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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): December 1, 2017 (December 1, 2017)

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-15925
(Commission
File Number)

13-3893191
(IRS Employer
Identification No.)

4000 Meridian Boulevard
Franklin, Tennessee 37067
(Address of principal executive offices)

Registrant's telephone number, including area code: (615) 465-7000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 1, 2017, CHSPSC, LLC, a wholly-owned subsidiary of Community Health Systems, Inc. (the “Company”), entered into a consultancy agreement (the “Consulting Agreement”) with Michael T. Portacci, the retiring Division President who oversaw the Company’s Division II Operations, including affiliated hospitals in Alaska, Arizona, Arkansas, Louisiana, Missouri, New Mexico and Texas. Mr. Portacci retired effective December 1, 2017. Pursuant to the Consulting Agreement, Mr. Portacci will provide certain consulting services related to matters of administration, healthcare operations, healthcare management and other matters as requested by Wayne T. Smith, Chairman and Chief Executive Officer and/or his designee. The term of the Consulting Agreement will be December 4, 2017 to March 31, 2020, subject to the right of either party to terminate the Consulting Agreement at any time upon 30 days written notice. During the term of the Consulting Agreement, Mr. Portacci will be entitled to receive consulting fees of \$12,500 per month for the December 2017 to November 2019 period (with no fees payable for the December 2019 to March 2020 period) and will be subject to restrictions on competing with CHSPSC, LLC or its affiliates. He will also continue to vest in any previously granted stock options and restricted stock of Community Health Systems, Inc. in accordance with the applicable vesting schedule.

The foregoing summary of the Consulting Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Consulting Agreement, which is filed as Exhibit 10.1 hereto and incorporated into this report by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following items are included as Exhibits to this Form 8-K and incorporated herein by reference:

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Consultancy Agreement, dated December 1, 2017, by and between CHSPSC, LLC and Michael T. Portacci.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 1, 2017

COMMUNITY HEALTH SYSTEMS, INC.
(Registrant)

By: /s/ Wayne T. Smith
Wayne T. Smith
Chairman of the Board and Chief Executive Officer
(principal executive officer)

CONSULTANCY AGREEMENT
MICHAEL T. PORTACCI

This Consultancy Agreement (“Agreement”) is entered into by and between CHSPSC, LLC a Delaware limited liability company (“CHSPSC”), and Michael T. Portacci (“Consultant”).

1. **Work to Be Performed.** It is necessary and/or advisable to promote the interests of CHSPSC and associated entities that the Consultant provides ongoing consulting services related to matters of administration, healthcare operations, healthcare management and other assignments as requested by Wayne T. Smith, Chairman and Chief Executive Officer (“Smith”), and/or his designee. Consultant is not entitled to this Consultancy but for this offer by CHSPSC.

2. **Term of Agreement.** The services called for under this Agreement shall commence on December 4, 2017, and extend through March 31, 2020. The hours worked on a daily or weekly basis shall be as mutually agreed upon between Consultant and CHSPSC, but shall in no event require Consultant to work, on average, more than eight hours per week. The Agreement may be terminated by CHSPSC or by Consultant at any time upon 30 days written notice to either party.

3. **Terms of Payment.** From December 4, 2017 to November 30, 2019, CHSPSC shall pay Consultant a gross amount of \$12,500 per month. Each monthly installment shall be paid, in arrears, on the 1st business day of each month following the month of service. The timing and amount of any payments are subject to any deductions pursuant to Section 7. From December 1, 2019 to March 31, 2020, no additional payments shall be made to Consultant by CHSPSC, other than those already made, for any services provided under this Agreement.

4. **Reimbursement of Expenses.** CHSPSC shall reimburse Consultant for any reasonable expenses paid or incurred by Consultant while traveling on behalf of CHSPSC. However, no expense shall be incurred on behalf of or paid or reimbursed by CHSPSC unless approved in advance by CHSPSC.

5. **Payroll Taxes.** CHSPSC shall neither pay nor withhold federal, state, or local income tax or payroll tax of any kind on behalf of Consultant or the employees of Consultant. Consultant shall not be treated as an employee for the services performed hereunder for federal, state, or local tax purposes.

6. **Workers’ Compensation.** As an independent contractor, Consultant is not eligible for workers’ compensation coverage.

7. **Independent Contractor Status; Post Employment Vesting and Benefits.** Consultant expressly represents and warrants to CHSPSC that Consultant (i) is not and shall not be construed to be an employee of CHSPSC and that Consultant’s status shall be that of an independent contractor for which Consultant is solely responsible for his actions and inactions, (ii) shall not act as an employee or agent of CHSPSC, and (iii) is not authorized to enter into contracts or agreements on behalf of CHSPSC or to otherwise create obligations or liabilities of CHSPSC to third parties.

Consultant was an employee of CHSPSC through December 1, 2017, and as such participated in certain benefit arrangements. The parties acknowledge and agree that as long as this Agreement shall remain in effect as provided in Section 2 of this Agreement, Consultant shall continue to vest in any previously granted options and/or restricted stock in Community Health Systems, Inc. in accordance with the vesting schedule applicable to any such options or restricted stock at the time of grant and as amended and approved under this Consultancy Agreement.

As to Consultant's medical/health insurance, CHSPSC agrees that Consultant and his current spouse may continue to enroll, through June 30, 2019, in medical/health insurance benefits sponsored by CHS/Community Health Systems, Inc. offered to CHSPSC employees located in Franklin, Tennessee by paying, from and after January 1, 2018 through June 30, 2019, the monthly premium amount charged by CHSPSC to its employees who elect "employee and spouse" group health coverage. Consultant acknowledges that this retiree benefit will be taxable to Consultant and that the amount of income assigned to this benefit shall be the difference between the COBRA rate, as determined from time to time, and the premiums paid by Consultant. Consultant may continue until the first to occur of (i) becoming eligible for enrollment in the Medicare program, (ii) becoming eligible to participate in a government (state or federal) sponsored program that has at least comparable benefits and/or can be purchased at comparable cost as the benefits made available hereunder, or (iii) reaches age 65.

8. Background Checks. Consultant agrees that implementation of this Agreement may require additional background checks (e.g. regulatory databases, criminal) at the discretion of CHSPSC. Consultant further agrees to any authorizations that are required by CHSPSC to perform any background checks.

9. Confidential Matters and Proprietary Information. Consultant recognizes that during the course of performance of the Agreement, he/she may acquire knowledge of confidential business information and/or trade secrets ("confidential information"). Consultant agrees to keep all such confidential information in a secure place and not to publish, communicate, use, or disclose, directly or indirectly, for his/her own benefit or for the benefit of another, either during or after performance of the Agreement, any such confidential business information or trade secrets. Upon termination or expiration of this Agreement, Consultant shall deliver all records, data, information, and other documents produced or acquired during the performance of this Agreement, and all copies thereof, to CHSPSC. Such material shall remain the property of CHSPSC. This obligation of confidentiality shall not apply to information that is available to the Consultant from third parties on an unrestricted basis. Consultant will notify CHSPSC immediately upon receipt of any subpoena or other legal process.

10. Covenant Not to Compete; Conflicts of Interest. Consultant hereby covenants and agrees with CHSPSC that commencing on the date hereof and continuing through the term of this Agreement, Consultant will not, unless waived by the Chairman and Chief Executive Officer in his sole discretion, or designee, directly or indirectly, anywhere in the United States:

(a) Accept an offer of employment, serve as a consultant in a same or similar capacity as his/her current or previous position(s) with CHSPSC, or act as an agent for or as an officer, director, employee, or other representative of any hospital, medical center, network, healthcare system or other healthcare providers or facilities located within fifty (50) miles of a facility or business that competes with CHSPSC or any other CHS affiliates or with any contractor, supplier, or vendor to CHSPSC or any other CHS affiliate;

(b) Interfere with, solicit, disrupt, or attempt to disrupt any past, present, or prospective relationship, contractual or otherwise, between CHSPSC (or any other CHS affiliate) and any physician, supplier, or employee of CHSPSC (or any other CHS affiliate);

(c) Employ, solicit for employment, or advise or recommend to any other person that they employ or solicit for employment, any employee of CHSPSC (or any other CHS affiliate); or

(d) Discuss with any hospital, medical center, network, healthcare system or other healthcare providers or facilitates, the present or future availability of services or products by a business, if Consultant has or expects to acquire a proprietary interest in such business or is or expects to be an executive, officer, or director of such business, where such services or products are competitive with the services or products of CHS or any affiliated entities.

In connection with the foregoing provisions of this Section 10, Consultant represents that the limitations set forth herein are reasonable and properly required for the adequate protection of CHSPSC. If a judicial determination is made that any of the provisions of this Section 10 constitutes an unreasonable or otherwise unenforceable restriction against Consultant, the parties hereto hereby agree that any judicial authority construing this Agreement shall modify Section 10 hereof to the extent necessary to protect CHSPSC's interests, in accordance with Section 13(c). The time period during which the prohibitions set forth in this Section 10 shall apply shall be tolled and suspended as to Consultant for a period equal to the aggregate quantity of time during which Consultant violates such prohibitions in any respect.

11. **Reports.** Consultant, when directed, shall provide written reports with respect to the services rendered thereunder.

12. **Liability and Indemnification.** Consultant agrees to indemnify, hold harmless, and defend CHSPSC for, from, and against any claims, demands, actions, settlements, judgments, costs, or damages, including reasonable attorneys' fees and court costs, arising out of or related to this Agreement to the extent such claims, demands, actions, settlements, judgments, costs, or damages relate to the gross negligence or intentional misconduct of Consultant, his/her agents, representatives, and employees. This provision shall apply during the term of this Agreement and shall survive the termination of this Agreement.

13. **Miscellaneous.**

(a) **Entire Agreement.** Except for any award agreements evidencing grants of any options or restricted stock in Community Health Systems, Inc. referred to in Section 7, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, if any, between the parties. Neither party has made any representations that are not contained in this Agreement.

(b) **Amendment.** This Agreement may be amended only in writing by an agreement of the parties signed by Consultant and CHSPSC and identified as an amendment to this Agreement.

(c) **Severability.** If any provision or part of any provision of this Agreement is deemed to be unenforceable by a court of competent jurisdiction, then the parties agree that such provision shall be severed from the Agreement and the remainder of the Agreement shall remain in full force and effect. The parties further agree that, to the extent a court of competent jurisdiction deems any provision of this Agreement unenforceable, such court shall have the power to modify the terms of the Agreement by adding, deleting, or changing in its discretion any language necessary to make such provision enforceable to the maximum extent permitted by law, and the parties expressly agree to be bound by any such provision as reformed by the court.

(d) **Waiver.** No waiver of any provisions of this Agreement shall be effective unless the waiver is in writing and duly executed by Consultant and an Officer of CHSPSC.

(e) **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns; provided, however, that Consultant shall not have the right to assign this Agreement to any other party.

(f) **Choice of Law and Venue.** This Agreement shall be governed by Tennessee law without regard to the application of the conflicts-of-interest laws of the State of Tennessee or any other jurisdiction and without the benefit of any rule of construction under which a contract is construed against the drafter. Venue for any action arising out of or related to this Agreement shall lie with the courts of competent jurisdiction located in Williamson County, Tennessee, and/or, if jurisdiction lies therein, the United States District Court for the Middle District of Tennessee, and Consultant agrees to submit to the jurisdiction of such courts and waives any defense of lack of personal jurisdiction and any right to jury trial.

(g) References. The heading and caption references of this Agreement are provided for convenience only and are intended to have no effect in construing or interpreting this Agreement. References to the male gender shall include references to the female gender and vice versa, as applicable according to the context; references to the singular tense shall include references to the plural tense and vice versa, as applicable according to the context.

(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original document and all of which, taken together, shall be deemed to constitute a single original document.

(i) Notices. Any notice or other communications under this Agreement shall be in writing, signed by the party making the same, and shall be delivered personally or sent by certified or registered mail, postage prepaid, as follows:

If to Consultant: Michael T. Portacci
[Address on file]

If to CHSPSC: CHSPSC, LLC
Attention: General Counsel
4000 Meridian Boulevard
Franklin, TN 37067

All such notices shall be deemed given on the date personally delivered or, if mailed, three days after the date of mailing.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this 1st day of December, 2017.

CONSULTANT

CHSPSC, LLC

/s/ Michael T. Portacci

Michael T. Portacci

By: /s/ Wayne T. Smith

Wayne T. Smith
Chairman and Chief Executive Officer

For convenience, this Agreement may be signed and electronically transmitted between the Parties and be as effective as a signed, paper agreement.