
**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): July 28, 2020

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15925
(Commission
File Number)

13-3893191
(I.R.S. 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 (see General Instruction A.2. below):

- 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	CYH	New York Stock Exchange

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

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.

The information contained in this Current Report on Form 8-K (including the exhibit hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

ITEM 2.02 Results of Operations and Financial Condition

On July 28, 2020, Community Health Systems, Inc. (the “Company”) announced operating results for the second quarter ended June 30, 2020. A copy of the press release making this announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 2.02.

ITEM 7.01 Regulation FD Disclosure

On July 28, 2020, the Company announced operating results for the second quarter ended June 30, 2020 in a press release attached as Exhibit 99.1 to this Current Report on Form 8-K which is incorporated by reference into this Item 7.01.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is furnished herewith:

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Community Health Systems, Inc. Press Release, dated July 28, 2020.</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: July 28, 2020

COMMUNITY HEALTH SYSTEMS, INC.
(Registrant)

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

By: /s/ Kevin J. Hammons
Kevin J. Hammons
Executive Vice President and Chief Financial Officer
(principal financial officer)

By: /s/ Jason K. Johnson
Jason K. Johnson
Senior Vice President and Chief Accounting Officer
(principal accounting officer)



Investor Contact: Kevin Hammons
Executive Vice President
and Chief Financial Officer
(615) 465-7000

**COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES
SECOND QUARTER 2020 RESULTS**

FRANKLIN, Tenn. (July 28, 2020) – Community Health Systems, Inc. (NYSE: CYH) (the “Company”) today announced financial and operating results for the three and six months ended June 30, 2020.

The following highlights the financial and operating results for the three months ended June 30, 2020.

- **Net operating revenues totaled \$2.519 billion.**
- **Net income attributable to Community Health Systems, Inc. common stockholders was \$70 million, or \$0.61 per share (diluted), compared with net loss of \$(167) million, or \$(1.47) per share (diluted), for the same period in 2019. Excluding the adjusting items as presented in the table in footnote (e) on page 16, net income attributable to Community Health Systems, Inc. common stockholders was \$0.85 per share (diluted), compared to net loss of \$(0.47) per share (diluted) for the same period in 2019.**
- **Adjusted EBITDA was \$454 million.**
- **Net cash provided by operating activities was \$1.652 billion, compared with \$132 million for the same period in 2019.**
- **On a same-store basis, admissions decreased 18.1 percent and adjusted admissions decreased 24.2 percent, compared with the same period in 2019.**
- **As discussed further below, developments related to the impact of a novel strain of coronavirus (“COVID-19”) adversely affected patient volumes and operating results which were mitigated, in part, by government stimulus measures.**

Net operating revenues for the three months ended June 30, 2020, totaled \$2.519 billion, a 23.7 percent decrease, compared with \$3.302 billion for the same period in 2019.

Net income attributable to Community Health Systems, Inc. common stockholders was \$70 million, or \$0.61 per share (diluted), for the three months ended June 30, 2020, compared with net loss of \$(167) million, or \$(1.47) per share (diluted), for the same period in 2019. Excluding the adjusting items as presented in the table in footnote (e) on page 16, net income attributable to Community Health Systems, Inc. common stockholders was \$0.85 per share (diluted), for the three months ended June 30, 2020, compared to net loss of \$(0.47) per share (diluted) for the same period in 2019. Payments received by the Company through the Public Health and Social Services Emergency Fund (the “PHSSEF”), as more specifically described below, had a positive impact on net income attributable to Community Health Systems, Inc. common stockholders (both on a consolidated and adjusted basis) of approximately \$333 million, or \$2.89 on a per share (diluted) basis, for the three months ended June 30, 2020. Weighted-average shares outstanding (diluted) were 115 million and 114 million for the three months ended June 30, 2020 and 2019, respectively.

Adjusted EBITDA for the three months ended June 30, 2020, was \$454 million compared with \$402 million for the same period in 2019. Payments received through the PHSSEF had a positive impact on Adjusted EBITDA for the three months ended June 30, 2020 in the amount of \$448 million.

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July 28, 2020

The consolidated operating results for the three months ended June 30, 2020, reflect a 23.6 percent decrease in admissions and a 29.2 percent decrease in adjusted admissions, compared with the same period in 2019. On a same-store basis, admissions decreased 18.1 percent and adjusted admissions decreased 24.2 percent for the three months ended June 30, 2020, compared with the same period in 2019. Volume declines were most pronounced in the month of April 2020 and declined to a lesser degree in the months of May and June 2020. On a same-store basis, net operating revenues decreased 18.4 percent for the three months ended June 30, 2020, compared with the same period in 2019.

Net operating revenues for the six months ended June 30, 2020, totaled \$5.544 billion, a 17.0 percent decrease, compared with \$6.679 billion for the same period in 2019.

Net income attributable to Community Health Systems, Inc. common stockholders was \$87 million, or \$0.76 per share (diluted), for the six months ended June 30, 2020, compared with net loss of \$(285) million, or \$(2.51) per share (diluted), for the same period in 2019. Excluding the adjusting items as presented in the table in footnote (e) on page 16, net loss attributable to Community Health Systems, Inc. common stockholders was \$(0.73) per share (diluted), for the six months ended June 30, 2020, compared to \$(1.00) per share (diluted) for the same period in 2019. The change in tax valuation allowance (which was one of the aforementioned adjusting items) had a positive impact of \$240 million, or \$2.09 per share (diluted), on net income attributable to Community Health Systems, Inc. common stockholders, and arose from discrete tax benefits related to the release of federal and state valuation allowances on IRC Section 163(j) interest carryforwards as a result of an increase to the deductible interest expense allowed for 2019 and 2020 under the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) that was enacted during the six months ended June 30, 2020. In addition, payments received by the Company through the PHSSEF, as more specifically described below, had a positive impact on net income attributable to Community Health Systems, Inc. common stockholders (both on a consolidated and adjusted basis) of approximately \$333 million, or \$2.90 on a per share (diluted) basis, for the six months ended June 30, 2020. Weighted-average shares outstanding (diluted) were 115 million and 114 million for the six months ended June 30, 2020 and 2019, respectively.

Adjusted EBITDA for the six months ended June 30, 2020, was \$763 million compared with \$793 million for the same period in 2019. Payments received through the PHSSEF had a positive impact on Adjusted EBITDA for the six months ended June 30, 2020 in the amount of \$448 million.

The consolidated operating results for the six months ended June 30, 2020, reflect an 18.3 percent decrease in admissions and a 21.0 percent decrease in adjusted admissions, compared with the same period in 2019. On a same-store basis, admissions decreased 11.5 percent and adjusted admissions decreased 14.5 percent for the six months ended June 30, 2020, compared with the same period in 2019. Volume declines were most pronounced in the month of April 2020 and declined to a lesser degree in the months of May and June 2020. On a same-store basis, net operating revenues decreased 10.9 percent for the six months ended June 30, 2020, compared with the same period in 2019.

Commenting on the results, Wayne T. Smith, chairman and chief executive officer of Community Health Systems, Inc., said, “The COVID-19 pandemic continues to be an unprecedented public health crisis that has forever changed our country and the healthcare industry. Our response to this crisis is guided by our most important priority - to provide safe, quality healthcare for the patients who put their trust in us. We are forever grateful to our incredible physicians, nurses and other caregivers who bravely step up and step forward every day to care for their patients, communities and each other. And, we thank all of America’s healthcare workers for their compassionate, professional, and truly heroic actions in this pandemic.

“I am proud of our hospital leadership teams and the corporate support teams that have demonstrated agility and resilience under pressure and leveraged all of the resources of our organization to support their community response as well as one another. We will continue to adapt to this evolving situation with a steadfast commitment to provide the best possible response to this public health crisis, while at the same time focusing on long-term growth for all of the Company’s stakeholders.”

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COVID – 19 Pandemic:

The COVID-19 pandemic had an adverse impact on the Company's operations and financial results for the three and six months ended June 30, 2020 beginning in the second half of March 2020 as the result of decreases in net operating revenues driven by a decline in patient volumes and increases in expenses related to supply chain and other expenditures.

The Company previously announced in the Current Report on Form 8-K filed by the Company on April 6, 2020 (the "April 6 Form 8-K"), that it was withdrawing its 2020 financial guidance issued in its earnings release dated February 19, 2020. Consistent with disclosures made by the Company in the April 6 Form 8-K and in the Company's earnings release for the first quarter filed on April 28, 2020, the Company is not able to fully quantify the impact that the COVID-19 pandemic will have on its financial results during 2020, but expects developments related to the COVID-19 pandemic, including the CARES Act and PPPHCE Act as further discussed below, to materially affect the Company's financial performance in 2020. Moreover, as a result of the continuously changing and unpredictable environment related to the COVID-19 pandemic, the Company is not providing guidance in this earnings release.

As a result of the COVID-19 pandemic, federal and state governments have passed legislation, promulgated regulations, and taken other administrative actions intended to assist healthcare providers in providing care to COVID-19 and other patients during the public health emergency. Sources of relief include the CARES Act, which was enacted on March 27, 2020, and the Paycheck Protection Program and Health Care Enhancement Act (the "PPPHCE Act"), which was enacted on April 24, 2020. Together, the CARES Act and the PPPHCE Act include \$175 billion in funding to be distributed to eligible providers through the PHSSEF. In addition, the CARES Act provided for an expansion of the Medicare Accelerated and Advance Payment Program.

During the three months ended June 30, 2020, the Company received approximately \$564 million in payments through the PHSSEF in both general and targeted distributions, net of amounts received for previously divested entities that are required to be repaid to the U.S. Department of Health and Human Services ("HHS"). PHSSEF payments are intended to compensate healthcare providers for lost revenues and incremental expenses incurred in response to the COVID-19 pandemic and are not required to be repaid provided that recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using funds received from the PHSSEF to reimburse expenses or losses that other sources are obligated to reimburse. Approximately \$448 million of the PHSSEF payments qualified as income for reimbursement of lost revenues and incremental expenses and was recognized as a reduction in operating costs and expenses during the three and six months ended June 30, 2020. Amounts not recognized as a reduction to operating costs and expenses or that have not been refunded to HHS as of June 30, 2020, are reflected within accrued liabilities-other in the condensed consolidated balance sheet, and such unrecognized amounts may be recognized as a reduction in operating costs and expenses in future periods if the underlying conditions for recognition are met. Additionally, approximately \$109 million in payments through the PHSSEF have been received in July 2020 which did not qualify for recognition during the three months ended June 30, 2020.

Medicare accelerated payments of approximately \$1.2 billion were received during the three months ended June 30, 2020, via the Medicare Accelerated and Advance Payment Program. These are advances that providers must repay. The Medicare accelerated payments are interest free for up to 12 months and the program currently requires that the Centers for Medicare and Medicaid Services ("CMS") recoup the accelerated payments beginning 120 days after receipt by the provider, by withholding future Medicare fee-for-service payments for claims until such time as the full accelerated payment has been recouped. The program currently requires that any outstanding balance remaining after 12 months must be repaid by the provider or be subjected to a 10.25% annual interest rate. Recoupment of accelerated Medicare payments received by the Company is currently expected to begin in August 2020. As of June 30, 2020, Medicare accelerated payments are reflected within accrued liabilities-other in the condensed consolidated balance sheet. Effective April 26, 2020, CMS is reevaluating pending and new applications for accelerated payments in light of significant other relief provided by the CARES Act and the PPPHCE Act. Accordingly, the Company does not expect to receive additional Medicare accelerated payments.

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The PHSEF payments received to date as noted above and which the Company may receive in the future under the CARES Act and the PPPHCE Act, have been and may continue to be beneficial in partially mitigating the impact of the COVID-19 pandemic on the Company's results of operations and financial position. Additionally, the federal government may consider additional stimulus and relief efforts, but we are unable to predict whether additional stimulus measures will be enacted or their impact, if any. The Company is unable to assess the extent to which anticipated ongoing negative impacts on the Company arising from the COVID-19 pandemic will be offset by amounts which the Company may recognize or receive in the future under the CARES Act, the PPPHCE Act and any future stimulus measures.

The Company completed the divestiture of three hospitals on January 1, 2020 (in respect of which the Company received proceeds at a preliminary closing on December 31, 2019), two hospitals on May 1, 2020, and two hospitals on July 1, 2020 (in respect of which the Company received proceeds at a preliminary closing on June 30, 2020) for a total of seven hospitals. In addition, the Company has entered into definitive agreements to sell a total of five hospitals, for which the Company expects to receive aggregate proceeds of approximately \$430 million. These divestitures, subject to definitive agreements, which are expected to be completed at various times during the third and fourth quarters of 2020, will mark the end of the Company's formal portfolio rationalization strategy, which commenced in 2017. There can be no assurance that these potential divestitures subject to definitive agreements will be completed, or if they are completed, the ultimate timing of the completion of these divestitures. The Company continues to receive interest from potential acquirers for certain of its hospitals, and may, from time to time, consider selling additional hospitals following the completion of the Company's formal portfolio rationalization strategy.

Financial and statistical data for 2019 and 2020 presented in this press release includes the operating results of divested hospitals through the effective closing date of each respective divestiture. Same-store operating results exclude the results of a hospital acquired in 2019 and the hospitals divested in 2019 and 2020.

Information About Non-GAAP Financial Measures

This earnings release presents Adjusted EBITDA, a non-GAAP financial measure, which is EBITDA adjusted to add back net income attributable to noncontrolling interests and to exclude loss (gain) from early extinguishment of debt, impairment and loss on sale of businesses, expense related to government and other legal settlements and related costs, expense related to employee termination benefits and other restructuring charges, expense from settlement and fair value adjustments on the CVR agreement liability related to the Health Management Associates, Inc. ("HMA") legal proceedings and related legal expenses, the impact of changes in estimate to increase the professional liability claims accrual recorded during the second quarter of 2019 (which estimate was further revised in the third quarter of 2019 based on updated actuarial analysis) with respect to claims incurred in 2016 and prior years and expense related to the valuation allowance recorded in the second quarter of 2019 to reserve the outstanding balance of a promissory note received from the buyer in connection with the sale of two of the Company's hospitals in 2017, as well as income from a reduction of the valuation allowance on the outstanding balance of a promissory note from the buyer of another hospital. For information regarding why the Company believes Adjusted EBITDA provides useful information to investors, and for a reconciliation of Adjusted EBITDA to net income (loss) attributable to Community Health Systems, Inc. stockholders, see footnote (c) to the Financial Highlights, Financial Statements and Selected Operating Data below.

Additionally, this earnings release presents adjusted net income (loss) attributable to Community Health Systems, Inc. common stockholders per share (diluted), a non-GAAP financial measure, to reflect the impact on net income (loss) attributable to Community Health Systems, Inc. common stockholders per share (diluted) from the selected items used in the calculation of Adjusted EBITDA. For information regarding why the Company believes this non-GAAP financial measure provides useful information to investors, and for a reconciliation of this non-GAAP financial measure to net income (loss) attributable to Community Health Systems, Inc. common stockholders per share (diluted), see footnote (e) to the Financial Highlights, Financial Statements and Selected Operating Data below.

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July 28, 2020

Community Health Systems, Inc. is one of the largest publicly traded hospital companies in the United States and a leading operator of general acute care hospitals in communities across the country. The Company, through its subsidiaries, owns, leases or operates 95 affiliated hospitals in 16 states with an aggregate of approximately 15,000 licensed beds.

The Company's headquarters are located in Franklin, Tennessee, a suburb south of Nashville. Shares in Community Health Systems, Inc. are traded on the New York Stock Exchange under the symbol "CYH." More information about the Company can be found on its website at www.chs.net.

Community Health Systems, Inc. will hold a conference call on Wednesday, July 29, 2020, at 10:00 a.m. Central, 11:00 a.m. Eastern, to review financial and operating results for the second quarter ended June 30, 2020. Investors will have the opportunity to listen to a live internet broadcast of the conference call by clicking on the Investor Relations link of the Company's website at www.chs.net. To listen to the live call, please go to the website at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live broadcast, a replay will be available shortly after the call and will continue to be available for approximately 30 days. Copies of this press release and conference call slide show, as well as the Company's Current Report on Form 8-K (including this press release), will be available on the Company's website at www.chs.net.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Financial Highlights (a)(b)
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<i>Net operating revenues</i>	\$ 2,519	\$ 3,302	\$ 5,544	\$ 6,679
Net income (loss) (f), (g)	93	(146)	126	(246)
Net income (loss) attributable to Community Health Systems, Inc. stockholders	70	(167)	87	(285)
Adjusted EBITDA (c)	454	402	763	793
Net cash provided by operating activities	1,652	132	1,710	265
<i>Earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders:</i>				
Basic (f), (g)	\$ 0.61	\$ (1.47)	\$ 0.76	\$ (2.51)
Diluted (e), (f), (g)	0.61	(1.47)	0.76	(2.51)
<i>Weighted-average number of shares outstanding (d):</i>				
Basic	115	114	115	114
Diluted	115	114	115	114

For footnotes, see pages 14, 15 and 16.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income (Loss) (a)(b)
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,			
	2020		2019	
	Amount	% of Net Operating Revenues	Amount	% of Net Operating Revenues
<i>Net operating revenues</i>	\$2,519	100.0 %	\$3,302	100.0 %
Operating costs and expenses:				
Salaries and benefits	1,282	50.9 %	1,488	45.1 %
Supplies	418	16.6 %	539	16.3 %
Other operating expenses	736	29.1 %	893	27.0 %
Government and other legal settlements and related costs (g)	2	0.1 %	4	0.1 %
Lease cost and rent	82	3.3 %	81	2.5 %
Pandemic relief funds	(448)	(17.8)%	—	— %
Depreciation and amortization	141	5.6 %	153	4.6 %
Impairment and loss on sale of businesses, net (f)	10	0.4 %	33	1.0 %
Total operating costs and expenses	<u>2,223</u>	<u>88.2 %</u>	<u>3,191</u>	<u>96.6 %</u>
Income from operations (f), (g)	296	11.8 %	111	3.4 %
Interest expense, net	260	10.4 %	265	8.0 %
Equity in earnings of unconsolidated affiliates	1	0.0 %	(5)	(0.1)%
Income (loss) before income taxes	35	1.4 %	(149)	(4.5)%
Benefit from income taxes	(58)	(2.3)%	(3)	(0.1)%
Net income (loss) (f), (g)	93	3.7 %	(146)	(4.4)%
Less: Net income attributable to noncontrolling interests	23	0.9 %	21	0.7 %
Net income (loss) attributable to Community Health Systems, Inc. stockholders	<u>\$ 70</u>	<u>2.8 %</u>	<u>\$ (167)</u>	<u>(5.1)%</u>
<i>Earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders:</i>				
Basic (f), (g)	<u>\$ 0.61</u>		<u>\$ (1.47)</u>	
Diluted (e), (f), (g)	<u>\$ 0.61</u>		<u>\$ (1.47)</u>	
Weighted-average number of shares outstanding (d):				
Basic	<u>115</u>		<u>114</u>	
Diluted	<u>115</u>		<u>114</u>	

For footnotes, see pages 14, 15 and 16.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income (Loss) (a)(b)
(In millions, except per share amounts)
(Unaudited)

	Six Months Ended June 30,			
	2020		2019	
	Amount	% of Net Operating Revenues	Amount	% of Net Operating Revenues
<i>Net operating revenues</i>	\$5,544	100.0 %	\$6,679	100.0 %
Operating costs and expenses:				
Salaries and benefits	2,690	48.5 %	3,030	45.4 %
Supplies	916	16.5 %	1,097	16.4 %
Other operating expenses	1,472	26.7 %	1,704	25.5 %
Government and other legal settlements and related costs (g)	4	0.1 %	9	0.1 %
Lease cost and rent	163	2.9 %	162	2.4 %
Pandemic relief funds	(448)	(8.1)%	—	— %
Depreciation and amortization	285	5.1 %	305	4.6 %
Impairment and loss on sale of businesses, net (f)	56	1.0 %	71	1.1 %
Total operating costs and expenses	<u>5,138</u>	<u>92.7 %</u>	<u>6,378</u>	<u>95.5 %</u>
Income from operations (f), (g)	406	7.3 %	301	4.5 %
Interest expense, net	523	9.4 %	522	7.8 %
Loss from early extinguishment of debt	4	0.1 %	31	0.5 %
Equity in earnings of unconsolidated affiliates	(6)	(0.1)%	(9)	(0.2)%
Loss before income taxes	(115)	(2.1)%	(243)	(3.6)%
(Benefit from) provision for income taxes	(241)	(4.4)%	3	0.1 %
Net income (loss) (f), (g)	126	2.3 %	(246)	(3.7)%
Less: Net income attributable to noncontrolling interests	39	0.7 %	39	0.6 %
Net income (loss) attributable to Community Health Systems, Inc. stockholders	<u>\$ 87</u>	<u>1.6 %</u>	<u>\$ (285)</u>	<u>(4.3)%</u>
<i>Earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders:</i>				
Basic (f), (g)	<u>\$ 0.76</u>		<u>\$ (2.51)</u>	
Diluted (e), (f), (g)	<u>\$ 0.76</u>		<u>\$ (2.51)</u>	
Weighted-average number of shares outstanding (d):				
Basic	<u>115</u>		<u>114</u>	
Diluted	<u>115</u>		<u>114</u>	

For footnotes, see pages 14, 15 and 16.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss)	\$ 93	\$ (146)	\$ 126	\$ (246)
Other comprehensive income (loss), net of income taxes:				
Net change in fair value of interest rate swaps, net of tax	—	—	—	(2)
Net change in fair value of available-for-sale debt securities, net of tax	2	2	4	4
Other comprehensive income	2	2	4	2
Comprehensive income (loss)	95	(144)	130	(244)
Less: Comprehensive income attributable to noncontrolling interests	23	21	39	39
Comprehensive income (loss) attributable to Community Health Systems, Inc. stockholders	<u>\$ 72</u>	<u>\$ (165)</u>	<u>\$ 91</u>	<u>\$ (283)</u>

For footnotes, see pages 14, 15 and 16.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Selected Operating Data (a)
(Dollars in millions)
(Unaudited)

	Three Months Ended June 30,					
	Consolidated			Same-Store		
	2020	2019	% Change	2020	2019	% Change
Number of hospitals (at end of period)	97	107		96	96	
Licensed beds (at end of period)	15,562	17,062		15,381	15,646	
Beds in service (at end of period)	13,702	15,206		13,627	13,876	
Admissions	106,481	139,400	-23.6%	106,076	129,463	-18.1%
Adjusted admissions	214,373	302,964	-29.2%	213,295	281,409	-24.2%
Patient days	486,920	622,046		485,010	576,766	
Average length of stay (days)	4.6	4.5		4.6	4.5	
Occupancy rate (average beds in service)	39.0%	45.1%		39.1%	45.8%	
Net operating revenues	\$ 2,519	\$ 3,302	-23.7%	\$ 2,525	\$ 3,096	-18.4%
Net inpatient revenues as a % of net operating revenues	51.4%	47.0%		51.4%	46.8%	
Net outpatient revenues as a % of net operating revenues	48.6%	53.0%		48.6%	53.2%	
Income from operations (f), (g)	\$ 296	\$ 111	166.7%			
Income from operations as a % of net operating revenues	11.8%	3.4%				
Depreciation and amortization	\$ 141	\$ 153				
Equity in earnings of unconsolidated affiliates	\$ 1	\$ (5)				
Net income (loss) attributable to Community Health Systems, Inc. stockholders	\$ 70	\$ (167)	141.9%			
Net income (loss) attributable to Community Health Systems, Inc. stockholders as a % of net operating revenues	2.8%	-5.1%				
Adjusted EBITDA (c)	\$ 454	\$ 402	12.9%			
Adjusted EBITDA as a % of net operating revenues	18.0%	12.2%				
Net cash provided by operating activities	\$ 1,652	\$ 132	1151.5%			

For footnotes, see pages 14, 15 and 16.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Selected Operating Data (a)
(Dollars in millions)
(Unaudited)

	Six Months Ended June 30,					
	Consolidated			Same-Store		
	2020	2019	% Change	2020	2019	% Change
Number of hospitals (at end of period)	97	107		96	96	
Licensed beds (at end of period)	15,562	17,062		15,381	15,646	
Beds in service (at end of period)	13,702	15,206		13,627	13,876	
Admissions	234,729	287,288	-18.3%	233,490	263,884	-11.5%
Adjusted admissions	484,395	612,829	-21.0%	480,994	562,678	-14.5%
Patient days	1,066,857	1,299,127		1,061,587	1,188,067	
Average length of stay (days)	4.5	4.5		4.5	4.5	
Occupancy rate (average beds in service)	42.6%	46.5%		42.7%	47.4%	
Net operating revenues	\$ 5,544	\$ 6,679	-17.0%	\$ 5,532	\$ 6,211	-10.9%
Net inpatient revenues as a % of net operating revenues	49.5%	47.9%		49.5%	47.7%	
Net outpatient revenues as a % of net operating revenues	50.5%	52.1%		50.5%	52.3%	
Income from operations (f), (g)	\$ 406	\$ 301	34.9%			
Income from operations as a % of net operating revenues	7.3%	4.5%				
Depreciation and amortization	\$ 285	\$ 305				
Equity in earnings of unconsolidated affiliates	\$ (6)	\$ (9)				
Net income (loss) attributable to Community Health Systems, Inc. stockholders	\$ 87	\$ (285)	130.5%			
Net income (loss) attributable to Community Health Systems, Inc. stockholders as a % of net operating revenues	1.6%	-4.3%				
Adjusted EBITDA (c)	\$ 763	\$ 793	-3.8%			
Adjusted EBITDA as a % of net operating revenues	13.8%	11.9%				
Net cash provided by operating activities	\$ 1,710	\$ 265	545.3%			

For footnotes, see pages 14, 15 and 16.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In millions, except share data)
(Unaudited)

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 1,552	\$ 216
Patient accounts receivable	1,925	2,258
Supplies	337	354
Prepaid income taxes	47	48
Prepaid expenses and taxes	178	193
Other current assets	374	358
Total current assets	<u>4,413</u>	<u>3,427</u>
<i>Property and equipment</i>		
Less accumulated depreciation and amortization	(4,019)	(4,045)
Property and equipment, net	<u>5,309</u>	<u>5,608</u>
<i>Goodwill</i>		
	<u>4,225</u>	<u>4,328</u>
<i>Deferred income taxes</i>		
	<u>107</u>	<u>38</u>
<i>Other assets, net</i>		
	<u>2,361</u>	<u>2,208</u>
Total assets	<u>\$ 16,415</u>	<u>\$ 15,609</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
<i>Current liabilities</i>		
Current maturities of long-term debt	\$ 30	\$ 20
Current operating lease liabilities	135	136
Accounts payable	677	811
<i>Accrued liabilities:</i>		
Employee compensation	492	594
Accrued interest	211	189
Other	1,877	532
Total current liabilities	<u>3,422</u>	<u>2,282</u>
<i>Long-term debt (h)</i>		
	<u>13,106</u>	<u>13,385</u>
<i>Deferred income taxes</i>		
	<u>29</u>	<u>200</u>
<i>Long-term operating lease liabilities</i>		
	<u>508</u>	<u>487</u>
<i>Other long-term liabilities</i>		
	<u>913</u>	<u>894</u>
Total liabilities	<u>17,978</u>	<u>17,248</u>
<i>Redeemable noncontrolling interests in equity of consolidated subsidiaries</i>		
	<u>489</u>	<u>502</u>
STOCKHOLDERS' DEFICIT		
<i>Community Health Systems, Inc. stockholders' deficit:</i>		
Preferred stock, \$.01 par value per share, 100,000,000 shares authorized; none issued	—	—
Common stock, \$.01 par value per share, 300,000,000 shares authorized; 119,628,652 shares issued and outstanding at June 30, 2020, and 117,822,631 shares issued and outstanding at December 31, 2019	1	1
Additional paid-in capital	2,008	2,008
Accumulated other comprehensive loss	(5)	(9)
Accumulated deficit	(4,131)	(4,218)
Total Community Health Systems, Inc. stockholders' deficit	<u>(2,127)</u>	<u>(2,218)</u>
<i>Noncontrolling interests in equity of consolidated subsidiaries</i>		
	<u>75</u>	<u>77</u>
Total stockholders' deficit	<u>(2,052)</u>	<u>(2,141)</u>
Total liabilities and stockholders' deficit	<u>\$ 16,415</u>	<u>\$ 15,609</u>

For footnotes, see pages 14, 15 and 16.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	<u>Six Months Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
<i>Cash flows from operating activities</i>		
Net income (loss)	\$ 126	\$ (246)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	285	305
Deferred income taxes	(242)	2
Government and other legal settlements and related costs (g)	4	9
Stock-based compensation expense	5	6
Impairment and loss on sale of businesses, net (f)	56	71
Loss from early extinguishment of debt	4	31
Other non-cash expenses, net	73	101
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Patient accounts receivable	313	(7)
Supplies, prepaid expenses and other current assets	21	72
Medicare accelerated payments	1,158	—
Unrecognized pandemic relief funds	116	—
Accounts payable, accrued liabilities and income taxes	(160)	25
Other	(49)	(104)
Net cash provided by operating activities	<u>1,710</u>	<u>265</u>
<i>Cash flows from investing activities</i>		
Acquisitions of facilities and other related businesses	—	(13)
Purchases of property and equipment	(192)	(212)
Proceeds from disposition of hospitals and other ancillary operations	152	161
Proceeds from sale of property and equipment	2	1
Purchases of available-for-sale debt securities and equity securities	(39)	(39)
Proceeds from sales of available-for-sale debt securities and equity securities	43	52
Increase in other investments	(19)	(97)
Net cash used in investing activities	<u>(53)</u>	<u>(147)</u>
<i>Cash flows from financing activities</i>		
Repurchase of restricted stock shares for payroll tax withholding requirements	(1)	(1)
Deferred financing costs and other debt-related costs	(32)	(28)
Proceeds from noncontrolling investors in joint ventures	—	2
Redemption of noncontrolling investments in joint ventures	(2)	(2)
Distributions to noncontrolling investors in joint ventures	(57)	(57)
Proceeds from sale-lease back	2	—
Other borrowings	31	23
Issuance of long-term debt	1,462	2,034
Proceeds from ABL facility	540	25
Repayments of long-term indebtedness	(2,264)	(2,103)
Net cash used in financing activities	<u>(321)</u>	<u>(107)</u>
<i>Net change in cash and cash equivalents</i>	1,336	11
<i>Cash and cash equivalents at beginning of period</i>	216	196
<i>Cash and cash equivalents at end of period</i>	<u>\$ 1,552</u>	<u>\$ 207</u>

For footnotes, see pages 14, 15 and 16.

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Footnotes to Financial Highlights, Financial Statements and Selected Operating Data

- (a) Both financial and statistical results include the operating results of divested hospitals through the effective closing date of each respective divestiture. Same-store operating results and statistical information exclude the results of a hospital acquired in 2019 and the hospitals divested in 2019 and 2020. There were no discontinued operations reported for 2019 and 2020.
- (b) The following table provides information needed to calculate earnings (loss) per share, which is adjusted for income attributable to noncontrolling interests (in millions):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net income (loss) attributable to Community Health Systems, Inc. common stockholders:				
Net income (loss)	\$ 93	\$ (146)	\$ 126	\$ (246)
Less: Income attributable to noncontrolling interests, net of taxes	<u>23</u>	<u>21</u>	<u>39</u>	<u>39</u>
Net income (loss) attributable to Community Health Systems, Inc. common stockholders — basic and diluted	<u>\$ 70</u>	<u>\$ (167)</u>	<u>\$ 87</u>	<u>\$ (285)</u>

- (c) EBITDA is a non-GAAP financial measure which consists of net income (loss) attributable to Community Health Systems, Inc. before interest, income taxes, and depreciation and amortization. Adjusted EBITDA, also a non-GAAP financial measure, is EBITDA adjusted to add back net income attributable to noncontrolling interests and to exclude loss (gain) from early extinguishment of debt, impairment and loss on sale of businesses, expense related to government and other legal settlements and related costs, expense related to employee termination benefits and other restructuring charges, expense from settlement and fair value adjustments on the CVR agreement liability related to the HMA legal proceedings and related legal expenses, the impact of changes in estimate to increase the professional liability claims accrual recorded during the second quarter of 2019 (which estimate was further revised in the third quarter of 2019 based on updated actuarial analysis) with respect to claims incurred in 2016 and prior years, and expense related to the valuation allowance recorded in the second quarter of 2019 to reserve the outstanding balance of a promissory note received from the buyer in connection with the sale of two of the Company's hospitals in 2017, as well as income from a reduction of the valuation allowance on the outstanding balance of a promissory note from the buyer of another hospital. The Company has from time to time sold noncontrolling interests in certain of its subsidiaries or acquired subsidiaries with existing noncontrolling interest ownership positions. The Company believes that it is useful to present Adjusted EBITDA because it adds back the portion of EBITDA attributable to these third-party interests and clarifies for investors the Company's portion of EBITDA generated by continuing operations. The Company reports Adjusted EBITDA as a measure of financial performance. Adjusted EBITDA is a key measure used by management to assess the operating performance of the Company's hospital operations and to make decisions on the allocation of resources. Adjusted EBITDA is also used to evaluate the performance of the Company's executive management team and is one of the primary metrics used in connection with determining short-term cash incentive compensation and the achievement of vesting criteria with respect to performance-based equity awards. In addition, management utilizes Adjusted EBITDA in assessing the Company's consolidated results of operations and operational performance and in comparing the Company's results of operations between periods. The Company believes it is useful to provide investors and other users of the Company's financial statements this performance measure to align with how management assesses the Company's results of operations. Adjusted EBITDA also is comparable to a similar metric called Consolidated EBITDA, as defined in the Company's asset-based loan facility (the "ABL Facility"), which is a key component in the determination of the Company's compliance with certain covenants under the ABL Facility (including the Company's ability to service debt and incur capital expenditures), and is used to determine the interest rate and commitment fee payable under the ABL Facility (although Adjusted EBITDA does not include all of the adjustments described in the ABL Facility).

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Footnotes to Financial Highlights, Financial Statements and Selected Operating Data (Continued)

Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP. It should not be considered in isolation or as a substitute for net income, operating income, or any other performance measure calculated in accordance with U.S. GAAP. The items excluded from Adjusted EBITDA are significant components in understanding and evaluating financial performance. The Company believes such adjustments are appropriate as the magnitude and frequency of such items can vary significantly and are not related to the assessment of normal operating performance. Additionally, this calculation of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table reflects the reconciliation of Adjusted EBITDA, as defined, to net income (loss) attributable to Community Health Systems, Inc. stockholders as derived directly from the condensed consolidated financial statements (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss) attributable to Community Health Systems, Inc. stockholders	\$ 70	\$ (167)	\$ 87	\$ (285)
Adjustments:				
(Benefit from) provision for income taxes	(58)	(3)	(241)	3
Depreciation and amortization	141	153	285	305
Net income attributable to noncontrolling interests	23	21	39	39
Interest expense, net	260	265	523	522
Loss from early extinguishment of debt	—	—	4	31
Impairment and loss on sale of businesses, net	10	33	56	71
Expense from government and other legal settlements and related costs	2	4	4	9
Expense from settlement and legal expenses related to cases covered by the CVR	1	2	1	4
Expense related to employee termination benefits and other restructuring charges	5	1	5	1
Change in valuation allowances recorded for promissory notes	—	23	—	23
Change in estimate for professional liability claims accrual	—	70	—	70
Adjusted EBITDA	<u>\$ 454</u>	<u>\$ 402</u>	<u>\$ 763</u>	<u>\$ 793</u>

- (d) The following table sets forth components reconciling the basic weighted-average number of shares to the diluted weighted-average number of shares (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Weighted-average number of shares outstanding - basic	115	114	115	114
Add effect of dilutive securities:				
Stock awards and options	—	—	—	—
Weighted-average number of shares outstanding - diluted	<u>115</u>	<u>114</u>	<u>115</u>	<u>114</u>

The effect of restricted stock and stock option awards on the diluted shares calculation was an increase of 41,253 shares and 59,533 shares during the three and six months ended June 30, 2020, respectively. The Company generated a net loss attributable to Community Health Systems, Inc. common stockholders for the three and six months ended June 30, 2019, so the effect of dilutive securities is not considered because their effect would be antidilutive. If the Company had generated net income during the three and six months ended June 30, 2019, the effect of restricted stock and stock option awards on the diluted shares calculation would have been an increase in shares of 30,472 and 44,867, respectively.

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Footnotes to Financial Highlights, Financial Statements and Selected Operating Data (Continued)

- (e) The following supplemental table reconciles net income (loss) attributable to Community Health Systems, Inc. common stockholders, as reported, on a per share (diluted) basis, to net income (loss) attributable to Community Health Systems, Inc. common stockholders per share (diluted) with the adjustments described herein (total per share amounts may not add due to rounding). The Company believes that the presentation of non-GAAP adjusted net income (loss) attributable to Community Health Systems, Inc. common stockholders per share (diluted) presents useful information to investors by highlighting the impact on net income (loss) attributable to Community Health Systems, Inc. common stockholders per share (diluted) of selected items used in calculating Adjusted EBITDA which may not reflect the Company's underlying operating performance and assisting in comparing the Company's results of operations between periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss), as reported	\$ 0.61	\$ (1.47)	\$ 0.76	\$(2.51)
Adjustments:				
Loss from early extinguishment of debt	—	—	0.03	0.21
Impairment and loss on sale of businesses, net	0.19	0.33	0.50	0.58
Expense from government and other legal settlements and related costs	0.01	0.03	0.03	0.06
Expense from settlement and legal expenses related to cases covered by the CVR	—	0.01	0.01	0.02
Expense related to employee termination benefits and other restructuring charges	0.04	0.01	0.04	0.01
Change in valuation allowances recorded for promissory notes	—	0.15	—	0.15
Change in estimate for professional liability claims accrual	—	0.47	—	0.47
Change in tax valuation allowance	—	—	(2.09)	—
Net income (loss), excluding adjustments	<u>\$ 0.85</u>	<u>\$ (0.47)</u>	<u>\$ (0.73)</u>	<u>\$(1.00)</u>

- (f) Both income from operations and net income (loss) for the three months ended June 30, 2020 and 2019, included non-cash expense of approximately \$10 million and \$33 million, respectively, primarily from impairment charges to reduce the value of long-lived assets, including allocated goodwill, at hospitals that the Company has identified for sale or has sold, and at certain underperforming hospitals. Both income from operations and net income (loss) for the six months ended June 30, 2020 and 2019, included non-cash expense of approximately \$56 million and \$71 million, respectively, primarily from impairment charges to reduce the value of long-lived assets, including allocated goodwill, at hospitals that the Company has identified for sale or has sold, and at certain underperforming hospitals. These impairment charges do not have an impact on the calculation of the Company's financial covenants under the ABL Facility.
- (g) The \$(0.01) per share (diluted) and \$(0.03) per share (diluted) of expense for "Government and other legal settlements and related costs" for the three months ended June 30, 2020 and 2019, respectively, is the net impact of several lawsuits settled in principle during the related periods, and related legal expenses. The \$(0.03) per share (diluted) and \$(0.06) per share (diluted) of expense for "Government and other legal settlements and related costs" for the six months ended June 30, 2020 and 2019, respectively, is the net impact of several lawsuits settled in principle during the related periods, and related legal expenses.
- (h) At June 30, 2020, the Company had no outstanding borrowings and approximately \$434 million of borrowing capacity (after taking into consideration \$180 million of outstanding letters of credit) under the ABL Facility, with the ability to increase borrowings up to \$1.0 billion.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995 that involve risk and uncertainties. All statements in this press release other than statements of historical fact, including statements regarding expected operating results, and other events that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “thinks,” and similar expressions, are forward-looking statements. Although the Company believes that these forward-looking statements are based on reasonable assumptions, these assumptions are inherently subject to significant economic and competitive uncertainties and contingencies, which are difficult or impossible to predict accurately and may be beyond the control of the Company. Accordingly, the Company cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements. A number of factors could affect the future results of the Company or the healthcare industry generally and could cause the Company’s expected results to differ materially from those expressed in this press release.

These factors include, among other things:

- developments related to COVID-19, including, without limitation, related to the length and severity of the pandemic; the volume of canceled or rescheduled procedures; the volume of COVID-19 patients cared for across our health systems; the timing and availability of effective medical treatments and vaccines; measures we are taking to respond to the COVID-19 pandemic; the impact of government and administrative regulation on us; changes in net revenue due to patient volumes, payor mix and negative macroeconomic conditions; increased expenses related to labor, supply chain or other expenditures; workforce disruptions; and supply shortages and disruptions;
- uncertainty regarding the implementation of the CARES Act, the PPPHCE Act, and any other future stimulus measures related to COVID-19, including the magnitude and timing of any future payments or benefits we may receive or realize thereunder;
- general economic and business conditions, both nationally and in the regions in which we operate, including economic and business conditions resulting from the COVID-19 pandemic;
- the impact of current or future federal and state health reform initiatives, including, without limitation, the Affordable Care Act, and the potential for the Affordable Care Act to be repealed or found unconstitutional or otherwise invalidated, or for additional changes to the law, its implementation or its interpretation (including through executive orders and court challenges);
- the extent to and manner in which states support increases, decreases or changes in Medicaid programs, implement health insurance exchanges or alter the provision of healthcare to state residents through regulation or otherwise;
- the future and long-term viability of health insurance exchanges and potential changes to the beneficiary enrollment process;
- risks associated with our substantial indebtedness, leverage and debt service obligations, including our ability to refinance such indebtedness on acceptable terms or to incur additional indebtedness, and our ability to remain in compliance with debt covenants, as well as risks associated with disruptions in the financial and capital markets as the result of the COVID-19 pandemic which could impact us from a financing and liquidity perspective;
- demographic changes;
- changes in, or the failure to comply with, federal, state or local laws or governmental regulations affecting our business, including any such laws or governmental regulations which are adopted in connection with the COVID-19 pandemic;
- potential adverse impact of known and unknown government investigations, audits, and federal and state false claims act litigation and other legal proceedings;
- our ability, where appropriate, to enter into and maintain provider arrangements with payors and the terms of these arrangements, which may be further affected by the increasing consolidation of health insurers and managed care companies and vertical integration efforts involving payors and healthcare providers;
- changes in, or the failure to comply with, contract terms with payors and changes in reimbursement policies or rates paid by federal or state healthcare programs or commercial payors;
- any potential additional impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets;
- changes in inpatient or outpatient Medicare and Medicaid payment levels and methodologies;

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- the effects related to the continued implementation of the sequestration spending reductions and the potential for future deficit reduction legislation;
- increases in the amount and risk of collectability of patient accounts receivable, including decreases in collectability which may result from, among other things, self-pay growth and difficulties in recovering payments for which patients are responsible, including co-pays and deductibles;
- the efforts of insurers, healthcare providers, large employer groups and others to contain healthcare costs, including the trend toward value-based purchasing;
- increases in wages as a result of inflation or competition for highly technical positions and rising supply and drug costs due to market pressure from pharmaceutical companies and new product releases;
- liabilities and other claims asserted against us, including self-insured malpractice claims;
- competition;
- our ability to attract and retain, at reasonable employment costs, qualified personnel, key management, physicians, nurses and other healthcare workers;
- trends toward treatment of patients in less acute or specialty healthcare settings, including ambulatory surgery centers or specialty hospitals or via telehealth;
- changes in medical or other technology;
- changes in U.S. GAAP;
- the availability and terms of capital to fund any additional acquisitions or replacement facilities or other capital expenditures;
- our ability to successfully make acquisitions or complete divestitures, including the disposition of hospitals and non-hospital businesses pursuant to our portfolio rationalization and deleveraging strategy, our ability to complete any such acquisitions or divestitures on desired terms or at all, the timing of the completion of any such acquisitions or divestitures, and our ability to realize the intended benefits from any such acquisitions or divestitures;
- the impact that changes in our relationships with joint venture or syndication partners could have on effectively operating our hospitals or ancillary services or in advancing strategic opportunities;
- our ability to successfully integrate any acquired hospitals, or to recognize expected synergies from acquisitions;
- the impact of seasonal severe weather conditions, including the timing and amount of insurance recoveries in relation to severe weather events;
- our ability to obtain adequate levels of insurance, including general liability, professional liability, and directors and officers liability insurance;
- timeliness of reimbursement payments received under government programs;
- effects related to pandemics, epidemics, or outbreaks of infectious diseases, including the novel coronavirus causing the disease known as COVID-19 as noted above;
- the impact of cyber-attacks or security breaches;
- any failure to comply with the terms of the Corporate Integrity Agreement;
- the concentration of our revenue in a small number of states;
- our ability to realize anticipated cost savings and other benefits from our current strategic and operational cost savings initiatives;
- changes in interpretations, assumptions and expectations regarding the Tax Cuts and Jobs Act; and
- the other risk factors set forth in our in our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission on February 20, 2020, our Quarterly Report on Form 10-Q for the three months ended March 31, 2020, filed on April 29, 2020, and other public filings with the Securities and Exchange Commission.

The consolidated operating results for the three and six months ended June 30, 2020, are not necessarily indicative of the results that may be experienced for any future periods. The Company undertakes no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

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