
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

July 28, 2005

Date of Report (date of earliest event reported)

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of Registrant as specified in charter)

Delaware	001-15925	13-3893191
(State or other jurisdiction of incorporation)	(Commission File Number)	(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

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 such a filing.

ITEM 2.02 Results of Operations and Financial Condition

On July 28, 2005, Community Health Systems, Inc. (the "Company"), announced operating results for the quarter and six months ended June 30, 2005. A copy of the related press release is attached as Exhibit 99.1 to this Form 8-K.

ITEM 7.01 Regulation FD Disclosure

On July 28, 2005, Community Health Systems, Inc. announced among other matters an update to its previous 2005 guidance. A copy of the related press release is attached as Exhibit 99.1 to this Form 8-K.

ITEM 9.01 Financial Statements and Exhibits

Exhibits

The following exhibit is furnished herewith:

99.1 Community Health Systems, Inc. Press Release dated July 28, 2005.

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: July 28, 2005

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 Corporate Controller
(principal accounting officer)

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Index to Exhibits

Exhibit Number	Description
99.1	Press Release dated July 28, 2005

[CHS LOGO] COMMUNITY HEALTH SYSTEMS, INC.

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

COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES
SECOND QUARTER 2005 RESULTS WITH NET OPERATING REVENUES UP 19.1%, AND
INCOME FROM CONTINUING OPERATIONS PER SHARE (DILUTED) UP 28.9%

BRENTWOOD, TN. (July 28, 2005) -- Community Health Systems, Inc. (NYSE: CYH) today announced financial and operating results for the second quarter and six months ended June 30, 2005.

Net operating revenues for the second quarter ended June 30, 2005, totaled \$918.7 million, a 19.1% increase compared with \$771.1 million for the same period last year. Income from continuing operations increased 18.9% to \$46.2 million for the quarter ended June 30, 2005, compared with \$38.8 million for the same period last year. Income from continuing operations per share (diluted) increased 28.9% to \$0.49 on 99.3 million weighted average shares outstanding for the quarter ended June 30, 2005, compared with \$0.38 on 109.0 million weighted average shares outstanding for the same period last year. Net income increased 5.4% to \$40.5 million for the quarter ended June 30, 2005, compared with \$38.4 million for the same period last year. Net income per share (diluted) increased 16.2% to \$0.43 for the quarter ended June 30, 2005, compared to \$0.37 for the same period last year. Loss on discontinued operations for the quarter ended June 30, 2005 consists of an after-tax loss of approximately \$5.6 million, approximately \$0.06 per share (diluted), related to the designation during the second quarter of 2005 of one hospital as being held for sale and resulting impairment writedown. Refer to pages 3 and 4 for "Financial Highlights."

Adjusted EBITDA for the second quarter of 2005 was \$140.2 million, compared with \$118.8 million for the same period last year, representing a 17.9% increase. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations and minority interest in earnings. The Company uses adjusted EBITDA as a measure of liquidity. Net cash provided by operating activities for the second quarter of 2005 was \$127.7 million, compared with \$144.3 million for the same period last year, a decrease of 11.5%.

The consolidated financial results for the second quarter ended June 30, 2005, reflect a 8.8% increase in total admissions compared with the same period last year. This increase is attributable to hospitals that have been acquired by the Company subsequent to June 30, 2004. On a same-store basis, admissions increased 0.3% and adjusted admissions increased 1.3% compared with the same period last year. On a same-store basis, net operating revenues increased 9.3%, compared with the same period last year.

Net operating revenues for the six months ended June 30, 2005, totaled \$1.8 billion, compared with \$1.6 billion for the same period last year, a 17.8% increase, again demonstrating the Company's successful integration of acquisitions over the last several years. Income from continuing operations increased 17.6% to \$95.2 million or \$1.01 per share (diluted), on 98.7 million weighted average shares outstanding for the six months ended June 30, 2005, compared with \$81.0 million, or \$0.78 per share (diluted) on 109.1 million weighted average shares outstanding, for the same period last year.

Loss on discontinued operations for the six months ended June 30, 2005 consist of an after-tax loss of approximately \$18.7 million, or \$0.19 per share (diluted), related to the sale of four hospitals during the first quarter of 2005, one of which was designated as being held-for-sale at December 31, 2004, the termination of one hospital's lease during the first quarter of 2005 and an impairment write-down related to the designation of one additional hospital as being held-for-sale during the second quarter of 2005. Net income decreased 3.3% to \$76.5 million, or \$0.82 per share (diluted), for the six months ended June 30, 2005, compared with \$79.2 million, or \$0.77 per share (diluted) for the same period last year.

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July 28, 2005

Adjusted EBITDA for the six months ended June 30, 2005, was \$283.9 million, compared with \$243.0 million for the same period last year, a 16.8% increase. Net cash provided by operating activities for the six months ended June 30, 2005, was \$276.4 million, compared with \$206.0 million for the same period last year, an increase of 34.2%.

The consolidated financial results for the six months ended June 30, 2005, reflect a 9.7% increase in total admissions compared with the same period last year. On a same-store basis, admissions increased 2.2%, adjusted admissions increased 2.0%, and net operating revenues increased 9.0%, compared with the same period last year.

Commenting on the results, Wayne T. Smith, chairman, president and chief executive officer of Community Health Systems, Inc. stated, "Community Health Systems delivered a very solid financial and operating performance for the second quarter of 2005. These results reflect consistent execution of our centralized and standardized operating strategy and our focus on quality care. This strategy has enabled us to continue to integrate newly acquired hospitals into our system and quickly bring their level of performance in line with our high operating standards. Our strong revenue and volume trends through the first half of 2005 validate the strength of our operating model and we are very pleased with the trends in our business."

On June 30, 2005, the Company completed the acquisition of Bedford County Medical Center (104 beds) in Shelbyville, Tennessee.

"Our proven track record for identifying suitable acquisition candidates has been a key driver of our growth and success in the marketplace," Smith added. "Furthermore, we believe the market continues to look favorable for well-managed non-urban hospitals with additional opportunities for Community Health Systems. We see a growing number of hospitals looking for a trusted partner to provide the resources that will enable them to deliver quality healthcare in their communities. Our reputation as the acquirer of choice reflects our commitment to meet this critical need and deliver solid results. We have an active pipeline of acquisition candidates and have a high degree of confidence that we will achieve our operational and financial objectives for 2005."

Included on pages 10 and 11 of this press release is a table setting forth selected information concerning the updated projected consolidated operating results of the Company for the year ending December 31, 2005.

Located in the Nashville, Tennessee suburb of Brentwood, Community Health Systems, Inc. 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 69 hospitals in 21 states. Its hospitals offer a broad range of inpatient medical and surgical services, outpatient treatment and skilled nursing care. 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 Friday, July 29, 2005, at 10:00 a.m. Central, 11:00 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.fulldisclosures.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 continue through August 29, 2005. A copy of the Company's Form 8-K (including this press release) and conference call slide show will also be available on the Company's website at www.chs.net.

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 annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and recent registration statements. 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.
FINANCIAL HIGHLIGHTS
(Unaudited)
(In thousands, except per share amounts)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2005	2004 (a)	2005 (a)	2004 (a)
Net operating revenues	\$ 918,718	\$ 771,108	\$ 1,826,981	\$ 1,551,067
Adjusted EBITDA (b)	\$ 140,152	\$ 118,826	\$ 283,934	\$ 242,998
Income from continuing operations	\$ 46,150	\$ 38,806	\$ 95,229	\$ 81,003
Net income	\$ 40,528	\$ 38,439	\$ 76,516	\$ 79,165
Income from continuing operations per share-basic	\$ 0.52	\$ 0.39	\$ 1.08	\$ 0.82
Income from continuing operations per share-diluted	\$ 0.49	\$ 0.38	\$ 1.01	\$ 0.78
Net income per share - basic	\$ 0.45	\$ 0.39	\$ 0.86	\$ 0.80
Net income per share - diluted	\$ 0.43	\$ 0.37	\$ 0.82	\$ 0.77
Weighted average number of shares outstanding - basic	89,150	98,780	88,543	98,744
Weighted average number of shares outstanding - diluted	99,329 (c)	108,999 (c)	98,713 (c)	109,069 (c)
Net cash provided by operating activities	\$ 127,686	\$ 144,254	\$ 276,396	\$ 205,985

(a) Pursuant to FASB No. 144, the Company has restated its prior year first quarter, second quarter and six months ended June 30, 2004, and first quarter ended March 31, 2005, financial statements and statistical results to reflect the reclassification as discontinued operations the sale of four hospitals during the first quarter of 2005, one of which was designated as being held-for-sale at December 31, 2004, the termination of one hospital's lease during the first quarter of 2005, and one additional hospital as being held-for-sale during the second quarter of 2005. Two hospitals were previously classified as discontinued operations in 2004.

(b) EBITDA consists of income before interest, income taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations and minority interest in earnings. The Company has from time to time sold minority interests in certain of its subsidiaries or acquired subsidiaries with existing minority 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 our continuing operations. The Company uses adjusted EBITDA as a measure of liquidity. The Company has included this measure because the Company believes it provides investors with additional information about its 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 its 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 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 generally accepted accounting principles. The items excluded from adjusted EBITDA are significant components in understanding and evaluating financial performance and liquidity. The Company's calculation of adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

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The following table reconciles adjusted EBITDA, as defined, to our net cash provided by operating activities as derived directly from our consolidated financial statements for the three months and six months ended June 30, 2005 and 2004 (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2005	2004	2005	2004
Adjusted EBITDA	\$ 140,152	\$ 118,826	\$ 283,934	\$ 242,998
Interest expense, net	(23,012)	(17,763)	(45,793)	(35,810)
Provision for income taxes	(29,390)	(25,346)	(60,628)	(52,785)
Loss from operations of hospitals sold or held for sale and lease termination, net of taxes	(1,151)	(367)	(6,624)	(1,838)
Depreciation and amortization of discontinued operations	709	3,109	1,600	5,111
Other non-cash expenses, net	1,448	402	1,473	(89)
Net changes in operating assets and liabilities, net of effects of acquisitions	38,930	65,393	102,434	48,398
Net cash provided by operating activities	\$ 127,686	\$ 144,254	\$ 276,396	\$ 205,985

(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 (after tax interest savings of \$2.2 million per quarter and 8.6 million shares added to the calculation of fully diluted earnings per share).

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COMMUNITY HEALTH SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2005	2004	2005	2004
Net operating revenues	\$ 918,718	\$ 771,108	\$ 1,826,981	\$ 1,551,067
Operating expenses:				
Salaries and benefits	365,097	309,062	725,330	620,929
Provision for bad debts	91,582	76,296	184,633	156,217
Supplies	110,429	92,241	223,085	186,641
Other operating expenses	211,458	174,683	409,999	344,282
Depreciation and amortization	40,483	36,143	80,280	72,046
Minority interests in earnings	1,117	768	2,004	1,354
Total expenses	820,166	689,193	1,625,331	1,381,469
Income from operations	98,552	81,915	201,650	169,598
Interest expense, net	23,012	17,763	45,793	35,810
Income from continuing operations before income taxes	75,540	64,152	155,857	133,788
Provision for income taxes	29,390	25,346	60,628	52,785
Income from continuing operations	46,150	38,806	95,229	81,003
Discontinued operations, net of taxes;				
Loss from operations of hospitals sold or held for sale	(1,151)	(367)	(6,624)	(1,838)
Net loss on sale of hospitals	-	-	(7,618)	-
Impairment of long-lived assets of hospital held for sale	(4,471)	-	(4,471)	-
Loss on discontinued operations	(5,622)	(367)	(18,713)	(1,838)
Net income	\$ 40,528	\$ 38,439	\$ 76,516	\$ 79,165
Income from continuing operations per share-basic	\$ 0.52	\$ 0.39	\$ 1.08	\$ 0.82
Income from continuing operations per share-diluted	\$ 0.49	\$ 0.38	\$ 1.01	\$ 0.78
Net income per share - basic	\$ 0.45	\$ 0.39	\$ 0.86	\$ 0.80
Net income per share - diluted	\$ 0.43	\$ 0.37	\$ 0.82	\$ 0.77
Weighted average number of shares outstanding:				
Basic	89,150	98,780	88,543	98,744
Diluted	99,329	108,999	98,713	109,069
Net income per share calculation:				
Net income	\$ 40,528	\$ 38,439	\$ 76,516	\$ 79,165
Add - Convertible notes interest, net of taxes	2,189	2,189	4,378	4,378
Adjusted net income	\$ 42,717	\$ 40,628	\$ 80,894	\$ 83,543
Weighted average number of shares outstanding - basic	89,150	98,780	88,543	98,744
Add effect of dilutive securities:				
Unvested common shares	-	31	-	31
Employee stock options	1,597	1,606	1,588	1,712
Convertible notes	8,582	8,582	8,582	8,582
Weighted average number of shares outstanding - diluted	99,329	108,999	98,713	109,069

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COMMUNITY HEALTH SYSTEMS, INC.
SELECTED OPERATING DATA
(Unaudited)
(\$ in thousands)

FOR THE THREE MONTHS ENDED JUNE 30,

	CONSOLIDATED			SAME-STORE		
	2005	2004	% CHANGE	2005	2004	% CHANGE
Number of hospitals (at end of period)	67	64		64	64	
Licensed beds (at end of period)	7,575	7,107		7,040	7,107	
Beds in service (at end of period)	6,187	5,716		5,689	5,716	
Admissions	70,844	65,097	8.8%	65,284	65,097	0.3%
Adjusted admissions	132,764	120,287	10.4%	121,896	120,287	1.3%
Patient days	293,320	265,253	10.6%	268,812	265,253	1.3%
Average length of stay (days)	4.1	4.1		4.1	4.1	
Occupancy rate (average beds in service)	52.2%	51.2%		52.0%	51.2%	
Net operating revenues	\$918,718	\$771,108	19.1%	\$841,734	\$770,066	9.3%
Net inpatient revenue as a % of total net operating revenues	50.4%	50.4%		51.0%	50.5%	
Net outpatient revenue as a % of total net operating revenues	48.4%	48.3%		48.0%	48.4%	
Income from operations	\$ 98,552	\$ 81,915	20.3%	\$ 94,754	\$ 82,551	14.8%
Income from operations as a % of net operating revenues	10.7%	10.6%		11.3%	10.7%	
Depreciation and amortization	\$ 40,483	\$ 36,143		\$ 37,580	\$ 36,082	
Minority interest in earnings	\$ 1,117	\$ 768		\$ 811	\$ 768	
Liquidity Data:						
Adjusted EBITDA	\$140,152	\$118,826	17.9%			
Adjusted EBITDA as a % of net operating revenues	15.3%	15.4%				
Net cash provided by operating activities	\$127,686	\$144,254				
Net cash provided by operating activities as a % of net operating revenue	13.9%	18.7%				

Continuing operating results and statistical data exclude discontinued operations for all periods presented; also excludes hospital acquired on June 30, 2005.

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COMMUNITY HEALTH SYSTEMS, INC.
SELECTED OPERATING DATA
(Unaudited)
(\$ in thousands)

FOR THE SIX MONTHS ENDED JUNE 30,

	CONSOLIDATED			SAME-STORE		
	2005	2004	% CHANGE	2005	2004	% CHANGE
Number of hospitals (at end of period)	67	64		64	64	
Licensed beds (at end of period)	7,575	7,107		7,040	7,107	
Beds in service (at end of period)	6,187	5,716		5,689	5,716	
Admissions	146,334	133,354	9.7%	136,296	133,354	2.2%
Adjusted admissions	267,320	243,129	9.9%	248,019	243,129	2.0%
Patient days	612,819	549,447	11.5%	567,462	549,447	3.3%
Average length of stay (days)	4.2	4.1		4.2	4.1	
Occupancy rate (average beds in service)	55.4%	53.2%		55.2%	53.2%	
Net operating revenues	\$1,826,981	\$1,551,067	17.8%	\$1,687,122	\$1,547,344	9.0%
Net inpatient revenue as a % of total net operating revenues	51.2%	50.8%		51.5%	50.9%	
Net outpatient revenue as a % of total net operating revenues	47.7%	47.8%		47.5%	47.9%	
Income from operations	\$ 201,650	\$ 169,598	18.9%	\$ 193,588	\$ 168,301	15.0%
Income from operations as a % of net operating revenues	11.0%	10.9%		11.5%	10.9%	
Depreciation and amortization	\$ 80,280	\$ 72,046		\$ 75,197	\$ 71,888	
Minority interest in earnings	\$ 2,004	\$ 1,354		\$ 1,610	\$ 1,354	
Liquidity Data:						
Adjusted EBITDA	\$ 283,934	\$ 242,998	16.8%			
Adjusted EBITDA as a % of net operating revenues	15.5%	15.7%				
Net cash provided by operating activities	\$ 276,396	\$ 205,985				
Net cash provided by operating activities as a % of net operating revenue	15.1%	13.3%				

Continuing operating results and statistical data exclude discontinued operations for all periods presented; also excludes hospital acquired on June 30, 2005.

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COMMUNITY HEALTH SYSTEMS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands)

	JUNE 30, 2005	DECEMBER 31, 2004
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 272,364	\$ 82,498
Patient accounts receivable, net	614,644	597,261
Other current assets	134,541	135,690
	-----	-----
TOTAL CURRENT ASSETS	1,021,549	815,449
	-----	-----
Property and equipment	1,945,942	1,924,843
Less accumulated depreciation and amortization	(461,473)	(440,295)
	-----	-----
Property and equipment, net	1,484,469	1,484,548
	-----	-----
Goodwill, net	1,217,513	1,213,783
	-----	-----
Other assets, net	124,640	118,828
	-----	-----
TOTAL ASSETS	\$ 3,848,171	\$ 3,632,608
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 22,831	\$ 26,867
Accounts payable and accrued liabilities	413,197	335,492
	-----	-----
TOTAL CURRENT LIABILITIES	436,028	362,359
	-----	-----
Long-term debt	1,791,221	1,804,868
	-----	-----
Other long-term liabilities	257,800	225,390
	-----	-----
Stockholders' equity	1,363,122	1,239,991
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,848,171	\$ 3,632,608
	=====	=====

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COMMUNITY HEALTH SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	SIX MONTHS ENDED JUNE 30,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 76,516	\$ 79,165
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	81,880	77,157
Minority interest in earnings	2,004	1,008
Impairment of hospital held for sale	6,718	-
Loss on sale of hospitals	6,295	-
Other non-cash expenses, net	1,473	(89)
Net changes in operating assets and liabilities, net of effects of acquisitions	101,510	48,744
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	276,396	205,985
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of facilities and other related equipment	(45,813)	(5,290)
Purchases of property and equipment	(76,735)	(83,143)
Proceeds from sale of assets and facilities	54,016	976
Increase in other assets	(22,079)	(14,852)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(90,611)	(102,309)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of stock options	35,900	1,902
Stock repurchase	(11,214)	-
Deferred financing costs	(991)	-
Proceeds from minority investments in joint ventures	1,383	-
Redemption of minority investments in joint ventures	(317)	(1,945)
Distribution to minority investors in joint ventures	(979)	(616)
Borrowing under credit agreement	-	45,640
Repayments of long-term indebtedness	(19,701)	(146,383)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,081	(101,402)
	-----	-----
NET CHANGE IN CASH AND CASH EQUIVALENTS	189,866	2,274
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	82,498	16,331
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 272,364	\$ 18,605
	=====	=====

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REGULATION FD DISCLOSURE

The following table sets forth selected information concerning the updated projected consolidated operating results of the Company for the year ended December 31, 2005. 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. The revision to the Company's previous guidance provided on February 24, 2005, reflects the solid performance above guidance in the first and second quarters of 2005 and the designation of one hospital as held for sale in the second quarter of 2005 and resulting impairment writedown.

The following is provided as guidance to analysts and investors:

	2005 Projection Range

Net operating revenues (in millions)	\$3,675 to \$3,725
Adjusted EBITDA (in millions)	\$555 to \$575 (a)
Income from continuing operations per share - diluted	\$1.91 to \$1.96 (b)
Net income per share - diluted	\$1.71 to \$1.75 (b)(c)
Same hospitals annual admissions growth	1.5% to 3.0%
Weighted average diluted shares (in millions)	99 to 100 (b)
Acquisitions of new hospitals	3 to 4
Income from Continuing Operations Per Share - Diluted Estimated by Quarter:	
3rd quarter ending September 30, 2005	\$0.43 to \$0.45
4th quarter ending December 31, 2005	\$0.47 to \$0.51

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For Footnotes (a), (b) and (c) see page 11.

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

- - Includes approximately \$5.0 million of additional compensation expense with an after-tax impact of approximately \$0.04 per share (diluted) related to the awarding on February 28, 2005, of 561,000 shares of restricted stock to various employees and directors, which was not previously reflected in the Company's 2005 guidance.
- - Expressed as a percentage of net operating revenue, provision for bad debts is projected to be approximately 10.2% to 10.5% for 2005.
- - Capital expenditures are as follows (in millions):

	Actual 2004 -----	Guidance 2005 -----
Total	\$ 164	\$190 to \$200

- - Expressed as a percent of net operating revenues, total depreciation and amortization is projected to be approximately 4.3% to 4.6% for 2005; however, this is a fixed cost and the percentages may vary as revenue varies.
- - Expressed as a percentage of income before income taxes, provision for income tax is projected to be approximately 38.5% to 39.1% for 2005.

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- - The Company is currently a party to nine separate interest swap agreements to limit the effect of changes in interest rates on a portion of the Company's long-term borrowings. Six separate interest swap agreements were in place at December 31, 2004. Three additional interest rate swap agreements have been added during 2005. Under the first agreement entered into on April 28, 2005, with a \$100 million notional amount, effective November 30, 2005 and expiring on November 30, 2009, the Company pays interest at a fixed rate of 4.3375%. Under the second agreement entered into on May 23, 2005, with a \$100 million notional amount and expiring on May 30, 2008, the Company pays interest at a fixed rate of 4.061%. Under the third agreement entered into on June 2, 2005, with a \$100 million notional amount, effective June 6, 2005, and expiring on June 6, 2009, the Company pays interest at a fixed rate of 3.935%. The Company receives a variable rate of interest on each of these swaps based on the three-month London Inter-Bank Offer Rate ("Libor"), excluding the margin paid under the senior secured credit facility on a quarterly basis, which is currently 175 basis points for revolver loans and term loans under the senior secured credit facility.

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Footnotes from page 10

(a) The following table reconciles adjusted EBITDA, as defined, to the Company's estimated net cash provided by operating activities as presented in the above guidance:

	2005 Projection Range (in millions)	
	-----	-----
Adjusted EBITDA	\$ 555	\$ 575
Taxes and interest expense	(209)	(215)
Other non-cash expenses and net changes in operating assets and liabilities		
	14	20
Estimated Net cash provided by operating activities	\$ 360	\$ 380
	=====	=====

(b) The inclusion of the assumed conversion of convertible notes for purposes of fully diluted calculation is expected to cause an approximate \$0.08 projected decrease in the reported income from continuing operations per share in 2005. Accordingly, for purposes of providing guidance, the Company has assumed the conversion of the convertible notes (after tax interest savings of \$8.7 million and 8.6 million shares added to the calculation of fully diluted earnings per share).

(c) Net loss on sale of disclosed divestitures is reflected in net income per share - diluted guidance to the extent transactions have been closed.

Reference is made to the Company's current report on Form 8-K filed with the Securities and Exchange Commission on February 24, 2005, which sets forth the assumptions used in developing the 2005 guidance and the cautionary statements made as to reliance on this guidance.

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