

H&Q HEALTHCARE INVESTORS
Form N-Q
March 02, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL
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FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-04889

H&Q Healthcare Investors
(Exact name of registrant as specified in charter)

2 Liberty Square, 9th Floor, Boston, MA
(Address of principal executive offices)

02109
(Zip code)

(Name and address of agent for service)

Registrant's telephone number, including area code: 617-772-8500

Date of fiscal year end: September 30

Date of reporting period: 12/31/08

Item 1. Schedule of Investments.

H&O HEALTHCARE INVESTORS**SCHEDULE OF INVESTMENTS**

DECEMBER 31, 2008

(Unaudited)

CONVERTIBLE SECURITIES AND WARRANTS 11.7% of Net Assets

| SHARES | | VALUE |
|-----------|--|----------------------|
| | Convertible Preferred (Restricted)(a) 11.7% | |
| | <i>Drug Discovery Technologies 1.5%</i> | |
| 2,380,953 | Agilix Corporation Series B (b) (c) | \$ 141,809 |
| 375,000 | Ceres, Inc. Series C (b) | 2,437,500 |
| 32,193 | Ceres, Inc. Series C-1 (b) | 209,255 |
| 280,105 | Ceres, Inc. Series D (b) | 1,820,683 |
| 40,846 | Ceres, Inc. Series F (b) | 265,499 |
| 8,170 | Ceres, Inc. warrants (expiration 9/05/15) (b) | 0 |
| 300,000 | Zyomyx, Inc. Series A New (b) | 30,000 |
| 300 | Zyomyx, Inc. Series B New (b) | 30 |
| | <i>Emerging Biopharmaceuticals 0.8%</i> | |
| 306,413 | MacroGenics, Inc. Series D (b) | 199,812 |
| 75,217 | MacroGenics, Inc. Series D (b) | 32,697 |
| 2,123,077 | TargeGen, Inc. Series C (b) | 1,840,007 |
| 586,871 | TargeGen, Inc. Series D (b) | 508,624 |
| | <i>Healthcare Services 1.6%</i> | |
| 5,384,615 | PHT Corporation Series D (b) (c) | 4,200,000 |
| 1,204,495 | PHT Corporation Series E (b) (c) | 939,506 |
| 149,183 | PHT Corporation Series F (b) (c) | 116,363 |
| | <i>Medical Devices and Diagnostics 7.8%</i> | |
| 3,424,756 | CardioKinetix, Inc. Series C (b) (c) | 2,359,999 |
| 4,852,940 | Concentric Medical, Inc. Series B (b) (c) | 4,852,940 |
| 1,744,186 | Concentric Medical, Inc. Series C (b) (c) | 1,744,186 |
| 683,000 | Concentric Medical, Inc. Series D (b) (c) | 683,000 |
| 652,013 | Concentric Medical, Inc. Series E (b) (c) | 652,013 |
| 1,724,230 | Elemé Medical, Inc. Series C (b) (c) | 2,596,001 |
| 222,222 | EPR, Inc. Series A (b) | 2,222 |
| 2,292,152 | FlowCardia, Inc. Series C (b) | 2,458,333 |
| 3,669,024 | Labcyte Inc. Series C (b) | 1,920,000 |
| 2,950,000 | Magellan Biosciences, Inc. Series A (b) | 2,950,000 |
| 1,547,988 | OmniSonics Medical Technologies, Inc. Series A-1 (b) | 356,036 |
| 1,263,099 | OmniSonics Medical Technologies, Inc. Series B-1 (b) | 290,512 |
| 65,217 | TherOx, Inc. Series H (b) | 416,085 |
| 149,469 | TherOx, Inc. Series I (b) | 953,612 |
| 4,220 | TherOx, Inc. warrants (expiration 1/26/10) (b) | 0 |
| 8,141 | TherOx, Inc. warrants (expiration 6/09/09) (b) | 0 |
| 921,875 | Xoft, Inc. Series D (b) | 3,079,063 |
| 176,647 | Xoft, Inc. Series E (b) | 590,001 |
| | TOTAL CONVERTIBLE SECURITIES AND WARRANTS | |
| | (Cost \$46,775,337) | \$ 38,645,788 |

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| SHARES | | VALUE |
|---|---|--------------|
| COMMON STOCKS AND WARRANTS 77.6% | | |
| Biopharmaceuticals 34.4% | | |
| 1,033,968 | Akorn, Inc. (b) | \$ 2,378,126 |
| 202,223 | Akorn, Inc. warrants (expiration 3/08/11) (a) (b) | 28,311 |
| 163,146 | Alexion Pharmaceuticals, Inc. (b) | 5,904,254 |
| 260,793 | Amgen Inc. (b) | 15,060,796 |
| 80,000 | Amylin Pharmaceuticals, Inc. (b) | 868,000 |
| 756,876 | Antisoma Plc (b) (d) | 255,727 |
| 4,624,175 | Antisoma Plc 12 Month Lock-up (Restricted) (a) (b) (d) | 1,328,020 |
| 513,798 | Antisoma Plc 18 Month Lock-up (Restricted) (a) (b) (d) | 138,878 |
| 213,120 | Biogen Idec Inc. (b) | 10,150,906 |
| 127,450 | Forest Laboratories, Inc. (b) | 3,246,151 |
| 128,830 | Genentech, Inc. (b) | 10,681,295 |
| 207,018 | Genzyme Corporation (b) | 13,739,785 |
| 424,040 | Gilead Sciences, Inc. (b) | 21,685,406 |
| 262,804 | Hologic, Inc. (b) | 3,434,848 |
| 12,785 | Intuitive Surgical, Inc. (b) | 1,623,567 |
| 247,845 | Martek Biosciences Corporation | 7,512,182 |
| 92,205 | Myriad Genetics, Inc. (b) (e) | 6,109,503 |
| 226,500 | Vertex Pharmaceuticals Inc. (b) (e) | 6,881,070 |
| 147,689 | XenoPort, Inc. (b) | 3,704,040 |
| | | 114,730,865 |
| Biotechnology 1.9% | | |
| 472,000 | Athersys, Inc. (b) | 212,447 |
| 118,000 | Athersys, Inc. warrants (expiration 6/08/12) (a) (b) | 0 |
| 180,783 | Life Technologies Corporation (b) | 4,214,052 |
| 177,766 | Momenta Pharmaceuticals, Inc. (b) | 2,062,086 |
| | | 6,488,585 |
| Drug Delivery 3.7% | | |
| 327,450 | Alkermes, Inc. (b) | 3,487,342 |
| 314,000 | CVS Caremark Corporation | 9,024,360 |
| | | 12,511,702 |
| Drug Discovery Technologies 9.7% | | |
| 243,433 | Avalon Pharmaceuticals, Inc. (b) | 70,839 |
| 288,280 | Celgene Corporation (b) | 15,936,119 |
| 38,669 | Cephalon, Inc. (b) | 2,979,060 |
| 123,508 | Cougar Biotechnology, Inc. (b) | 3,211,208 |
| 113,400 | OSI Pharmaceuticals, Inc. (b) | 4,428,270 |
| 574,211 | Penwest Pharmaceuticals Co. (b) | 901,511 |
| 287,106 | Penwest Pharmaceuticals Co. warrants (expiration 3/11/13) (a) (b) | 160,779 |
| 72,800 | United Therapeutics Corporation (b) | 4,553,640 |
| 300,000 | Zyomyx, Inc. (Restricted) (a) (b) | 3,000 |
| | | 32,244,426 |

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| SHARES | | VALUE |
|---|---|-----------------------|
| Emerging Biopharmaceuticals 1.2% | | |
| 621,473 | ACADIA Pharmaceuticals Inc. (b) | \$ 559,326 |
| 170,698 | DOV Pharmaceutical, Inc. warrants (expiration 12/31/09) (a) (b) | 0 |
| 650,550 | Exelixis, Inc. (b) | 3,265,761 |
| 454,078 | NitroMed, Inc. (b) | 163,468 |
| | | 3,988,555 |
| Generic Pharmaceuticals 7.6% | | |
| 144,519 | Illumina, Inc. (b) | 3,764,720 |
| 353,100 | Mylan Inc. (b) | 3,492,159 |
| 127,369 | Perrigo Company | 4,115,292 |
| 332,496 | Teva Pharmaceutical Industries, Ltd. (f) | 14,154,350 |
| | | 25,526,521 |
| Healthcare Services 10.3% | | |
| 67,700 | Aetna Inc. | 1,929,450 |
| 222,222 | Aveta, Inc. (Restricted) (a) (b) | 2,222,220 |
| 520,460 | CardioNet, Inc. (b) | 12,829,339 |
| 134,660 | Catalyst Health Solutions, Inc. (b) | 3,278,971 |
| 137,920 | ICON Plc (b) (f) | 2,715,645 |
| 130,385 | Medco Health Solutions, Inc. (b) | 5,464,435 |
| 122,700 | Pharmaceutical Product Development, Inc. | 3,559,527 |
| 306,208 | Syntiro Healthcare Services (Restricted) (a) (b) | 306 |
| 59,050 | WellPoint, Inc. (b) | 2,487,777 |
| | | 34,487,670 |
| Medical Devices and Diagnostics 8.8% | | |
| 473,430 | Align Technology, Inc. (b) | 4,142,513 |
| 159,854 | IDEXX Laboratories, Inc. (b) | 5,767,532 |
| 225,107 | Inverness Medical Innovations, Inc. (b) | 4,256,773 |
| 84,750 | Laboratory Corporation of America Holdings (b) | 5,458,748 |
| 97,400 | Masimo Corporation (b) | 2,905,442 |
| 160,000 | Masimo Laboratories, Inc. (Restricted) (a) (b) | 56,460 |
| 830,292 | Medwave, Inc. (b) (c) | 415 |
| 207,573 | Medwave, Inc. warrants (expiration 8/21/11) (a) (b) (c) | 0 |
| 93,008 | OmniSonic Medical Technologies, Inc. (Restricted) (a) (b) | 930 |
| 125,000 | PerkinElmer, Inc. | 1,738,750 |
| 56,500 | Phase Forward Inc. (b) | 707,380 |
| 208 | Songbird Hearing, Inc. (Restricted) (a) (b) | 139 |
| 106,575 | Stryker Corporation | 4,257,671 |
| | | 29,292,753 |
| TOTAL COMMON STOCKS AND WARRANTS | | |
| (Cost \$289,540,419) | | \$ 259,271,077 |

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| PRINCIPAL AMOUNT | | VALUE |
|------------------|---|-----------------------|
| | SHORT-TERM INVESTMENTS 10.1% | |
| \$ 5,692,000 | American Express Corporation; 0.01% due 01/02/09 | \$ 5,691,999 |
| 28,171,000 | Repurchase Agreement, State Street Bank and Trust Co., repurchase value \$28,171,016 (collateralized by U.S. Treasury Bill 0.26% discount, 07/02/09, market value \$28,737,592); 0.01% due 01/02/09 | 28,171,000 |
| | TOTAL SHORT-TERM INVESTMENTS (Cost \$33,862,999) | \$ 33,862,999 |
| | TOTAL INVESTMENTS 99.4% (Cost \$370,178,755) | \$ 331,779,864 |
| | OTHER ASSETS IN EXCESS OF LIABILITIES 0.6% | 2,166,216 |
| | NET ASSETS - 100% | \$ 333,946,080 |

- (a) Security fair valued.
 (b) Non-income producing security.
 (c) Affiliated issuers in which the Fund holds 5% or more of the voting securities (total market value of \$18,286,232).
 (d) Foreign security.
 (e) A portion of security is pledged as collateral for call options written.
 (f) American Depository Receipt.

SCHEDULE OF WRITTEN OPTIONS

| NUMBER OF CONTRACTS (100 SHARES EACH) | | EXPIRATION DATE | CURRENT VALUE |
|---------------------------------------|---|-----------------|--------------------|
| | CALL OPTIONS WRITTEN | | |
| 89 | Myriad Genetics, Inc., strike @ 70 | Feb - 2009 | \$ (29,993) |
| 295 | Vertex Pharmaceuticals, Inc., strike @ 35 | Feb - 2009 | (38,940) |
| | TOTAL CALL OPTIONS WRITTEN (Premium received \$68,933) | | \$ (68,933) |

H&O HEALTHCARE INVESTORS**SCHEDULE OF INVESTMENTS**

DECEMBER 31, 2008

*(Unaudited)**(Continued)*

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157), effective October 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market for the investment. FAS 157 established a three-tier hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs) when market prices are not readily available or reliable. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability and may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability, and would be based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 quoted prices in active markets for identical investments
- Level 2 prices determined using other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 prices determined using significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of December 31, 2008 in valuing the Fund's investments carried at value:

| Valuation Inputs | Investments in Securities | |
|---|---------------------------|--------------------|
| Level 1 - Quoted Prices in Active Markets | \$ | 289,195,033 |
| Level 2 - Other Significant Observable Inputs | | |
| Level 3 - Significant Unobservable Inputs | | 42,584,831 |
| Balance as of December 31, 2008 | \$ | 331,779,864 |

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Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the Fund's most recent annual report previously filed with the Securities and Exchange Commission on Form N-CSR.

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

| Valuation Inputs | Investments in Securities |
|--|--|
| Balance as of 09/30/08 | \$ 59,245,578 |
| Accrued discounts/premiums | |
| Realized gain/loss and change in unrealized appreciation/depreciation | (4,913,401) |
| Net purchases/sales | (55,733) |
| Net transfers in and/or out of Level 3 | (11,691,613) |
| Balance, as of 12/31/08 | \$ 42,584,831 |
| Net change in unrealized appreciation/depreciation from investments still held as of 12/31/08 | \$ (3,238,533) |

Investment Valuation - Investments traded on national securities exchanges or in the over-the-counter market that are National Market System securities are valued at the last sale price or, lacking any sales, at the mean between the last bid and asked prices. Other over-the-counter securities are valued at the most recent bid prices as obtained from one or more dealers that make markets in the securities. Publicly traded investments for which market quotations are not readily available or whose quoted price may otherwise not reflect fair value and the fair value of venture capital and other restricted securities are valued in good faith by the Adviser pursuant to valuation policies and procedures approved by the Trustees. Such values are subject to oversight and ratification by the Trustees. However, because of the uncertainty of fair valuations, these estimated values may differ significantly from the values that would have been used had a ready market for these securities existed, and the differences could be material. Each such fair value determination is based on a consideration of relevant factors. Factors the Adviser considers may include (i) the existence of any contractual restrictions on the disposition of securities; (ii) information obtained from the issuer which may include an analysis of the company's financial statements, the company's products or intended markets or the company's technologies; and (iii) the price of a security negotiated at arm's length in an issuer's completed subsequent round of financing. Short-term investments with maturity of 60 days or less are valued at amortized cost.

Venture Capital and Other Restricted Securities - The Fund may invest in venture capital and other restricted securities if these securities would currently comprise 40% or less of net assets. The value of these securities represents 13% of the Fund's net assets at December 31, 2008. The following table details the acquisition date, cost, carrying value per unit, and value of the Fund's venture capital and other restricted securities at December 31, 2008. The Fund on its own does not have the right to demand that such securities be registered.

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| Security (g) | Acquisition Date | Cost | Carrying Value per Unit | Value |
|---------------------------------------|--------------------|--------------|-------------------------|------------|
| Agilix Corporation | | | | |
| Series B Cvt. Pfd. | 11/8/01 | \$ 2,495,500 | \$ 0.06 | \$ 141,809 |
| Antisoma Plc (h) | | | | |
| 12 Month Lock-up Restricted Common | 12/5/03 - 6/11/08 | 4,827,086 | 0.29 | 1,328,020 |
| 18 Month Lock-up Restricted Common | 12/5/03 - 6/11/08 | 536,343 | 0.27 | 138,878 |
| Aveta, Inc. | | | | |
| Restricted Common | 12/21/05 | 3,004,731 | 10.00 | 2,222,220 |
| CardioKinetix, Inc. | | | | |
| Series C Cvt. Pfd. | 5/22/08 | 2,367,320 | 0.69 | 2,359,999 |
| Ceres, Inc. | | | | |
| Series C Cvt. Pfd. | 12/23/98 | 1,502,732 | 6.50 | 2,437,500 |
| Series C-1 Cvt. Pfd. | 3/31/01 | 111,508 | 6.50 | 209,255 |
| Series D Cvt. Pfd. | 3/14/01 | 1,668,294 | 6.50 | 1,820,683 |
| Series F Cvt. Pfd. | 9/5/07 | 268,136 | 6.50 | 265,499 |
| Warrants (expiration 9/05/15) | 9/5/07 | 0 | 0.00 | 0 |
| Concentric Medical, Inc. | | | | |
| Series B Cvt. Pfd. | 5/7/02, 1/24/03 | 3,330,988 | 1.00 | 4,852,940 |
| Series C Cvt. Pfd. | 12/19/03 | 1,500,818 | 1.00 | 1,744,186 |
| Series D Cvt. Pfd. | 9/30/05 | 958,007 | 1.00 | 683,000 |
| Series E Cvt. Pfd. | 12/18/08 | 653,960 | 1.00 | 652,013 |
| Elemé Medical, Inc. | | | | |
| Series C Cvt. Pfd. | 7/15/08 | 3,252,672 | 1.51 | 2,596,001 |
| EPR, Inc. | | | | |
| Series A Cvt. Pfd. | 3/9/94 | 1,000,409 | 0.01 | 2,222 |
| FlowCardia, Inc. | | | | |
| Series C Cvt. Pfd. | 8/29/07 | 2,474,768 | 1.07 | 2,458,333 |
| Labcyte Inc. | | | | |
| Series C Cvt. Pfd. | 7/18/05 | 1,924,893 | 0.52 | 1,920,000 |
| MacroGenics, Inc. | | | | |
| Series D Cvt. Pfd. | 9/4/08 | 1,002,546 | 0.65 | 199,812 |
| Series D Cvt. Pfd. | 9/4/08 | 315,748 | 0.43 | 32,697 |
| Magellan Biosciences, Inc. | | | | |
| Series A Cvt. Pfd. | 11/28/06 | 2,954,179 | 1.00 | 2,950,000 |
| Masimo Laboratories, Inc. | | | | |
| Restricted Common | 3/31/98 | 0 | 0.35 | 56,460 |
| OmniSonics Medical Technologies, Inc. | | | | |
| Series A-1 Cvt. Pfd. | 10/1/03 | 1,800,514 | 0.23 | 356,036 |
| Series B-1 Cvt. Pfd. | 6/4/07, 11/15/07 | 960,516 | 0.23 | 290,512 |
| Restricted Common | 5/24/01, 7/2/07 | 2,409,033 | 0.01 | 930 |
| PHT Corporation | | | | |
| Series D Cvt. Pfd. | 7/23/01 | 4,205,754 | 0.78 | 4,200,000 |
| Series E Cvt. Pfd. | 9/12/03 - 10/14/04 | 941,669 | 0.78 | 939,506 |
| Series F Cvt. Pfd. | 7/21/08 | 122,580 | 0.78 | 116,363 |
| Songbird Hearing, Inc. | | | | |
| Restricted Common | 12/14/00 | 3,004,861 | 0.67 | 139 |
| Syntiro Healthcare Services | | | | |
| Restricted Common | 2/5/97 | 1,200,325 | 0.001 | 306 |
| TargeGen, Inc. | | | | |
| Series C Cvt. Pfd. | 8/30/05 | 2,763,495 | 0.87 | 1,840,007 |
| Series D Cvt. Pfd. | 5/8/07 | 764,407 | 0.87 | 508,624 |
| TherOx, Inc. | | | | |
| Series H Cvt. Pfd. | 9/11/00 | 3,002,748 | 6.38 | 416,085 |
| Series I Cvt. Pfd. | 7/8/05 | 579,958 | 6.38 | 953,612 |
| Warrants (expiration 1/26/10) | 1/26/05 | 0 | 0.00 | 0 |
| Warrants (expiration 6/09/09) | 6/9/04 | 0 | 0.00 | 0 |

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| Security (g) | Acquisition Date | Cost | Carrying Value per Unit | Value |
|------------------------|-------------------|---------------|-------------------------|---------------|
| Xoft, Inc. | | | | |
| Series D Cvt. Pfd. | 3/23/07 | \$ 2,958,518 | \$ 3.34 | \$ 3,079,063 |
| Series E Cvt. Pfd. | 6/20/08 | 592,532 | 3.34 | 590,001 |
| Zyomyx, Inc. | | | | |
| Series A New Cvt. Pfd. | 1/12/04 | 299,700 | 0.10 | 30,000 |
| Series B New Cvt. Pfd. | 2/19/99, 1/12/04 | 468 | 0.10 | 30 |
| New Restricted Common | 2/19/99 - 7/22/04 | 3,602,065 | 0.01 | 3,000 |
| | | \$ 65,359,781 | | \$ 42,395,741 |

(g) See Schedule of Investments and corresponding footnotes for more information on each issuer.

(h) The carrying value per unit of unrestricted common units of Antisoma Plc was \$0.46 on June 11, 2008, the date of the purchase agreement and date an enforceable right to acquire the restricted units was obtained.

Federal Income Tax Cost At December 31, 2008, the total cost of securities for Federal income tax purposes was \$370,178,755. The net unrealized loss on securities held by the Fund was \$38,398,891, including gross unrealized gain of \$42,181,103 and gross unrealized loss of \$80,579,994.

Affiliate Transactions An affiliate issuer is a company in which the Fund holds 5% or more of the voting securities. Transactions with such companies during the three months ended December 31, 2008 were as follows:

| Issuer | Value on October 1, 2008 | Purchases | Sales | Income | Value on December 31, 2008 |
|---------------------------|--------------------------|------------|------------|--------|----------------------------|
| Agilix Corporation | \$ 141,809 | \$ | \$ | \$ | \$ 141,809 |
| CardioKinetix, Inc. | 2,359,999 | | | | 2,359,999 |
| Concentric Medical, Inc. | 10,192,176 | 652,013 | | | 7,932,139 |
| CytoLogix Corporation (a) | 802,074 | | 713,080 | | |
| Eleme Medical, Inc. | 3,245,001 | | | | 2,596,001 |
| Medwave, Inc. | | | | | 415 |
| PHT Corporation | 5,255,869 | | | | 5,255,869 |
| | \$ 21,996,928 | \$ 652,013 | \$ 713,080 | \$ | \$ 18,286,232 |

(a) As of December 31, 2008 Cytologix Corporation is no longer an affiliate.

Item 2. Controls and Procedures.

(a.) The registrant's principal executive officer and principal financial officer have concluded, based on their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this report, that these disclosure controls and procedures are adequately designed and are operating effectively to ensure that information required to be disclosed by the registrant on Form N-Q is (i) accumulated and communicated to the investment company's management, including its certifying officers, to allow timely decisions regarding required disclosure; and (ii) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b.) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Separate certifications for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)). Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) H&Q Healthcare Investors

By (Signature and Title) /s/ Daniel Omstead
Daniel Omstead, President

Date 3/2/09

Pursuant to the requirements of the Securities and Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Carolyn Haley
Carolyn Haley, Treasurer

Date 3/2/09
