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

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**FORM 8-K**

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

**Date of Report (date of earliest event reported): May 17, 2017 (May 16, 2017)**

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**COMMUNITY HEALTH SYSTEMS, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**001-15925**  
(Commission  
File Number)

**13-3893191**  
(IRS Employer  
Identification No.)

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

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

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

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

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

Emerging growth company

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

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

(i) Appointment of Chief Financial Officer; Compensation Arrangements in Connection Therewith

On May 16, 2017, Community Health Systems, Inc. (the “Company”), announced that the Company’s Board of Directors has appointed Thomas J. Aaron, as Chief Financial Officer of the Company, effective immediately, replacing W. Larry Cash, the Company’s President of Financial Services and Chief Financial Officer, who retired on such date. The contemplated appointment of Mr. Aaron and retirement of Mr. Cash were previously announced in a Current Report on Form 8-K filed by the Company on February 22, 2017, which is incorporated herein by reference. A copy of the press release making this announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference into this Item 5.02.

On May 16, 2017, the Board of Directors of the Company, upon recommendation of the Compensation Committee of the Board of Directors (the “Compensation Committee”), approved certain compensation arrangements for Mr. Aaron described below in connection with his promotion to Executive Vice President and Chief Financial Officer.

2017 Base Salary

The Board of Directors approved an increase in Mr. Aaron’s annual base salary from \$600,000 to \$675,000, effective May 16, 2017. Mr. Aaron is an employee of the Company’s wholly-owned subsidiary, CHSPSC, LLC, and he does not have a written employment agreement.

2017 Cash Incentive Compensation

The Board also established performance goals for Mr. Aaron in the position of Executive Vice President and Chief Financial Officer for the period from May 16, 2017 to December 31, 2017 (the “2017 CFO Period”), under the Company’s 2004 Employee Performance Incentive Plan (the “Cash Incentive Plan”). These performance goals are similar to those that were established for the Company’s other executive officers in February 2017. For the 2017 CFO Period, the incentive compensation plan established by the Board of Directors for Mr. Aaron is based on the attainment of key financial objectives as follows (expressed as a percentage of base salary payable to Mr. Aaron during the 2017 CFO Period (the “Prorated Base Salary”) as reflected below under “Opportunity”), subject to the ability to receive an additional percentage of the Prorated Base Salary for overachievement of Company-level goals as noted below:

<u>Performance Goal</u>	<u>Opportunity</u>
Company EBITDA	80%
Continuing Operations EPS	20%
Net Revenues	15%
Total Shareholder Return	15%
Performance Improvements	20%
<i>Total</i>	<u>150%</u>

- The incentive compensation targets for Mr. Aaron as noted above include a component for relative Total Shareholder Return (1 year) relative to a peer group consisting of selected companies in the Healthcare Facilities Group. Up to 15% of his Prorated Base Salary can be earned if the maximum target of above the 65<sup>th</sup> percentile of this peer group is attained.
- An incentive opportunity is included for the attainment of specific non-financial performance improvements. The incentive compensation to be awarded for the attainment of non-financial performance improvements has been set at 20% of the Prorated Base Salary; this amount will be reduced if the performance improvements are not attained. Any such reduction will be determined in the discretion of the Compensation Committee. As previously announced in the Company’s Current Report on Form 8-K, filed with the Securities and Exchange Commission (“SEC”) on February 24, 2017, the Company’s 2017 non-financial performance criteria include: successful physician and mid-level practitioner recruitment efforts; maintaining expenditures within the established capital budget; maintaining/improving the prior year’s

overall clinical compliance (including Joint Commission scores); volume, revenue, and earnings growth and total shareholder return, relative to industry peers; and substantial progress toward the Company's portfolio rationalization and deleveraging plan.

- Mr. Aaron will have the opportunity to achieve an additional percentage of his Prorated Base Salary for overachievement of Company-level goals up to a maximum total incentive compensation amount equal to 175% of his Prorated Base Salary.

In addition, pursuant to Mr. Aaron's offer of employment to serve as Senior Vice President in 2016, which was approved by the Board at that time upon the recommendation of the Compensation Committee, Mr. Aaron's incentive compensation actually paid for 2017 shall not be less than 100% of his base salary for 2017, regardless of the achievement of applicable objectives. This assurance of a minimum percentage level of incentive compensation for 2017 was made to help induce Mr. Aaron to join the Company at that time and applies only to fiscal year 2017.

#### Long-Term Incentive Compensation – Stock Awards

On May 16, 2017, pursuant to the Company's Amended and Restated 2009 Stock Option and Award Plan, the Board approved an equity grant of 20,000 time-based restricted shares to Mr. Aaron. This equity grant will be effective on June 1, 2017 (the "grant date"). The restrictions will lapse in equal one-third (1/3) increments on each of the first three anniversaries of the grant date, provided that Mr. Aaron continues to be employed on such dates, subject to certain exceptions.

#### (ii) Consulting Agreement with W. Larry Cash, Former Chief Financial Officer

On May 16, 2017, CHSPSC, LLC, a wholly-owned subsidiary of the Company, entered into a consulting agreement (the "Consulting Agreement") with W. Larry Cash, the Company's retiring President of Financial Services and Chief Financial Officer, who retired on such date. Pursuant to the Consulting Agreement, Mr. Cash will provide certain consulting services related to matters of financial service operations, healthcare management and other assignments as requested by Wayne T. Smith, Chairman and Chief Executive Officer, and/or his designee. The term of the Consulting Agreement will be from May 17, 2017 to March 31, 2020. From June 1, 2017 through the duration of the Consulting Agreement, Mr. Cash will be entitled to receive consulting fees of \$25,000 per month. In addition, during the term of the Consulting Agreement, Mr. Cash will be subject to restrictions on competing with CHSPSC, LLC or its affiliates. He will also continue to vest in any previously granted stock options and restricted stock of Community Health Systems, Inc. in accordance with the applicable vesting schedule.

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

#### **Item 5.07. Submission of Matters to a Vote of Security Holders.**

The Company held its Annual Meeting on May 16, 2017. The following describes the matters that were submitted to the vote of the stockholders of the Company at the Annual Meeting and the result of the votes on these matters:

(1) The stockholders elected each of the following persons as directors of the Company for terms that expire at the 2018 annual meeting of stockholders of the Company and until their respective successors have been elected and have qualified:

<u>Name</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
(a) John A. Clerico	84,049,735	2,921,177	1,570,349	13,433,851
(b) James S. Ely III	84,577,553	2,393,967	1,569,741	13,433,851
(c) John A. Fry	84,295,440	2,688,775	1,557,046	13,433,851
(d) Tim L. Hingtgen	84,055,507	2,917,951	1,567,803	13,433,851
(e) William Norris Jennings, M.D.	84,323,259	2,661,515	1,556,487	13,433,851
(f) Julia B. North	84,392,993	2,594,604	1,553,664	13,433,851
(g) Wayne T. Smith	83,019,760	3,830,964	1,690,537	13,433,851
(h) H. James Williams, Ph.D.	84,587,699	2,381,476	1,572,086	13,433,851

W. Larry Cash and H. Mitchell Watson, Jr., whose terms as directors expired at the 2017 annual meeting of stockholders, did not stand for re-election, and the size of the board was reduced by the Board of Directors from nine to eight members.

(2) The stockholders approved the advisory resolution regarding the Company's executive compensation:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
83,849,754	3,118,323	1,573,184	13,433,851

(3) The stockholders approved, on an advisory basis, the holding of future advisory votes on executive compensation every one year:

<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
76,812,227	125,208	10,040,097	1,563,729	13,433,851

(4) The Board of Directors' appointment of Deloitte & Touche, LLP, as the Company's independent registered public accountants for 2017, was ratified by the affirmative votes of the stockholders:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
99,225,700	607,734	2,141,678	n/a

(5) The stockholders did not approve a stockholder proposal regarding vesting of equity awards in a change in control:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
24,704,178	61,218,873	2,618,210	13,433,851

In light of the voting results with respect to the frequency of the advisory vote on executive compensation as set forth above and the Company's Board of Directors' recommendation that stockholders vote to hold future advisory votes on executive compensation each year, the Company will continue to hold such votes each year until the next required advisory vote on the frequency of such votes.

#### Item 9.01. Financial Statements & Exhibits

(d) Exhibits

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

<u>Exhibit Number</u>	<u>Description</u>
10.1	Consultancy Agreement, dated May 16, 2017, by and between CHSPSC, LLC and Larry Cash.
99.1	Community Health Systems, Inc. Press Release, dated May 16, 2017.

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**SIGNATURE**

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

Date: May 17, 2017

COMMUNITY HEALTH SYSTEMS, INC.  
(Registrant)

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

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Index to Exhibits

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10.1	Consultancy Agreement, dated May 16, 2017, by and between CHSPSC, LLC and Larry Cash.
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**CONSULTANCY AGREEMENT**

**LARRY CASH**

This Consultancy Agreement (“Agreement”) is entered into by and between CHSPSC, LLC a Delaware corporation (“CHSPSC”), and Larry Cash (“Consultant”).

**1. Work to Be Performed.** It is necessary and/or advisable to promote the interests of CHSPSC and associated entities that the Consultant provides ongoing consulting services related to matters of financial service operations, healthcare management, and other assignments as requested by Wayne T. Smith, Chairman and Chief Executive Officer (“Smith”), and/or his designee. Consultant is not entitled to this Consultancy but for this offer by CHSPSC. During the consulting period, the Consultant shall be assigned administrative support for up to eight hours per week.

**2. Term of Agreement.** The services called for under this Agreement shall commence on May 17, 2017, and extend through March 31, 2020.

**3. Terms of Payment.** From June 1, 2017 to March 31, 2020, CHSPSC shall pay Consultant \$25,000 per month. Each monthly installment shall be paid, in arrears, on the 1<sup>st</sup> business day of each month following the month of service. The timing and amount of any payments are subject to any deductions pursuant to Section 7.

**4. Reimbursement of Expenses.** CHSPSC shall reimburse Consultant for any reasonable expenses paid or incurred by Consultant on behalf of CHSPSC, other than space/clerical support to effectuate this consultancy, which shall be supplied by CHSPSC as necessary. However, no unreasonable expense shall be incurred on behalf of or paid or reimbursed by CHSPSC unless approved in advance by CHSPSC.

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

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

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

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Consultant was an employee of CHSPSC through May 16, 2017, and as such participated in certain benefit arrangements. The parties acknowledge and agree that as long as this Agreement shall remain in effect as provided in Section 2 of this Agreement and/or in the event of the death and/or disability of Consultant, Consultant shall continue to vest in any previously granted options and/or restricted stock in Community Health Systems, Inc. in accordance with the vesting schedule applicable to any such options or restricted stock at the time of grant and as amended and approved under this Consultancy Agreement.

As to health insurances, regardless of the death and/or disability of Consultant, CHSPSC agrees that Consultant and his current spouse may continue to enroll in group health insurances (medical, dental and vision) benefits sponsored by CHS/Community Health Systems, Inc. for CHSPSC employees located in Franklin, Tennessee by paying the monthly premium amount charged by CHSPSC to its employees until the Consultant's current Spouse reaches age 65 or the applicable Medicare coverage due to age, whichever is later. Consultant acknowledges that the amount taxable to Consultant shall be the difference between the applicable COBRA rate and the premiums paid by Consultant. Regardless of the above, Consultant declined to elect any health insurances for himself under this Agreement; this is not to be interpreted as a waiver of COBRA rights.

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

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

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



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

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

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

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

(e) Consultant may serve as a director, advisor, partner or consultant for any entity, unless such entity has or obtains a 5% or higher ownership interest in the stock of Community Health Systems, Inc. as defined in Section 13(d) of the 1934 Act and Regulation 13D.

In connection with the foregoing provisions of this Section, Consultant represents that the limitations set forth herein are reasonable and properly required for the adequate protection of CHSPSC. If a judicial determination is made that any of the provisions of this Section constitutes an unreasonable or otherwise unenforceable restriction against Consultant, the parties hereto hereby agree that any judicial authority construing this Agreement shall modify this Section to the extent necessary to protect CHSPSC's interests, in accordance with Section 13 (c). The time period for this Section does not keep running while the Consultant is in violation of any aspect of this Section.

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

12. **Liability and Indemnification.** Consultant agrees to indemnify, hold harmless, and defend CHSPSC for, from, and against any claims, demands, actions, settlements, judgments, costs, or damages, including reasonable attorneys' fees and court costs, arising out of or related to this Agreement to the extent such claims,

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demands, actions, settlements, judgments, costs, or damages relate to the gross negligence or intentional misconduct of Consultant, his agents, representatives, and employees. This provision shall apply during the term of this Agreement and shall survive the termination of this Agreement.

### 13. Miscellaneous.

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

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

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

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

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

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

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

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

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

If to Consultant: Larry Cash  
[Address on file]

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this 16<sup>th</sup> day of May, 2017.

**CONSULTANT**

**CHSPSC, LLC**

/s/ Larry Cash  
Larry Cash

By: /s/ Wayne T. Smith  
Wayne T. Smith  
Chairman and Chief Executive Officer

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



### THOMAS J. AARON NAMED CHIEF FINANCIAL OFFICER OF COMMUNITY HEALTH SYSTEMS

**FRANKLIN, Tenn. (May 16, 2017)** – Community Health Systems, Inc. (NYSE: CYH) announced today that Thomas J. Aaron has been appointed Executive Vice President and Chief Financial Officer.

Aaron joined Community Health Systems in November 2016 following a 32-year career at Deloitte & Touche LLP where he retired as Tennessee Managing Partner. He led teams for many of the firm's largest national healthcare provider and payer clients, including Community Health Systems, most recently in 2013.

Aaron succeeds W. Larry Cash, who retired May 16, 2017, after 20 years of service as the Company's Chief Financial Officer.

#### **About Community Health Systems, Inc.**

Community Health Systems, Inc. is one of the largest publicly traded hospital companies in the United States and a leading operator of general acute care hospitals in communities across the country. The Company, through its subsidiaries, owns, leases or operates 146 affiliated hospitals in 21 states with an aggregate of approximately 24,000 licensed beds. The Company's headquarters are located in Franklin, Tennessee, a suburb south of Nashville. Shares in Community Health Systems, Inc. are traded on the New York Stock Exchange under the symbol "CYH." More information about the Company can be found on its website at [www.chs.net](http://www.chs.net).

#### **Forward-Looking Statements**

Statements contained in this news release regarding potential transactions, operating results, 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.

#### **Investor Contacts:**

Thomas J. Aaron, 615-465-7000  
Executive Vice President and Chief Financial Officer  
or  
Ross W. Comeaux, 615-465-7012  
Senior Director, Investor Relations

#### **Media Contact:**

Tomi Galin, 615-628-6607  
Senior Vice President, Corporate  
Communications, Marketing and Public Affairs

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