

Tenet CEO Fetter Shows Unfettered Confidence

By TONY COOKE

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WASHINGTON—Tenet Healthcare Corp. celebrated the return of executive Trevor Fetter in 2002 with a buy-one, get-two-free sale. For every share Mr. Fetter bought, up to a 100,000-share limit, the hospital operator awarded him two more shares of restricted stock.

Mr. Fetter, a former Tenet chief financial and chief corporate officer who left the company in 2000 to become chairman and chief executive of Broadlane Inc., returned to Tenet as president and was named chief executive in 2003. He is buying again this month—this time without the added incentive of matching shares. Two other executives joined Mr. Fetter in opening their wallets, and together the three spent \$266,450 from March 19 through Monday to buy 25,000 shares at an average price of \$10.66 each.



INSIDE TRACK

In 4 p.m. composite trading yesterday on the New York Stock Exchange, Tenet was at \$10.79, up five cents.

The insiders' decision to buy shares "obviously reflects they have confidence in the company's turnaround," said Steven Campanini, director of media relations for Tenet. "These purchases were made on their own, using their own funds and on the open market."

Confidence regarding Tenet has been in short supply in the market since October 2002, when allegations first surfaced that the Santa Barbara, Calif., hospital company may have engaged in Medicare fraud. Since then, with the announcement of lawsuits and subpoenas related to Tenet's actions, the company's stock has dropped about 80%. Tenet is among the lowest-rated stocks in Thomson First Call's survey of analysts.

Mr. Fetter discussed the company's prospects in a conference call this month. He described the company's plan to sell 27 "noncore" hospitals and focus on the remaining 69 hospitals, and Tenet's effort to recover from the aggres-

sive pricing strategy that has led to various state and federal investigations.

"I do think we now have a clear view of how to fix the problems, and we are in the process of executing an action plan that I believe will restore Tenet's profitability to more competitive levels," Mr. Fetter said in remarks prepared for the March 16 conference call.

Mr. Fetter said physician and patient satisfaction levels with Tenet facilities remain high, and employee turnover statistics have improved. "Whatever disruption we may have experienced is at the corporate parent level, not at the individual hospitals," he said.

The company is also seeking a more cooperative relationship with the federal government, he said—although he also said it is too soon to quantify the economic impact of legal actions against the company.

Michael Painchaud, research director for Market Profile Theorems, said Tenet insiders have been reliable predictors of their company's stock. "These guys were very accurate sellers in October of 2002," said Mr. Painchaud.

Shortly before the Medicare allegations emerged, three other Tenet insiders reported exercising options and selling more than \$17 million of stock for an average price above \$51 a share, according to data from Thomson Financial.

Mr. Campanini, the Tenet spokesman,

said the timing of those transactions was the result of limitations imposed by the company on when insiders were permitted to sell shares.

Mr. Painchaud said this month's purchases constitute another strong message from insiders. "Right now," he said, "insiders are telling you to be a buyer."

Municipal Bond Index

Merrill Lynch Muni Master Week ended March 30, 2004

The following index is based on major municipal issuers having bonds with amounts outstanding at least \$50 million, an investment grade rating and issuance within the last five years. The chart shown displays the market weighted average yield to worst* of each index. The index is calculated by Merrill Lynch, based on pricing obtained from Standard & Poor's Securities Evaluation.

	3/30	CHANGE IN WEEK
MUNI MASTER BOND INDEX	4.18	+0.22
Sub-Index		
REVENUE BONDS		
AAA-Guaranteed	4.56	+0.21
22-52 YEAR REVENUE BONDS		
AAA-Guaranteed	4.22	+0.24
Airport	4.68	+0.28
Power	4.22	+0.19
Hospital	4.60	+0.17
Housing		
Single-Family	4.58	+0.07
Multi-Family	4.95	+0.18
Pollution Control/Ind. Dev.	4.48	+0.19
Transportation	4.26	+0.24
Water	3.92	+0.23
Advance Refunded	2.77	+0.28
12-22 YEAR GENERAL OBLIGATIONS		
Sub-Index		
Cities	3.68	+0.30
States	4.20	+0.28

*The transportation category includes airports; other districts include school and special districts. *assuming the least advantageous maturity for each issue.