

---

---

# 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

February 26, 2003

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.)

**155 Franklin Road, Suite 400**  
**Brentwood, Tennessee 37027**  
(Address of principal executive offices)

Registrant's telephone number, including area code: **(615) 373-9600**

---

---

#### ITEM 5. OTHER EVENTS

On February 26, 2003, Community Health Systems, Inc. (the "Company"), announced its operating results for the fourth quarter and year ended December 31, 2002.

Also, on February 26, 2003, Community Health Systems, Inc. announced that John A. Clerico has joined the Company's Board of Directors as a new independent director.

#### ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

- 99.1 Press release of Community Health Systems, Inc. dated February 26, 2003
- 99.2 Press release of Community Health Systems, Inc. dated February 26, 2003

#### ITEM 9. REGULATION FD DISCLOSURE

On February 26, 2003, the Company issued a press release announcing its fourth quarter 2002 and year ended December 31, 2002 operating results. A copy of the press release is attached hereto as Exhibit 99.1 and the contents of the exhibit are incorporated herein by reference.

The following table sets forth selected information concerning the projected annual consolidated operating results of the Company for the year ending December 31, 2003. These projections for 2003 are based on the Company's historical operating performance, current trends and other assumptions that the Company believes are reasonable at this time.

The following is provided as guidance to analysts and investors:

#### Year Ending December 31, 2003 Projection Range:

Net operating revenue (in millions)	\$2,600 to \$2,650
EBITDA (in millions)	\$438 to \$446
Net income per share—diluted	\$1.20 to \$1.25*
Same hospitals annual admissions growth	3.0% to 4.0%
Routine capital expenditures (in millions)	\$100 to \$102

Replacement hospital expenditures (in millions)	\$35 to \$38
Acquisitions of new hospitals	2 to 3
Weighted average diluted shares (in millions)	108 to 109*

**Net Income Per Share—Diluted Estimate by Quarter:**

1 <sup>st</sup> quarter ending March 31, 2003	\$0.31 to \$0.33
2 <sup>nd</sup> quarter ending June 30, 2003	\$0.29 to \$0.30
3 <sup>rd</sup> quarter ending September 30, 2003	\$0.29 to \$0.30
4 <sup>th</sup> quarter ending December 31, 2003	\$0.31 to \$0.32

\* The inclusion of the assumed conversion of convertible notes for purposes of fully diluted calculation is expected to cause a \$0.01 actual decrease in the reported net income per share. Accordingly, for purposes of providing guidance, we have assumed the conversion of the convertible notes (after tax interest savings of \$8.7 million and 8.6 million shares added to the number of weighted average diluted shares).

The following assumptions were used in developing the guidance provided on the preceding page:

- On November 4, 2002, the Company entered into a \$150 million interest rate swap agreement to limit the cash flow effect of changes in interest rates on a portion of our long-term borrowings. Under the agreement, the Company pays interest quarterly at an annualized fixed interest rate of 3.3% for a term ending November 2007. On the payment dates, the Company receives an offsetting variable rate of interest payment from the counterparty based on the three month London Inter-Bank Offer Rate. Except for the impact of this interest rate swap, interest rates are not assumed to change significantly from levels as of December 31, 2002 during 2003.
- In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." Among other things, this Statement rescinds FASB No. 4, "Reporting Gains and Losses from Extinguishment of Debt". The provisions of this Statement related to the rescission of FASB No. 4 are effective for fiscal years beginning after May 15, 2002. Upon adoption, the extraordinary losses recognized in the years ending December 31, 2002 and 2001 will be reclassified to conform to the provisions of SFAS 145.
- On January 23, 2003, the Company announced an open market share repurchase program for up to five million shares which will commence immediately and will conclude at the earlier of three years or when all shares have been repurchased. An estimate of the 2003 market share repurchase is included in the weighted average diluted shares projected for 2003.

The projections set forth on the preceding page constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 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 can not 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;
- demographic changes;
- existing governmental regulations and changes in, or the failure to comply with, governmental regulations or our corporate compliance agreement;
- legislative proposals for healthcare reform;
- our ability, where appropriate, to enter into managed care provider arrangements and the terms of these arrangements;
- changes in inpatient or outpatient Medicare and Medicaid payment levels;
- uncertainty with the Health Insurance Portability and Accountability Act of 1996 regulations;
- increases in wages as a result of inflation and rising supply cost due to market pressure from pharmaceutical companies and new product releases;
- liability and other claims asserted against us, including self-insured malpractice claims;
- availability of insurance coverage and increases in costs to obtain coverage;

- competition;
- our ability to attract and retain qualified personnel, including physicians, nurses and other health care workers;
- trends toward treatment of patients in less acute healthcare settings;
- changes in medical or other technology;
- changes in generally accepted accounting principles;
- the availability and terms of capital to fund additional acquisitions or replacement facilities; and
- our ability to successfully acquire and integrate additional hospitals.

The quarterly and annual consolidated operating results for the year ended December 31, 2002, are not necessarily indicative of the results that may be expected for any future quarter or for any future fiscal year.

The Company cautions that the annual projection for 2003 set forth on the preceding pages is given as of the date hereof based on currently available information. The Company is not undertaking any obligations to update these projections as conditions change or other information becomes available.

---

**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: February 26, 2003

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 and  
Chief Financial Officer  
(principal financial officer)

By: /s/ T. MARK BUFORD

---

T. Mark Buford  
Vice President and Corporate Controller  
(principal accounting officer)

---

Index to Exhibits Filed with the Current Report on Form 8-K Dated February 26, 2003

Exhibit Number	Description
99.1	Press Release dated February 26, 2003
99.2	Press Release dated February 26, 2003

---

QuickLinks

[SIGNATURES](#)

Investor Contact: W. Larry Cash  
Executive Vice President  
and Chief Financial Officer  
(615) 373-9600

**COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES STRONG  
FOURTH QUARTER RESULTS WITH NET OPERATING REVENUES  
UP 22.2% AND EBITDA UP 13.3%**

---

**COMPLETES YEAR 2002 WITH NET OPERATING REVENUES  
UP 29.9% AND EBITDA UP 17.3%**

---

**ACQUIRED ONE HOSPITAL (154 BEDS) DURING  
FOURTH QUARTER AND SEVEN HOSPITALS (676 BEDS)  
IN JANUARY 2003**

BRENTWOOD, Tenn. (February 26, 2003)—Community Health Systems, Inc. (NYSE: CYH) today announced strong financial and operating results for the fourth quarter and year ended December 31, 2002.

Net operating revenues for the fourth quarter ended December 31, 2002 totaled \$583.5 million, a 22.2% increase compared with \$477.5 million for the same period last year. EBITDA for the fourth quarter of 2002 was \$94.7 million, compared with \$83.6 million for the same period last year, representing a 13.3% increase. Income before extraordinary item was \$28.4 million, or \$0.28 per share (diluted), compared with \$18.0 million, or \$0.18 per share (diluted), for the same period last year. Net income was \$28.4 million, or \$0.28 per share (diluted), on 108.4 million weighted average shares (diluted) outstanding for the quarter ended December 31, 2002 (including the assumed conversion of the convertible notes), compared with \$14.2 million, or \$0.15 per share (diluted), after the 2001 extraordinary charge, on 97.9 million average shares (diluted) outstanding for the same period last year. Refer to page 4 for "Financial Highlights."

The consolidated financial results for the fourth quarter ended December 31, 2002 reflect a 16.0% increase in admissions and a 16.3% increase in adjusted admissions, compared with the fourth quarter of 2001. On a same store basis, admissions increased 3.7%, adjusted admissions increased 4.0%, and net revenues increased 10.3% compared with the same period last year.

Net operating revenues for the year ended December 31, 2002 totaled \$2.2 billion, a 29.9% increase compared with \$1.7 billion for the same period last year. EBITDA for the year ended December 31, 2002 was \$362.0 million, a 17.3% increase compared with \$308.7 million for 2001. Income before

---

CYH Announces Fourth Quarter and Year Ended December 31, 2002 Results

Page 2

February 26, 2003

extraordinary item was \$105.3 million, or \$1.05 per share (diluted), for the year ended December 31, 2002, compared with \$48.6 million, or \$0.54 per share (diluted), for 2001. After the extraordinary charges, net income was \$100.0 million, or \$1.00 per share (diluted), on 108.4 million weighted average shares (diluted) outstanding for the year ended December 31, 2002 (including the assumed conversion of the convertible notes), compared with \$44.7 million, or \$0.50 per share (diluted), on 90.3 million average shares (diluted) outstanding for the prior year.

During the third quarter of 2002, the Company refinanced its existing \$1.1 billion credit agreement and repaid certain indebtedness and as a result recognized a \$5.3 million after-tax extraordinary loss on the early extinguishment of debt. During the fourth quarter of 2001, the Company received \$585 million in net proceeds from concurrent equity and convertible debt offerings and used these proceeds to repay a portion of its long-term debt. In connection with repayment, the Company recognized a \$3.8 million after tax extraordinary loss on the early extinguishment of debt.

The consolidated financial results for the year ended December 31, 2002, reflect a 23.8% increase in admissions and a 24.4% increase in adjusted admissions, compared with the same period last year. On a same store basis, admissions increased 4.4%, adjusted admissions increased 5.1%, and net revenues increased 9.7%, compared with the same period last year.

The 10.7% and 20.1% increases in the weighted average number of shares (diluted) outstanding for the fourth quarter and the year ended December 31, 2002, respectively, compared to the same periods last year, are due principally to the Company's concurrent stock and convertible debt offerings in October 2001 and the effects of the assumed conversion of the convertible notes. The impact of the assumed conversion of the convertible notes was not significant enough to cause reported fully diluted income per share before extraordinary item or net income per share to decrease.

"Community Health Systems delivered another outstanding performance in the fourth quarter of 2002, capping off a record year of growth for the Company," commented Wayne T. Smith, chairman, president and chief executive officer of Community Health Systems, Inc. "These impressive results reflect the strength of our proven operating model and, since going public, represent the eleventh consecutive quarter of improving same-store revenues and admissions for Community Health Systems, a critical measure of success in our industry. More importantly, we believe these results demonstrate that our hospitals are successful in meeting the healthcare needs of the communities they serve."

The Company completed one acquisition of a not-for-profit hospital during the fourth quarter of 2002. With the acquisition of Lake Wales Medical Center (154 beds) in Polk County, Florida, the number of hospitals owned or leased increased to 63 in 22 states. The other acquisitions completed during 2002 were

Gateway Regional Medical Center (396 beds) in Granite City, Illinois, acquired on January 1, 2002; Helena Regional Medical Center (155 beds) in Helena, Arkansas, acquired on March 1, 2002; Plateau Medical Center (90 beds) in Oak Hill, West Virginia, acquired on June 30, 2002; Lock Haven Hospital (77 beds) in Lock Haven, Pennsylvania, acquired on August 1, 2002; and Memorial Hospital of Salem County (140 beds) in Salem, New Jersey, acquired on September 30, 2002. Each of these not-for-profit hospitals is the sole provider of general hospital services in its community.

CYH Announces Fourth Quarter and Year Ended December 31, 2002 Results  
Page 3  
February 26, 2003

Subsequent to December 31, 2002, the Company acquired seven West Tennessee hospitals (676 beds) from Methodist Healthcare of Memphis, Tennessee, bringing the total number of hospitals owned or leased to 70. Also announced on January 14, 2003, was the execution of a definitive agreement, subject to regulatory approvals, for the acquisition of Southside Regional Medical Center (408 beds) in Petersburg, Virginia.

"Our acquisition strategy has been very successful as we again led the non-urban hospital industry with the completion of six acquisitions in 2002," added Smith. "In addition, on January 1, 2003, we further enhanced our portfolio with the acquisition of seven West Tennessee hospitals from Methodist Healthcare of Memphis, Tennessee. Our proven ability to acquire hospitals with a reputation for successfully operating facilities and developing positive community relations has continued to set a high standard for success in our industry. Our consistent execution over the past year provides us with confidence that we will continue to successfully meet our objectives for 2003, and deliver value to both our shareholders and the communities we serve."

Located in the Nashville, Tennessee suburb of Brentwood, Community Health Systems is a leading operator of general acute care hospitals in non-urban communities throughout the country. 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, February 27, 2003 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 through the Company's web site at [www.chs.net](http://www.chs.net), or [www.companyboardroom.com](http://www.companyboardroom.com). To listen to the live call, please go to the web site 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 continue through March 27, 2003.

*Statements contained in this news release regarding expected operating results, acquisition transactions 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 Registration Statement on Form S-1 (Registration Statement No. 333-69064), Form 10-K for the year ended December 31, 2001, and Form 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002. These filings identify important risk factors and other uncertainties that could cause actual results to differ from those contained in the forward-looking statements.*

CYH Announces Fourth Quarter and Year Ended December 31, 2002 Results  
Page 4  
February 26, 2003

**COMMUNITY HEALTH SYSTEMS, INC.**  
**Financial Highlights**  
*(Unaudited)*  
*(In thousands, except per share amounts)*

	Three Months Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Net operating revenues	\$ 583,475	\$ 477,502	\$ 2,200,417	\$ 1,693,625
EBITDA (a)	\$ 94,730	\$ 83,607	\$ 361,964	\$ 308,711
Income before extraordinary item	\$ 28,411	\$ 18,011	\$ 105,258	\$ 48,551(b)
Net income	\$ 28,411	\$ 14,203	\$ 99,984	\$ 44,743(b)
Income per share before extraordinary item:				
Basic	\$ 0.29	\$ 0.19	\$ 1.07	\$ 0.55(b)
Diluted	\$ 0.28	\$ 0.18	\$ 1.05(c)	\$ 0.54(b)
Net income per share:				
Basic	\$ 0.29	\$ 0.15	\$ 1.02	\$ 0.51(b)
Diluted	\$ 0.28(c)	\$ 0.15	\$ 1.00(c)	\$ 0.50(b)
Weighted average number of shares outstanding:				
Basic	98,572	96,147	98,421	88,382
Diluted	108,397(c)	97,882	108,378(c)	90,251

(a) EBITDA consists of income before extraordinary items, interest, income taxes, depreciation and amortization, amortization of goodwill and minority interests in earnings. EBITDA should not be considered a measure of financial performance under generally accepted accounting principles. Items excluded from EBITDA are significant components in understanding and assessing financial performance. EBITDA is a key measure used by management to evaluate our operations and provide useful information to investors. EBITDA should not be considered in isolation or as alternatives to net

income, cash flows generated by operations, investing or financing activities, or other financial statement data presented in the consolidated financial statements as indicators of financial performance or liquidity. Because EBITDA is not a measurement determined in accordance with generally accepted accounting principles and is thus susceptible to varying calculations, EBITDA as presented may not be comparable to other similarly titled measures of other companies.

- (b) Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142 "Goodwill and other intangible assets", related to the non-amortization of goodwill. The adoption of SFAS No. 142 caused a favorable increase of \$0.25 per share for the year ended December 31, 2002. When comparing 2002 results to 2001 results, on a pro forma basis, the adoption of SFAS No. 142 would have resulted in income before extraordinary item for the year ended December 31, 2001 of \$73.4 million or \$0.81 per share (diluted), representing a \$0.27 increase based on the smaller number of shares outstanding in that period. When compared to the 2001 pro forma results, income before extraordinary item and income per share before extraordinary item (diluted) results for the year ended December 31, 2002 would have increased 43.5% and 29.6%, respectively.
- (c) Adjusted to include assumed exercise of employee stock options and assumed conversion of convertible notes. Since the income per share impact of the conversion of the convertible notes is less than the basic income per share for both periods presented, the convertible notes are dilutive and accordingly, must be included in the fully diluted calculation even though there is no actual decrease in the reported income per share before extraordinary item or net income per share (after tax interest savings of \$2.2 million and \$8.8 million, respectively, and 8.6 million shares added to the number of weighted average diluted shares).

CYH Announces Fourth Quarter and Year Ended December 31, 2002 Results

Page 5

February 26, 2003

**COMMUNITY HEALTH SYSTEMS, INC.**  
**Condensed Consolidated Statements of Operations**

*(Unaudited)*

*(In thousands, except per share amounts)*

	Three Months Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Net operating revenues	\$ 583,475	\$ 477,502	\$ 2,200,417	\$ 1,693,625
Operating expenses:				
Salaries and benefits	233,896	192,947	886,734	666,048
Provision for bad debts	51,364	43,883	201,334	156,226
Supplies	65,822	54,978	254,687	196,008
Other operating expenses	137,663	102,087	495,698	366,632
Depreciation and amortization	31,801	24,501	118,218	90,913
Amortization of goodwill	—	7,368	—	28,755
Minority interests in earnings	375	—	2,236	—
Total expenses	520,921	425,764	1,958,907	1,504,582
Income from operations	62,554	51,738	241,510	189,043
Interest expense, net	14,821	17,833	62,860	94,548
Income before income taxes and extraordinary item	47,733	33,905	178,650	94,495
Provision for income taxes	19,322	15,894	73,392	45,944
Income before extraordinary item	28,411	18,011	105,258	48,551
Extraordinary loss from early extinguishment of debt, net of tax benefit of \$3,372 and \$2,435, respectively	—	3,808	5,274	3,808
Net income	\$ 28,411	\$ 14,203	\$ 99,984	\$ 44,743
Income per share before extraordinary item:				
Basic	\$ 0.29	\$ 0.19	\$ 1.07	\$ 0.55
Diluted	\$ 0.28	\$ 0.18	\$ 1.05	\$ 0.54
Net income per share:				
Basic	\$ 0.29	\$ 0.15	\$ 1.02	\$ 0.51
Diluted	\$ 0.28	\$ 0.15	\$ 1.00	\$ 0.50

Weighted average number of shares outstanding:

Basic	98,572	96,147	98,421	88,382
Diluted	108,397	97,882	108,378	90,251

CYH Announces Fourth Quarter and Year Ended December 31, 2002 Results

Page 6

February 26, 2003

**COMMUNITY HEALTH SYSTEMS, INC.**

**Selected Operating Data**

*(Unaudited)*

*(\$ in thousands)*

**For the Three Months Ended December 31,**

	Consolidated			Same Store		
	2002	2001	% Change	2002	2001	% Change
Number of hospitals (at end of period)	63	57		57	57	
Licensed beds (at end of period)	6,310	5,391		5,298	5,391	
Beds in service (at end of period)	4,939	4,139		4,301	4,139	
Admissions	53,649	46,243	16.0%	47,951	46,243	3.7%
Adjusted admissions	98,292	84,551	16.3%	87,910	84,551	4.0%
Patient days	204,495	174,515	17.2%	179,996	174,515	3.1%
Average length of stay (days)	3.8	3.8		3.8	3.8	
Occupancy rate (beds in service)	45.4%	46.0%		45.7%	46.0%	
Net operating revenues	\$ 583,475	\$ 477,502	22.2%	\$ 526,727	\$ 477,502	10.3%
Net inpatient revenue as a % of						
Total net operating revenues	53.3%	53.1%		53.2%	53.1%	
Net outpatient revenue as a % of						
Total net operating revenues	45.5%	45.6%		45.7%	45.6%	
EBITDA as a % of net operating revenues	16.2%	17.5%		17.6%	17.5%	

**For the Year Ended December 31,**

	Consolidated			Same Store		
	2002	2001	% Change	2002	2001	% Change
Number of hospitals (at end of period)	63	57		57	57	
Licensed beds (at end of period)	6,310	5,391		5,298	5,391	
Beds in service (at end of period)	4,939	4,139		4,301	4,139	
Admissions	209,967	169,574	23.8%	176,959	169,574	4.4%
Adjusted admissions	387,311	311,238	24.4%	327,201	311,238	5.1%
Patient days	809,166	643,229	25.8%	660,922	643,229	2.8%
Average length of stay (days)	3.9	3.8		3.7	3.8	
Occupancy rate (beds in service)	47.9%	46.7%		47.1%	46.7%	
Net operating revenues	\$ 2,200,417	\$ 1,693,625	29.9%	\$ 1,857,151	\$ 1,693,501	9.7%
Net inpatient revenue as a % of						
Total net operating revenues	52.5%	51.6%		52.3%	51.6%	
Net outpatient revenue as a % of						
Total net operating revenues	46.2%	47.2%		46.7%	47.2%	
EBITDA as a % of net operating revenues	16.4%	18.2%		18.4%	18.2%	

CYH Announces Fourth Quarter and Year Ended December 31, 2002 Results

Page 7

February 26, 2003

**COMMUNITY HEALTH SYSTEMS, INC.**

**Condensed Consolidated Balance Sheets**

*(Unaudited)*

*(\$ in thousands)*

	December 31, 2002	December 31, 2001
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 132,844	\$ 8,386
Patient accounts receivable, net	400,442	360,852

Other current assets	114,440	116,121
<b>Total current assets</b>	<b>647,726</b>	<b>485,359</b>
Property and equipment	1,310,738	1,066,959
Less accumulated depreciation and amortization	(281,401)	(200,425)
Property and equipment, net	1,029,337	866,534
Goodwill, net	1,029,975	999,525
Other assets, net	102,458	100,046
<b>Total assets</b>	<b>\$ 2,809,496</b>	<b>\$ 2,451,464</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Current maturities of long-term debt	\$ 18,529	\$ 58,691
Accounts payable and accrued liabilities	299,901	231,681
<b>Total current liabilities</b>	<b>318,430</b>	<b>290,372</b>
Long-term debt	1,173,929	980,083
Deferred income taxes and other long-term liabilities	102,832	65,344
Stockholders' equity	1,214,305	1,115,665
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,809,496</b>	<b>\$ 2,451,464</b>

## QuickLinks

[COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES STRONG FOURTH QUARTER RESULTS WITH NET OPERATING REVENUES UP 22.2% AND EBITDA UP 13.3%](#)  
[COMPLETES YEAR 2002 WITH NET OPERATING REVENUES UP 29.9% AND EBITDA UP 17.3%](#)  
[ACQUIRED ONE HOSPITAL \(154 BEDS\) DURING FOURTH QUARTER AND SEVEN HOSPITALS \(676 BEDS\) IN JANUARY 2003](#)  
[COMMUNITY HEALTH SYSTEMS, INC. Financial Highlights \(Unaudited\) \(In thousands, except per share amounts\)](#)  
[COMMUNITY HEALTH SYSTEMS, INC. Condensed Consolidated Statements of Operations \(Unaudited\) \(In thousands, except per share amounts\)](#)  
[COMMUNITY HEALTH SYSTEMS, INC. Selected Operating Data \(Unaudited\) \(\\$ in thousands\)](#)  
[COMMUNITY HEALTH SYSTEMS, INC. Condensed Consolidated Balance Sheets \(Unaudited\) \(\\$ in thousands\)](#)



Investor Contact: W. Larry Cash  
Executive Vice President  
and Chief Financial Officer  
(615) 373-9600

Media Contact: Paula Lovell (Tennessee)  
Lovell Communications  
(615) 297-7766

**Community Health Systems Announces  
APPOINTMENT OF NEW INDEPENDENT DIRECTOR**

BRENTWOOD, Tenn. (February 26, 2003)—Community Health Systems, Inc. (NYSE: CYH) today announced the appointment of John A. Clerico to its Board of Directors. Mr. Clerico will also be joining the Company's Audit and Compliance Committee. The Company has increased the size of its board from 11 to 12 directors and Mr. Clerico will fill the new position as a Class III director whose term expires at the Company's 2003 annual meeting.

Mr. Clerico is the co-founder and chairman of ChartMark Investments, Inc. an independent investment advisory firm that manages equity funds for individuals and small pension funds. He previously served as executive vice president and chief financial officer and a member of the office of the chairman of Praxair, Inc., an industrial gas company spun-off from Union Carbide Corporation in 1992. He also served on Praxair's board of directors for eight years. Prior to joining Praxair, he was chief financial officer of Union Carbide. He previously held financial positions with Conoco, Inc. and Phillips Petroleum Co. Mr. Clerico has a Bachelor of Science degree in finance from Oklahoma State University.

"We are very pleased to have John Clerico join our board," said Wayne T. Smith, chairman, president, and chief executive officer of Community Health Systems, Inc. "We believe that one requirement to be a great company is to have an experienced and dedicated board of directors. John Clerico's extensive financial experience with Fortune 200 companies and fresh perspective as a new independent director will strengthen an already outstanding group of directors. We look forward to working together to execute Community Health Systems' strategy to build shareholder value."

Located in the Nashville, Tennessee, suburb of Brentwood, Community Health Systems is a leading operator of general acute care hospitals in non-urban communities throughout the country. Through its subsidiaries, the Company currently owns, leases or operates 70 hospitals in 22 states. Community Health Systems' hospitals offer a broad range of inpatient and outpatient medical and surgical services. Shares in Community Health Systems, Inc. are traded on the New York Stock Exchange under the symbol "CYH."

Statements contained in this news release are forward-looking statements that involve risks 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, specifically the most recent filings which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including execution of our growth, acquisition, and business strategies. These and other applicable risks are summarized under the caption "risk factors" in the Company's Securities and Exchange Commission filings.

---

QuickLinks

[Community Health Systems Announces APPOINTMENT OF NEW INDEPENDENT DIRECTOR](#)