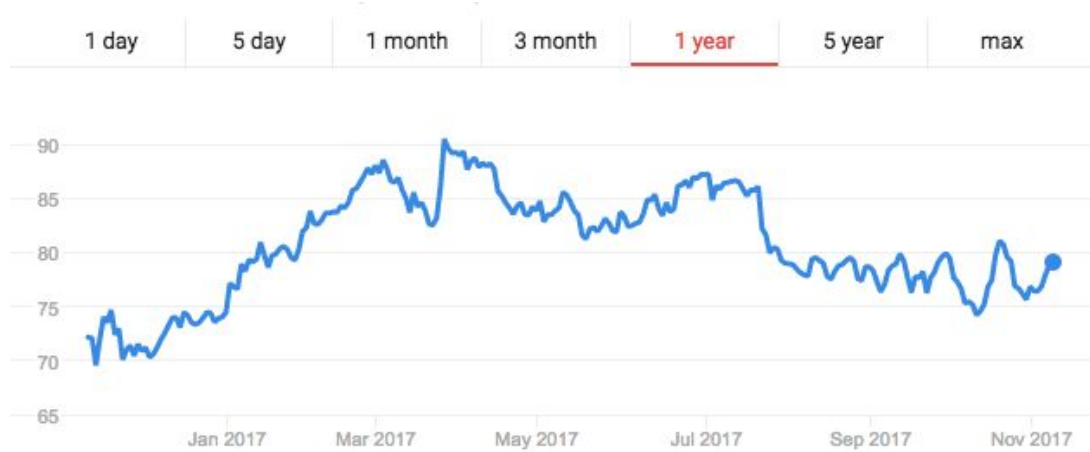
Highest Dividend Yield Stocks in the S&P 500			
Add	Symbol	Div/Yield	Price
+	<u>CTL</u> CenturyLink Inc	0.13	16.20
+	<u>M</u> Macy's Inc	0.09	17.64
+	<u>STX</u> Seagate Technology PLC	0.07	37.83

Stock Recommendation



HCA- Healthcare INC

HCA as a company is involved in managing hospitals, freestanding surgery centers and emergency rooms, and urgent care centers.



- **Revenues** increase to **\$10.696 billion**
- **4% growth**

Losses

- **\$140 million** (Harvey and Irma's impact)
- **\$50 million** Texas Medicaid Waiver program

P/E: 11.09 (lower 20% of overall market P/E)

Longterm EPS Growth: 19.10%

Free Cash Flow: \$7.31 per share - generate cash

Current Ratio: HCA 1.68 > industry 1.47

Aetna

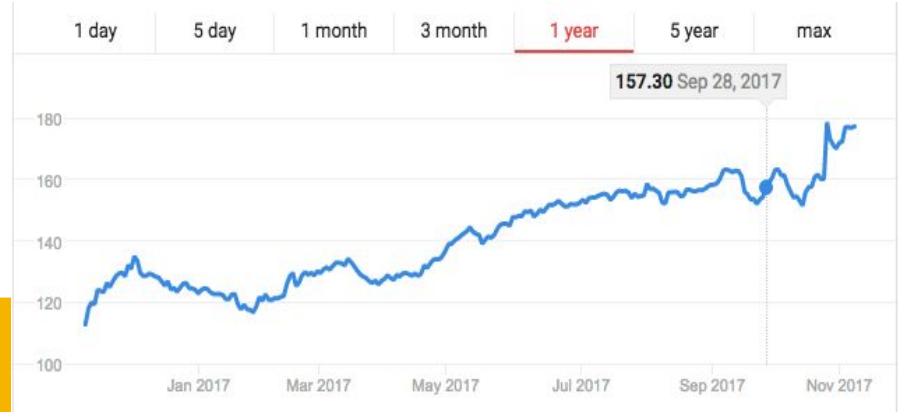
- Managed Healthcare Market Cap: 120.8B
- Aetna Market Cap: 57.21B
- The current market P/E ratio is 24.00
- Revenue growth: 12.65%

Aetna Metrics:

P/E ratio 32.74
Div yield 1.13%

Aetna vs S&P 500:
13% vs 4.6%

- CVS/Aetna merger: deal by December?
- combines **CVS** with **Aetna**, one of the oldest health insurers.



Aetna stocks risen by 7% → **\$200+ per share**; CVS will split its consideration for the deal between cash and CVS stock, a structure that **minimizes tax liabilities** for Aetna shareholders

Current Events in Healthcare



Reduce “Perfection Mode” to Cut Physician Burnout

- Burnout affects 25% of physicians and 20% of NPs and PAs
- Drop ‘perfectionist’ approach outside of working hours
- Common culprit of burnout is EHR’s
- Understanding that change in healthcare here to stay
- Move to team-based care - spread responsibility
- Identify core competencies





VMG HEALTH

WE VALUE HEALTHCARE

