
**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**

**October 28, 2009
Date of Report (date of earliest event reported)**

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of Registrant as specified in 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))
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The information contained in this Form 8-K (including the exhibits 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 (the "Securities Act"), 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 October 28, 2009, Community Health Systems, Inc. (the "Company") announced operating results for the third quarter and nine months ended September 30, 2009. A copy of the press release making this announcement is attached as Exhibit 99.1 to this Form 8-K.

ITEM 7.01 Regulation FD Disclosure

The earnings release referred to in item 2.02 above also includes an update of the Company's previous 2009 guidance and includes the Company's initial 2010 guidance. A copy of the press release making this announcement is attached as Exhibit 99.1 to this Form 8-K.

ITEM 9.01 Financial Statements and Exhibits

Exhibits

The following exhibits are furnished herewith:

99.1 Community Health Systems, Inc. Press Release dated October 28, 2009.

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 thereunto duly authorized.

Date: October 28, 2009

COMMUNITY HEALTH SYSTEMS, INC.
(Registrant)

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

By: /s/ W. Larry Cash
W. Larry Cash
Executive Vice President, Chief Financial Officer
and Director (principal financial officer)

By: /s/ T. Mark Buford
T. Mark Buford
Vice President and Chief Accounting Officer
(principal accounting officer)

Index to Exhibits

Exhibit Number	Description
99.1	Press Release dated October 28, 2009

Investor Contact: W. Larry Cash
Executive Vice President
and Chief Financial Officer
(615) 465-7000

**COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES
THIRD QUARTER 2009 RESULTS WITH NET OPERATING REVENUES OF \$3.1 BILLION**

FRANKLIN, TENN. (October 28, 2009) — Community Health Systems, Inc. (NYSE: CYH) today announced financial and operating results for the third quarter and nine months ended September 30, 2009.

Net operating revenues for the three months ended September 30, 2009, totaled \$3.087 billion, a 12.1 percent increase compared with \$2.755 billion for the same period in 2008. Income from continuing operations increased to \$75.4 million, or \$0.65 per share (diluted), on 92.0 million weighted average shares outstanding for the three months ended September 30, 2009, compared with \$59.1 million, or \$0.52 per share (diluted), on 95.2 million weighted average shares outstanding for the same period in 2008. Net income increased 18.5 percent to \$59.7 million, or \$0.65 per share (diluted), for the three months ended September 30, 2009, compared with \$50.4 million, or \$0.53 per share (diluted), for the same period in 2008.

Adjusted EBITDA for the three months ended September 30, 2009, was \$417.8 million, compared with \$385.8 million for the same period in 2008, representing an 8.3 percent increase. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations, gain/loss from early extinguishment of debt and net income attributable to noncontrolling interests. The Company uses adjusted EBITDA as a measure of liquidity. Net cash provided by operating activities for the three months ended September 30, 2009, was \$356.4 million, compared with \$268.3 million for the same period in 2008.

The consolidated financial results for the three months ended September 30, 2009, reflect a 7.2 percent increase in total admissions compared with the three months ended September 30, 2008. This increase was due primarily to acquisitions during the past twelve months. On a same-store basis, admissions decreased 0.2 percent and adjusted admissions increased 1.9 percent, compared with the same period in 2008. On a same-store basis, net operating revenues increased 5.2 percent, compared with the same period in 2008.

Net operating revenues for the nine months ended September 30, 2009, totaled \$9.016 billion, a 10.8 percent increase compared with \$8.138 billion for the same period in 2008. Income from continuing operations increased to \$220.7 million, or \$1.94 per share (diluted), on 91.1 million weighted average shares outstanding for the nine months ended September 30, 2009, compared with \$171.8 million, or \$1.54 per share (diluted), on 95.1 million weighted average shares outstanding for the same period in 2008. Net income was \$178.1 million, or \$1.95 per share (diluted), for the nine months ended September 30, 2009, compared with \$158.4 million, or \$1.67 per share (diluted), for the same period in 2008.

Adjusted EBITDA for the nine months ended September 30, 2009, was \$1.237 billion, compared with \$1.124 billion for the same period in 2008, representing a 10.1 percent increase. Net cash provided by operating activities for the nine months ended September 30, 2009, was \$900.8 million, compared with \$685.1 million for the same period in 2008.

The consolidated financial results for the nine months ended September 30, 2009, reflect a 3.5 percent increase in total admissions compared with the nine months ended September 30, 2008. This increase was due primarily to acquisitions during the past twelve months. On a same-store basis, admissions decreased 1.9 percent and adjusted admissions increased 0.4 percent, compared with the same period in 2008. On a same-store basis, net operating revenues increased 5.4 percent, compared with the same period in 2008.

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Commenting on the results, Wayne T. Smith, chairman, president and chief executive officer of Community Health Systems, Inc., stated, "We are pleased with our solid financial and operating performance in the third quarter of 2009, as we again exceeded expectations. We continued to benefit from a consistent performance at the hospital level, as evidenced by favorable revenue trends and same-store margin expansion. These results confirm that the fundamentals of our business are strong and our centralized operating strategy is working across all of our markets.

"We believe our proven ability to enhance essential healthcare services and recruit and retain qualified physicians in our markets will help support our continued growth. Our conservative operating strategy has served us well, and we are mindful of the critical need to manage our costs and drive margins. We see considerable opportunities to leverage our assets and realize additional operating improvements at our more recently acquired hospitals. We are pleased with the trends in our business and we look forward to continued progress for the remainder of 2009 and into 2010." added Smith.

Included on pages 12, 13 and 14 of this press release are tables setting forth the Company's updated 2009 guidance. This guidance reaffirms the Company's previous annual earnings guidance provided on July 30, 2009, as modified to reflect certain changes as detailed in the guidance assumptions on pages 12, 13 and 14. Also reflected is the Company's initial 2010 guidance.

Located in the Nashville, Tennessee, suburb of Franklin, Community Health Systems, Inc. is the largest publicly-traded hospital company in the United States and a leading operator of general acute care hospitals in non-urban and mid-size markets throughout the country. Through its subsidiaries, the Company currently owns, leases or operates 122 hospitals in 29 states with an aggregate of approximately 18,000 licensed beds. Its hospitals offer a broad range of inpatient and surgical services, outpatient treatment and skilled nursing care. In addition, through its QHR subsidiary, the Company provides management and consulting services to over 150 independent non-affiliated general acute care hospitals located throughout the United States. Shares in Community Health Systems, Inc. are traded on the New York Stock Exchange under the symbol "CYH."

Community Health Systems, Inc. will hold a conference call to discuss this press release on Thursday, October 29, 2009, at 10:30 a.m. Central, 11:30 a.m. Eastern. 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, or at www.earnings.com. 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 through November 29, 2009. Copies of the Company's Form 8-K (including this press release) and conference call slide show are available on the Company's website at www.chs.net.

Statements contained in this news release regarding expected operating results, acquisition transactions or divestitures and other events are forward-looking statements that involve risk and uncertainties. Actual future events or results may differ materially from these statements. Readers are referred to the documents filed by Community Health Systems, Inc. with the Securities and Exchange Commission, including the Company's annual report on Form 10-K, current reports on Form 8-K and quarterly reports on Form 10-Q. These filings identify important risk factors and other uncertainties that could cause actual results to differ from those contained in the forward-looking statements. 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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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Financial Highlights (a)(b)(c)(d)
(\$ in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net operating revenues	\$3,086,757	\$2,754,509	\$9,016,467	\$8,138,017
Adjusted EBITDA (e)	\$ 417,827	\$ 385,751	\$1,236,976	\$1,123,694
Income from continuing operations (f)(g)(h)	\$ 75,361	\$ 59,106	\$ 220,679	\$ 171,754
Net income attributable to Community Health Systems, Inc.	\$ 59,712	\$ 50,384	\$ 178,062	\$ 158,404
Income from continuing operations attributable to Community Health Systems, Inc. common stockholders per share:				
Basic (a)	\$ 0.66	\$ 0.53	\$ 1.96	\$ 1.56
Diluted (a)	\$ 0.65	\$ 0.52	\$ 1.94	\$ 1.54
Net income attributable to Community Health Systems, Inc. common stockholders per share:				
Basic	\$ 0.66	\$ 0.54	\$ 1.97	\$ 1.69
Diluted	\$ 0.65	\$ 0.53	\$ 1.95	\$ 1.67
Weighted-average number of shares outstanding:				
Basic (i)	90,923	94,045	90,424	93,995
Diluted (i)	92,011	95,160	91,117	95,106
Net cash provided by operating activities	\$ 356,353	\$ 268,273	\$ 900,760	\$ 685,056

For footnotes, see pages 10 and 11.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income (a)(b)(c)(d)
(\$ in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,			
	2009		2008	
	Amount	% of Net Operating Revenue	Amount	% of Net Operating Revenue
Net operating revenues	\$3,086,757	100.0%	\$2,754,509	100.0%
Operating costs and expenses:				
Salaries and benefits	1,239,147	40.1%	1,090,037	39.6%
Provision for bad debts	378,357	12.3%	321,570	11.7%
Supplies	428,120	13.9%	379,913	13.8%
Other operating expenses	567,624	18.4%	527,778	19.1%
Rent	62,683	2.0%	58,155	2.1%
Depreciation and amortization	143,558	4.7%	128,663	4.7%
Total operating costs and expenses	2,819,489	91.4%	2,506,116	91.0%
Income from operations (h)	267,268	8.6%	248,393	9.0%
Interest expense, net	161,823	5.2%	166,773	6.1%
Loss from early extinguishment of debt	21	0.0%	—	0.0%
Equity in earnings of unconsolidated affiliates	(7,001)	-0.2%	(8,695)	-0.3%
Income from continuing operations before income taxes	112,425	3.6%	90,315	3.2%
Provision for income taxes	37,064	1.2%	31,209	1.1%
Income from continuing operations (h)	75,361	2.4%	59,106	2.1%
Discontinued operations, net of taxes (d):				
Loss from operations of hospitals sold (g)	—	0.0%	(608)	0.0%
Loss on sale of hospitals, net	—	0.0%	—	0.0%
Loss from discontinued operations	—	0.0%	(608)	0.0%
Net income	75,361	2.4%	58,498	2.1%
Less: Net income attributable to noncontrolling interests (a)	15,649	0.5%	8,114	0.3%
Net income attributable to Community Health Systems, Inc.	\$ 59,712	1.9%	\$ 50,384	1.8%
Income from continuing operations attributable to Community Health Systems, Inc. common stockholders per share (a):				
Basic	\$ 0.66		\$ 0.53	
Diluted	\$ 0.65		\$ 0.52	
Discontinued operations attributable to Community Health Systems, Inc. common stockholders per share (a):				
Basic	\$ 0.00		\$ 0.01	
Diluted	\$ 0.00		\$ 0.01	
Net income attributable to Community Health Systems, Inc. common stockholders per share (a):				
Basic	\$ 0.66		\$ 0.54	
Diluted	\$ 0.65		\$ 0.53	
Weighted-average number of shares outstanding (i):				
Basic	90,923		94,045	
Diluted	92,011		95,160	

For footnotes, see pages 10 and 11.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income (a)(b)(c)(d)
(\$ in thousands, except per share amounts)
(Unaudited)

	Nine Months Ended September 30,			
	2009		2008	
	Amount	% of Net Operating Revenue	Amount	% of Net Operating Revenue
Net operating revenues	\$9,016,467	100.0%	\$8,138,017	100.0%
Operating costs and expenses:				
Salaries and benefits	3,614,267	40.1%	3,255,287	40.0%
Provision for bad debts	1,078,587	12.0%	899,236	11.0%
Supplies	1,253,713	13.9%	1,139,220	14.0%
Other operating expenses	1,680,414	18.7%	1,577,172	19.4%
Rent	184,211	2.0%	175,486	2.2%
Depreciation and amortization	421,566	4.7%	373,513	4.6%
Total operating costs and expenses	<u>8,232,758</u>	<u>91.4%</u>	<u>7,419,914</u>	<u>91.2%</u>
Income from operations (h)	783,709	8.6%	718,103	8.8%
Interest expense, net	487,209	5.3%	484,836	6.0%
(Gain) loss from early extinguishment of debt (f)	(2,385)	0.0%	1,328	0.0%
Equity in earnings of unconsolidated affiliates	(31,701)	-0.4%	(32,078)	-0.4%
Income from continuing operations before income taxes	330,586	3.7%	264,017	3.2%
Provision for income taxes	109,907	1.2%	92,263	1.1%
Income from continuing operations (h)(f)	<u>220,679</u>	<u>2.5%</u>	<u>171,754</u>	<u>2.1%</u>
Discontinued operations, net of taxes (d):				
Income from operations of hospitals sold and hospitals held for sale (g)	1,977	0.0%	1,044	0.0%
(Loss) gain on sale of hospitals, net	(405)	0.0%	9,580	0.1%
Income from discontinued operations	<u>1,572</u>	<u>0.0%</u>	<u>10,624</u>	<u>0.1%</u>
Net income	222,251	2.5%	182,378	2.2%
Less: Net income attributable to noncontrolling interests (a)	44,189	0.5%	23,974	0.3%
Net income attributable to Community Health Systems, Inc.	<u>\$ 178,062</u>	<u>2.0%</u>	<u>\$ 158,404</u>	<u>1.9%</u>
Income from continuing operations attributable to Community Health Systems, Inc. common stockholders per share (a):				
Basic	\$ 1.96		\$ 1.56	
Diluted	\$ 1.94		\$ 1.54	
Discontinued operations attributable to Community Health Systems, Inc. common stockholders per share (a):				
Basic	\$ 0.01		\$ 0.12	
Diluted	\$ 0.01		\$ 0.12	
Net income attributable to Community Health Systems, Inc. common stockholders per share (a)(j):				
Basic	\$ 1.97		\$ 1.69	
Diluted	\$ 1.95		\$ 1.67	
Weighted-average number of shares outstanding (i):				
Basic	90,424		93,995	
Diluted	<u>91,117</u>		<u>95,106</u>	

For footnotes, see pages 10 and 11.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Selected Operating Data (b)(c)
(\$ in thousands)
(Unaudited)

	For the Three Months Ended September 30,					
	Consolidated			Same-Store		
	2009	2008	% Change	2009	2008	% Change
Number of hospitals (at end of period)	122	117		117	117	
Licensed beds (at end of period)	18,176	16,869		16,873	16,869	
Beds in service (at end of period)	15,907	14,670		14,688	14,670	
Admissions	175,107	163,382	7.2%	163,133	163,382	-0.2%
Adjusted admissions	327,837	300,822	9.0%	306,657	300,822	1.9%
Patient days	730,676	677,034		672,483	677,034	
Average length of stay (days)	4.2	4.1		4.1	4.1	
Occupancy rate (average beds in service)	49.9%	49.9%		49.7%	49.9%	
Net operating revenues	\$3,086,757	\$2,754,509	12.1%	\$2,895,990	\$2,754,072	5.2%
Net inpatient revenue as a % of total net operating revenues	49.7%	49.2%		49.3%	49.3%	
Net outpatient revenue as a % of total net operating revenues	48.0%	48.4%		48.5%	48.5%	
Income from operations (h)	\$ 267,268	\$ 248,393	7.6%	\$ 272,479	\$ 247,973	9.9%
Income from operations as a % of net operating revenues	8.7%	9.0%		9.4%	9.0%	
Depreciation and amortization	\$ 143,558	\$ 128,663		\$ 135,507	\$ 128,663	
Equity in earnings of unconsolidated affiliates	\$ (7,001)	\$ (8,695)		\$ (6,739)	\$ (10,201)	
Liquidity Data:						
Adjusted EBITDA (e)	\$ 417,827	\$ 385,751	8.3%			
Adjusted EBITDA as a % of net operating revenues	13.5%	14.0%				
Net cash provided by operating activities	\$ 356,353	\$ 268,273				
Net cash provided by operating activities as a % of net operating revenues	11.5%	9.7%				

For footnotes, see pages 10 and 11.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Selected Operating Data (b)(c)
(\$ in thousands)
(Unaudited)

	For the Nine Months Ended September 30,			Same-Store		
	2009	Consolidated 2008	% Change	2009	2008	% Change
Number of hospitals (at end of period)	122	117		117	117	
Licensed beds (at end of period)	18,176	16,869		16,873	16,869	
Beds in service (at end of period)	15,907	14,670		14,698	14,670	
Admissions	520,921	503,475	3.5%	494,044	503,475	-1.9%
Adjusted admissions	958,674	908,539	5.5%	911,716	908,533	0.4%
Patient days	2,203,623	2,135,435		2,074,107	2,135,435	
Average length of stay (days)	4.2	4.2		4.2	4.2	
Occupancy rate (average beds in service)	51.6%	53.0%		51.7%	53.0%	
Net operating revenues	\$9,016,467	\$8,138,017	10.8%	\$8,572,358	\$8,136,911	5.4%
Net inpatient revenue as a % of total net operating revenues	50.0%	50.1%		49.6%	50.1%	
Net outpatient revenue as a % of total net operating revenues	47.8%	47.6%		48.2%	47.6%	
Income from operations (f)(h)	\$ 783,709	\$ 718,103	9.1%	\$ 795,758	\$ 716,516	11.1%
Income from operations as a % of net operating revenues	8.7%	8.8%		9.3%	8.8%	
Depreciation and amortization	\$ 421,566	\$ 373,513		\$ 405,677	\$ 373,513	
Equity in earnings of unconsolidated affiliates	\$ (31,701)	\$ (32,078)		\$ (31,439)	\$ (33,795)	
Liquidity Data:						
Adjusted EBITDA (e)	\$1,236,976	\$1,123,694	10.1%			
Adjusted EBITDA as a % of net operating revenues	13.7%	13.8%				
Net cash provided by operating activities	\$ 900,760	\$ 685,056				
Net cash provided by operating activities as a % of net operating revenues	10.0%	8.4%				

For footnotes, see pages 10 and 11.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (a)
(in thousands, except share data)
(Unaudited)

	<u>September 30,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 432,815	\$ 220,655
Patient accounts receivable, net of allowance for doubtful accounts of \$1,367,290 and \$1,111,131 at September 30, 2009, and December 31, 2008, respectively	1,676,345	1,625,470
Supplies	289,145	275,696
Prepaid income taxes	—	92,710
Deferred income taxes	91,875	91,875
Prepaid expenses and taxes	91,192	73,792
Other current assets	213,260	224,852
Total current assets	<u>2,794,632</u>	<u>2,605,050</u>
Property and equipment	7,593,143	7,110,357
Less accumulated depreciation and amortization	(1,539,796)	(1,215,952)
Property and equipment, net	<u>6,053,347</u>	<u>5,894,405</u>
Goodwill	4,187,677	4,166,091
Other assets, net	1,008,027	1,152,708
Total assets	<u>\$14,043,683</u>	<u>\$13,818,254</u>
LIABILITIES		
Current liabilities		
Current maturities of long-term debt	\$ 62,265	\$ 33,904
Accounts payable	495,377	532,595
Current income taxes payable	48,251	—
Deferred income taxes	6,740	6,740
Accrued interest	83,562	153,234
Accrued liabilities	863,903	782,944
Total current liabilities	<u>1,560,098</u>	<u>1,509,417</u>
Long-term debt	8,864,698	8,938,185
Deferred income taxes	461,098	460,793
Other long-term liabilities	873,587	888,557
Total liabilities	<u>11,759,481</u>	<u>11,796,952</u>
Redeemable noncontrolling interests in equity of consolidated subsidiaries (a)	<u>335,019</u>	<u>320,171</u>
EQUITY		
Community Health Systems, Inc. stockholders' equity		
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; 93,910,591 shares issued and 92,935,042 shares outstanding at September 30, 2009, and 92,483,166 shares issued and 91,507,617 shares outstanding at December 31, 2008	939	925
Additional paid-in capital	1,164,238	1,151,119
Treasury stock, at cost, 975,549 shares at September 30, 2009 and December 31, 2008	(6,678)	(6,678)
Accumulated other comprehensive loss	(242,242)	(295,575)
Retained earnings	954,311	776,249
Total Community Health Systems, Inc. stockholders' equity	<u>1,870,568</u>	<u>1,626,040</u>
Noncontrolling interests in equity of consolidated subsidiaries (a)	<u>78,615</u>	<u>75,091</u>
Total equity	<u>1,949,183</u>	<u>1,701,131</u>
Total liabilities and equity	<u>\$14,043,683</u>	<u>\$13,818,254</u>

For footnotes, see pages 10 and 11.

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

	Nine Months Ended September 30,	
	2009	2008
Cash flows from operating activities		
Net income attributable to Community Health Systems, Inc.	\$ 178,062	\$ 158,404
Plus: Net income attributable to noncontrolling interests	44,189	23,974
Net income	222,251	182,378
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	421,898	378,107
Stock-based compensation expense	35,121	39,812
Loss (gain) on sale of hospitals and partnership interest, net	405	(17,687)
Income tax payable increase (excess tax benefit) relating to stock-based compensation	3,544	(1,278)
(Gain) loss on early extinguishment of debt	(2,385)	1,328
Other non-cash expenses, net	13,410	7,578
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Patient accounts receivable	(10,235)	(117,193)
Supplies, prepaid expenses and other current assets	18,278	3,099
Accounts payable, accrued liabilities and income taxes	194,955	184,995
Other	3,518	23,917
Net cash provided by operating activities	900,760	685,056
Cash flows from investing activities		
Acquisitions of facilities and other related equipment	(211,941)	(7,274)
Purchases of property and equipment	(398,138)	(451,409)
Proceeds from disposition of hospitals and other ancillary operations	89,514	365,635
Proceeds from sale of property and equipment	2,521	13,964
Increase in other non-operating assets	(111,476)	(152,168)
Net cash used in investing activities	(629,520)	(231,252)
Cash flows from financing activities		
Proceeds from exercise of stock options	9,952	1,688
(Income tax payable increase) excess tax benefit relating to stock-based compensation	(3,544)	1,278
Deferred financing costs	(82)	(2,569)
Stock buy-back	—	(17,096)
Proceeds from noncontrolling investors in joint ventures	26,314	11,652
Redemption of noncontrolling investments in joint ventures	(2,387)	(53,485)
Distributions to noncontrolling investors in joint ventures	(43,744)	(24,351)
Borrowings under credit agreement	200,000	30,596
Repayments of long-term indebtedness	(245,589)	(192,507)
Net cash used in financing activities	(59,080)	(244,794)
Net change in cash and cash equivalents	212,160	209,010
Cash and cash equivalents at beginning of period	220,655	132,874
Cash and cash equivalents at end of period	\$ 432,815	\$ 341,884

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Footnotes to Financial Statements

- (a) On January 1, 2009, the Company adopted revisions to U.S. generally accepted accounting principles (U.S. GAAP) related to consolidations, the provisions of which, among other things, requires that minority interests be renamed noncontrolling interests and that a company present a consolidated net income measure that includes the amounts attributable to both the controlling and noncontrolling interests for all periods presented. The following table provides information needed to recalculate income per share which is adjusted for noncontrolling interests.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Income from continuing operations attributable to Community Health Systems, Inc. common stockholders:				
Income from continuing operations, net of tax	\$ 75,361	\$ 59,106	\$ 220,679	\$ 171,754
Less: Income from continuing operations attributable to noncontrolling interests, net of taxes	<u>15,649</u>	<u>9,424</u>	<u>43,834</u>	<u>25,026</u>
Income from continuing operations attributable to Community Health Systems, Inc. common stockholders — basic and diluted	<u>\$ 59,712</u>	<u>\$ 49,682</u>	<u>\$ 176,845</u>	<u>\$ 146,728</u>
(Loss) income from discontinued operations attributable to Community Health Systems, Inc. common stockholders:				
(Loss) income from discontinued operations, net of tax	\$ —	\$ (608)	\$ 1,572	\$ 10,624
Less: Income (loss) from discontinued operations attributable to noncontrolling interests, net of taxes	<u>—</u>	<u>(1,310)</u>	<u>355</u>	<u>(1,052)</u>
Income from discontinued operations attributable to Community Health Systems, Inc. common stockholders — basic and diluted	<u>\$ —</u>	<u>\$ 702</u>	<u>\$ 1,217</u>	<u>\$ 11,676</u>

For the balance sheet presentation, U.S. GAAP requires that minority interests be renamed noncontrolling interests and that a company present such noncontrolling interests as a component of equity for all periods presented, except for the redeemable noncontrolling interests, which are presented as a component of mezzanine equity.

- (b) Continuing operating results exclude discontinued operations for all periods presented, as applicable.
- (c) On March 31, 2009, the Company completed the settlement of all pending litigation that resulted in the conveyance by two of the Company's indirect subsidiaries of their 80% partnership interest in the partnership that owns Presbyterian Hospital of Denton located in Denton, Texas, to the minority partner of that partnership for approximately \$100 million. For 2008, the Denton, Texas, hospital had net operating revenues of approximately \$150 million with an EBITDA margin in the double digits. This hospital is included in discontinued operations for all applicable periods presented.
- (d) During the second quarter 2009, the Company made the decision to retain a hospital and related businesses previously classified as being held for sale. Results of operations, assets and liabilities and cash flows for this retained hospital and related businesses are reported as continuing operations for all periods presented.
- (e) EBITDA consists of net income attributable to Community Health Systems, Inc. before interest, income taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations, gain/loss from early extinguishment of debt and net income attributable to noncontrolling interests. 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 excludes 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 uses adjusted EBITDA as a measure of liquidity. The Company has included this measure because it believes it provides investors with additional information about the Company's ability to incur and service debt and make capital expenditures. Adjusted EBITDA is the basis for a key component in the determination of the Company's compliance with some of the covenants under the Company's senior secured credit facility, as well as to determine the interest rate and commitment fee payable under the senior secured credit facility.

Adjusted EBITDA is not a measurement of financial performance or liquidity under U.S. generally accepted accounting principles. It should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating, investing or financing activities, or any other measure calculated in accordance with U.S. generally accepted accounting principles. The items excluded from adjusted EBITDA are significant components in understanding and evaluating financial performance and liquidity. This calculation of adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Footnotes continued on the next page.

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Footnotes to Financial Statements (Continued)

The following table reconciles adjusted EBITDA, as defined, to net cash provided by operating activities as derived directly from the condensed consolidated financial statements for the three months and nine months ended September 30, 2009 and 2008 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Adjusted EBITDA	\$ 417,827	\$ 385,751	\$1,236,976	\$1,123,694
Interest expense, net	(161,823)	(166,773)	(487,209)	(484,836)
Provision for income taxes	(37,064)	(31,209)	(109,907)	(92,263)
Income (loss) from operations of hospitals sold and hospitals held for sale, net of taxes	—	(608)	1,977	1,044
Other non-cash expenses, net	30,352	16,561	52,406	42,599
Net changes in operating assets and liabilities, net of effects of acquisitions	107,061	64,551	206,517	94,818
Net cash provided by operating activities	<u>\$ 356,353</u>	<u>\$ 268,273</u>	<u>\$ 900,760</u>	<u>\$ 685,056</u>

(f) Included in income from continuing operations for the nine months ended September 30, 2009, is a gain from early extinguishment of debt of \$2.4 million with an after-tax impact of \$1.5 million related to the repurchases on the open market and cancellation of \$126.5 million of Senior Notes and the early payment of \$110.4 million of term loans under the Company's Credit Facility. Included in income from continuing operations for the nine months ended September 30, 2008, is a loss from early extinguishment of debt of \$1.3 million with an after-tax impact of \$0.9 million related to the repurchases on the open market and cancellation of \$62.7 million of Senior Notes and a pre-tax gain of \$5.7 million with an after-tax impact of \$3.5 million from the sale of some excess land previously held by the Company.

(g) Included in discontinued operations for the applicable periods are the following:

- Presbyterian Hospital of Denton (255 licensed beds) located in Denton, Texas, which was conveyed to the noncontrolling partner on March 31, 2009; and,
- Russell County Medical Center (78 licensed beds) located in Lebanon, Virginia, nine hospitals with an aggregate total of 1,058 licensed beds located in Alabama, Arkansas, Missouri, Oregon and Tennessee, and one hospital located in the Republic of Ireland (122 licensed beds), all of which were sold during the first quarter of 2008.

(h) Included in income from operations and income from continuing operations for the three months and nine months ended September 30, 2009, are the following non-same-store charges:

- A pre-tax charge of \$0.6 million and \$3.6 million, respectively, related to acquisition costs required to be expensed pursuant to revised business combination accounting rules that became effective January 1, 2009; and
- A pre-tax charge of \$2.0 million and \$7.0 million, respectively, for system conversion costs related to conversion of Triad's former IT systems to the Company's IT system.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Weighted-average number of shares outstanding — basic	90,923	94,045	90,424	93,995
Add effect of dilutive securities:				
Stock awards and options	1,088	1,115	693	1,111
Weighted-average number of shares outstanding — diluted	<u>92,011</u>	<u>95,160</u>	<u>91,117</u>	<u>95,106</u>

(j) Total per share amounts may not add due to rounding.

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Regulation FD Disclosure

The following table sets forth selected information concerning the Company's updated projected consolidated operating results for the year ending December 31, 2009 and the Company's initial 2010 guidance. These projections are based on the Company's historical operating performance, current trends and other assumptions that the Company believes are reasonable at this time. This guidance reaffirms the Company's previous annual earnings guidance for 2009 provided on July 30, 2009, as modified to reflect certain changes as detailed in the guidance assumptions below. See page 14 for a list of factors that could affect the future results of the Company or the healthcare industry generally.

The following is provided as guidance to analysts and investors:

	Updated 2009 Projection Range		
Net operating revenues (in millions)	\$12,000	to	\$12,200
Adjusted EBITDA (in millions)	\$ 1,645	to	\$ 1,665
Income from continuing operations per share — diluted	\$ 2.57	to	\$ 2.65
Same hospitals annual admissions/adjusted admissions growth	-1.0%	to	1.0%
	Initial 2010 Projection Range*		
Net operating revenues (in millions)	\$12,800	to	\$13,200
Income from continuing operations per share - - diluted	\$ 2.80	to	\$ 3.00
Acquisitions of new hospitals		2	

* Detail assumptions and additional guidance will be provided in February 2010 in conjunction with the Company's year-end earnings release.

The following assumptions were used in developing the 2009 guidance provided above:

- The three acquisitions completed during 2009 have been included.
- Projected 2009 same hospital annual admissions/adjusted admissions growth does not consider unanticipated service closures and other unusual events.
- The Company's guidance does not take into account any resolution of the New Mexico qui tam case (U.S. ex rel. Baker vs. Community Health Systems, Inc.) in which it is alleged that the Company and three of the Company's New Mexico hospitals have caused the State of New Mexico to submit improper claims for federal funds in violation of the Federal False Claims Act. The Company is vigorously defending this litigation.
- Expressed as a percentage of net operating revenues, the provision for bad debts is projected to be approximately 12.0% to 12.4% for 2009. These percentages may vary depending on changes in payor mix.
- Expressed as a percent of net operating revenues, depreciation and amortization is projected to be approximately 4.6% to 4.8% for 2009; however, this is a fixed cost and the percentages may vary as revenue varies. Excludes possible impact of any future fair-value adjustments to investments and hospital fixed assets.

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- 2009 projection assumes an estimate of \$0.03 to \$0.04 per share (diluted) of acquisition costs will be expensed pursuant to revised business combination accounting rules that became effective January 1, 2009.
- For the purpose of providing interest expense guidance, the Company assumes that the borrowing rate under the Company's \$7.215 billion Senior Secured Credit Facility for 2009 will remain relatively stable with the rates existing currently, particularly since the Company is a party to interest rate swap agreements (with original maturities equal to or greater than 2 years) in an amount equal to approximately 91% of our outstanding debt which limits the effect of changes in interest rates. Based on these assumptions, expressed as a percentage of net operating revenues, interest expense is projected to be approximately 5.3% to 5.5% for 2009; however, these percentages will vary as revenue and interest rates vary.
- Expressed as a percentage of net operating revenues, net income attributable to noncontrolling interests is projected to be approximately 0.4% to 0.6% for 2009.
- On December 13, 2006, the Company announced a new open market repurchase program for up to five million shares of the Company's common stock not to exceed \$200 million in purchases. This repurchase program will conclude at the earlier of three years or when the maximum number of shares has been repurchased or the maximum dollar amount has been reached. Through October 28, 2009, 4.8 million shares have been purchased under this repurchase plan. No additional share purchases have been assumed for 2009. From January 1, 2009 through October 28, 2009, the Company repurchased on the open market and cancelled \$126.5 million of principal amount of its Senior Notes and paid off and retired \$110.4 million of principal amount of its Term Loans under the Company's Credit Facility.
- Expressed as a percentage of income from continuing operations before income taxes, provision for income tax is projected to be approximately 31.5% to 33.5% for 2009. The adoption of U.S. GAAP related to consolidation and the related presentation of noncontrolling interests outside of income from continuing operations caused the effective tax rate to be lower than previously projected. The income tax projection includes possible additional unrecognized tax benefits and tax revaluations that may be recognized prior to the end of 2009.
- Capital expenditures are projected as follows (in millions):

Total	\$600	2009 Guidance to	\$625
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- Net cash provided by operating activities are projected as follows (in millions):

Total	\$1,000	2009 Guidance to	\$1,100
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- The above guidance reflects a 0% to 1% increase in Medicare inpatient reimbursement at October 1, 2009. This guidance reflects no new significant changes in Medicaid reimbursements for 2009 and does not reflect any state Medicaid legislation that has not been enacted or is not known to date. This guidance does not reflect any state discount programs not implemented to date. The 2009 guidance includes a reduction of 0.10% of calendar year 2009 net operating revenues for the estimated impact of the implementation of an outpatient prospective payment system under the TRICARE/CHAMPUS program, which became effective on May 1, 2009.

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The projections set forth in this report constitute forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. 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 are 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 filing.

These factors include, among other things:

- general economic and business conditions, both nationally and in the regions in which we operate;
- legislative proposals for healthcare reform and universal access to healthcare coverage;
- risks associated with our substantial indebtedness, leverage, and debt service obligations;
- demographic changes;
- changes in, or the failure to comply with, governmental regulations;
- potential adverse impact of known and unknown government investigations, audits, and Federal and State False Claims Act litigation;
- our ability, where appropriate, to enter into and maintain managed care provider arrangements and the terms of these arrangements;
- changes in, or the failure to comply with, managed care contracts could result in disputes and changes in reimbursement that could be applied retroactively;
- changes in inpatient or outpatient Medicare and Medicaid payment levels;
- increases in the amount and risk of collectability of patient accounts receivable;
- increases in wages as a result of inflation or competition for highly technical positions and rising supply 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, without significant employment costs, qualified personnel, key management, physicians, nurses and other health care workers;
- trends toward treatment of patients in less acute or specialty healthcare settings, including ambulatory surgery centers or specialty hospitals;
- changes in medical or other technology;
- changes in U.S. generally accepted accounting principles;
- the availability and terms of capital to fund additional acquisitions or replacement facilities;
- our ability to successfully acquire additional hospitals and complete the sale of hospitals held for sale;
- our ability to successfully integrate any acquired hospitals or to recognize expected synergies from such acquisitions;
- our ability to obtain adequate levels of general and professional liability insurance;
- timeliness of reimbursement payments received under government programs; and
- the other risk factors set forth in our public filings with the Securities and Exchange Commission.

The consolidated operating results for the quarter and nine months ended September 30, 2009, are not necessarily indicative of the results that may be experienced for any such future period or for any future year, including 2009 and 2010.

The Company cautions that the projections for calendar years 2009 and 2010 set forth in this press release are given as of the date hereof based on currently available information. The Company is not undertaking any obligation to update these projections as conditions change or other information becomes available.

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