

# 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 23, 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 9. REGULATION FD DISCLOSURE (including information furnished pursuant to Item 12)

The following information is being furnished pursuant to Item 12, "Results of Operations and Financial Condition." Consequently, it is not deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act of 1933 if such subsequent filing specifically references this Form 8-K. On July 23, 2003, Community Health Systems, Inc. (the "Company"), announced operating results for the quarter ended June 30, 2003. A copy of the related press release is attached as Exhibit 99.1 to this Form 8-K.

The following table sets forth selected information concerning the projected quarterly and 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 and is our update to our previous guidance released on February 26, 2003.

	2003 Projection Range	2002 Actual	Projected 2003 % Increase over 2002
Net operating revenue (in millions)	\$2,725 to \$2,750	\$ 2,200	24% to 25%
EBITDA (a) (in millions)	\$436 to \$442	\$ 362	20% to 22%
Net Income	\$124 to \$126	\$ 100	24% to 26%
Net income per share—diluted	\$1.23 to \$1.25 (b)	\$ 1.00(c)	23% to 25%
Same store annual admissions growth	-0.5% to +1.0%(d)		
Routine capital expenditures (in millions)	\$100 to \$102		
Replacement hospital expenditures (in millions)	\$40 to \$42		
Acquisitions after June 30, 2003	2		
Weighted average diluted shares (in millions)	108(b)		

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

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

For Footnotes (a) – (d) see pages 4 and 5.

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

On July 2, 2003, the Company amended its senior secured credit facility by exercising a feature allowing the Company to add up to \$200 million of funded term loans with an interest rate per annum based on the Eurodollar Rate plus 250 basis points.

- On June 11, 2003, the Company entered into two \$100 million interest rate swap agreements to limit the cash flow effect of changes in interest rates on a portion of our long-term borrowings. Under the first agreement, the Company pays interest quarterly at an annualized fixed interest

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rate of 2.04% for a term ending June 13, 2007. Under the second agreement, the Company pays interest quarterly at an annualized fixed interest rate of 2.4% for a term ending June 13, 2008. 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, effective interest rates are not assumed to change significantly from levels as of June 30, 2003 during 2003.

- This projection includes the operating results expected for 2003 related to the previously announced July 2003 acquisition of Pottstown Memorial Medical Center (299 beds) in Pottstown, Pennsylvania and the execution of a definitive agreement to acquire Southside Regional Medical Center (408 beds) in Petersburg, Virginia with a projected closing in the 3<sup>rd</sup> quarter of 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. For comparison purposes, the extraordinary losses recognized in the years ending December 31, 2002 and 2001 have been reclassified to operating income to conform to the provisions of SFAS No. 145.
- In January 2003, the Company commenced an open market share repurchase program for up to five million common shares. This program 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; to date we have repurchased 690,000 shares.

The projections set forth in this report 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;

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- 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 year-to-date consolidated operating results for the quarter and six months ended June 30, 2003, are not necessarily indicative of the results that may be experienced for any future quarter or for any future fiscal year.

The Company cautions that the quarterly and annual projections for 2003 set forth herein are 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.

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Footnotes from Page 2

- (a) EBITDA consists of income before interest, income taxes, depreciation and amortization, and minority interest 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 an analytical indicator used by management and the healthcare industry to evaluate hospital performance, allocate resources and measure leverage and debt service capacity. 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 principles and is thus susceptible to varying calculations, EBITDA as presented may not be comparable to other similarly titled measures of other companies.

Net income is the financial measure calculated and presented in accordance with generally accepted accounting principles that is comparable to EBITDA, as defined. The following table reconciles EBITDA, as defined, to net income as presented in the above guidance:

	2003 Projection Range		2002 Actual
Net Income	\$ 124	\$ 126	\$ 100
Taxes and Interest expense	159	161	133
Loss from early extinguishment debt	—	—	9
Depreciation, amortization and minority interest in earnings	153	155	120
EBITDA	\$ 436	\$ 442	\$ 362

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- (b) 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).
- (c) For comparison purposes, the extraordinary loss from early extinguishment of debt, net of tax of \$0.05, has been reclassified to operating income to conform to the requirements of SFAS No. 145. Had income before extraordinary item per share been shown for 2002 as previously reported, the 2003 percent increase over 2002 would have been 17% to 19%.
- (d) The reduction from our February 26, 2003 guidance related to same store annual admissions growth is due to lower than expected admissions during the six months ended June 30, 2003, a trend that is expected to continue for the remainder of 2003 due to currently depressed economic conditions.

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### 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 23, 2003

COMMUNITY HEALTH SYSTEMS, INC.  
(Registrant)

By: /s/ WAYNE T. SMITH

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Wayne T. Smith  
Chairman of the Board  
President and Chief Executive Officer  
(principal executive officer)

By: /s/ W. LARRY CASH

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W. Larry Cash  
Executive Vice President and Chief Financial Officer  
(principal financial officer)

By: /s/ T. MARK BUFORD

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**Index to Exhibits Filed with the Current Report on Form 8-K Dated July 23, 2003**

**Exhibit Number**

**Description**

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99.1	Press Release dated July 23, 2003
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QuickLinks

[ITEM 9. REGULATION FD DISCLOSURE \(including information furnished pursuant to Item 12\).](#)

[SIGNATURES](#)



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

**COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES  
SECOND QUARTER 2003 RESULTS WITH NET REVENUE UP 23.9%, EBITDA UP 17.4%,  
NET INCOME UP 26.2% AND NET INCOME PER SHARE (DILUTED) UP 25.0%**

BRENTWOOD, Tenn. (July 23, 2003) — Community Health Systems, Inc. (NYSE: CYH) today announced financial and operating results for the second quarter and six months ended June 30, 2003.

Net operating revenues for the second quarter ended June 30, 2003, totaled \$657.3 million, a 23.9% increase compared with \$530.6 million for the same period last year. EBITDA for the second quarter of 2003 was \$102.7 million, compared with \$87.5 million for the same period last year, representing a 17.4% increase. Net income increased 26.2% to \$30.6 million, or \$0.30 per share (diluted), on 107.8 million weighted average shares outstanding for the quarter ended June 30, 2003, compared with \$24.2 million, or \$0.24 per share (diluted), on 99.8 million weighted average shares outstanding for the same period last year. Refer to page 2 for "Financial Highlights."

The consolidated financial results for the second quarter ended June 30, 2003, reflect a 14.2% increase in total admissions, and a 12.9% increase in adjusted admissions, compared with the second quarter of 2002. On a same store basis, admissions decreased 0.9%, adjusted admissions decreased 2.1%, and net revenues increased 8.3% compared with the same period last year.

Net operating revenues for the six months ended June 30, 2003, totaled \$1.3 billion, compared with \$1.1 billion for the same period last year, a 23.7% increase. EBITDA for the six months ended June 30, 2003 was \$209.3 million, compared with \$179.9 million for the same period last year, a 16.3% increase. Net income increased 24.8% to \$64.2 million, or \$0.64 per share (diluted), on 107.8 million weighted average shares outstanding which includes the assumed conversion of the convertible notes for the six months ended June 30, 2003, compared with \$51.4 million, or \$0.52 per share (diluted), on 108.3 million weighted average shares outstanding for the same period last year.

The consolidated financial results for the six months ended June 30, 2003, reflect a 14.7% increase in total admissions, and a 14.0% increase in adjusted admissions, compared with the same period last year. On a same store basis, admissions decreased 0.7%, adjusted admissions decreased 1.5%, and net revenues increased 8.3%, compared with the same period last year.

"Community Health Systems' solid performance during the second quarter of 2003 reflects the consistent execution of our operating strategy," commented Wayne T. Smith, chairman, president and chief executive officer of Community Health Systems, Inc. "While the difficult economic climate has affected our volumes this year, our ability to continue to drive revenues and earnings demonstrates that we are doing the right things. Our strong top line growth reflects our capacity to improve the level and scope of services and enhance the financial and operating performance of our hospitals. We are very pleased with our financial performance and look forward to continued progress for the remainder of 2003."

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On July 1, 2003, the Company announced the consummation of the acquisition of Pottstown Memorial Medical Center (299 beds) in Pottstown, Pennsylvania.

"Our acquisition-oriented growth strategy has been highly successful to date as Community Health Systems continues to lead the industry in selectively acquiring non-urban hospitals in attractive growth markets," added Smith. "We have already surpassed our goal for the year with eight new hospitals added to our portfolio. Our proven ability to assimilate these acquired hospitals into our system and enhance the level of healthcare services provided in their respective communities has been a key differentiator for Community Health Systems. Furthermore, it is our view that our success in the marketplace and our belief that we have a favorable reputation as the acquirer of choice in many instances will continue to extend our leadership position."

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 71 hospitals in 22 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 Thursday, July 24, 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 by clicking on the Investor Relations link of 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 August 24, 2003. 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](http://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 Registration Statement on Form S-1 (Registration Statement No. 333-69064), Form 10-K for the year ended December 31, 2002 and Form 10-Q for the quarter ended March 31, 2003. These filings identify important risk factors and other uncertainties that could cause actual results to differ from those contained in the forward-looking statements.*

**COMMUNITY HEALTH SYSTEMS, INC.**  
**Financial Highlights**

(Unaudited)  
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net operating revenues	\$ 657,293	\$ 530,582	\$ 1,316,570	\$ 1,064,101
EBITDA(a)	\$ 102,733	\$ 87,520	\$ 209,307	\$ 179,920
Net income	\$ 30,616	\$ 24,241	\$ 64,155	\$ 51,417
Net Income per share—basic	\$ 0.31	\$ 0.25	\$ 0.65	\$ 0.52
Weighted average number of shares outstanding—basic	98,256	98,268	98,314	98,236
Net income per share—diluted	\$ 0.30	\$ 0.24	\$ 0.64	\$ 0.52
Weighted average number of shares outstanding—diluted	107,765(b)	99,844	107,786(b)(c)	108,299(b)

- (a) EBITDA consists of income before interest, income taxes, depreciation and amortization, and minority interest 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 an analytical indicator used by management and the health care industry to evaluate hospital performance, allocate resources and measure leverage and debt service capacity. EBITDA should not be considered in isolation or as alternatives to net income, cash flows generated by operations,

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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.

Net income is the financial measure calculated and presented in accordance with generally accepted accounting principles that is comparable to EBITDA, as defined. The following table reconciles EBITDA, as defined, with our net income as derived directly from our financial statements for the three months and six months ended June 30, 2003 and 2002:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net Income	\$ 30,616	\$ 24,241	\$ 64,155	\$ 51,417
Provision for income taxes	20,412	17,051	42,817	36,301
Interest expense, net	16,667	16,522	33,683	33,251
Depreciation and amortization	34,358	28,951	67,600	57,435
Minority interest in earnings	680	755	1,052	1,516
EBITDA	\$ 102,733	\$ 87,520	\$ 209,307	\$ 179,920

- (b) 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 number of weighted average diluted shares.)
- (c) The 0.5% decrease in the weighted average number of shares (diluted) outstanding for the six months ended June 30, 2003, compared to the same period last year is due primarily to the approximately 480,000 weighted average number of shares repurchased under the Company's share repurchase program.

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**COMMUNITY HEALTH SYSTEMS, INC.**  
**Condensed Consolidated Statements of Operations**  
(Unaudited)  
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30	
	2003	2002	2003	2002
Net operating revenues	\$ 657,293	\$ 530,582	\$ 1,316,570	\$ 1,064,101

Operating expenses:				
Salaries and benefits	263,307	214,215	532,079	431,379
Provision for bad debts	62,078	47,722	124,419	97,619
Supplies	76,152	61,905	152,972	125,905
Other operating expenses	153,023	119,220	297,793	229,278
Depreciation and amortization	34,358	28,951	67,600	57,435
Minority interests in earnings	680	755	1,052	1,516
<b>Total expenses</b>	<b>589,598</b>	<b>472,768</b>	<b>1,175,915</b>	<b>943,132</b>
Income from operations	67,695	57,814	140,655	120,969
Interest expense, net	16,667	16,522	33,683	33,251
Income before income taxes	51,028	41,292	106,972	87,718
Provision for income taxes	20,412	17,051	42,817	36,301
Net income	\$ 30,616	\$ 24,241	\$ 64,155	\$ 51,417
Net income per share—basic	\$ 0.31	\$ 0.25	\$ 0.65	\$ 0.52
Net income per share—diluted	\$ 0.30	\$ 0.24	\$ 0.64	\$ 0.52
Weighted average number of shares outstanding:				
Basic	98,256	98,268	98,314	98,236
Diluted	107,765	99,844	107,786	108,299
Net income per share calculation:				
Net income	\$ 30,616	\$ 24,241	\$ 64,155	\$ 51,417
Add—Convertible notes interest, net of taxes	2,189	—	4,378	4,378
Adjusted net income	\$ 32,805	\$ 24,241	\$ 68,533	\$ 55,795
Weighted average number of shares				
outstanding-basic	98,256	98,268	98,314	98,236
Add effect of dilutive securities:				
Employee stock options	927	1,576	890	1,481
Convertible notes	8,582	—	8,582	8,582
Weighted average number of shares				
outstanding-diluted	107,765	99,844	107,786	108,299
Net income per share—diluted	\$ 0.30	\$ 0.24	\$ 0.64	\$ 0.52

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**COMMUNITY HEALTH SYSTEMS, INC.**  
**Selected Operating Data**  
(Unaudited)  
(\$ in thousands)

For the Three Months Ended June 30,

	Consolidated			Same Store		
	2003	2002	% Change	2003	2002	% Change
Number of hospitals	70	59*		59	59*	
Licensed beds	6,962	5,914		5,825	5,914	
Beds in service	5,390	4,502		4,618	4,502	
Admissions	57,979	50,771	14.2%	50,320	50,771	-0.9%
Adjusted admissions	107,096	94,871	12.9%	92,848	94,871	-2.1%
Patient days	221,735	195,922	13.2%	194,764	195,922	-0.6%
Average length of stay (days)	3.8	3.9		3.9	3.9	
Occupancy rate (beds in service)	45.2%	47.9%		46.3%	47.9%	
Net operating revenues	\$ 657,293	\$ 530,582	23.9%	\$ 574,574	\$ 530,421	8.3%
Net inpatient revenue as a % of						
Total net operating revenues	50.2%	51.7%		50.2%	51.3%	
Net outpatient revenue as a % of	48.5%	47.0%		48.5%	47.4%	

Total net operating revenues				
EBITDA as a % of net operating revenues	15.6%	16.5%	16.6%	16.5%
Net income as a % of net operating revenue	4.7%	4.6%		

**For the Six Months Ended June 30,**

	Consolidated			Same Store		
	2003	2002	% Change	2003	2002	% Change
Number of hospitals	70	59*		59	59*	
Licensed beds	6,962	5,914		5,825	5,914	
Beds in service	5,390	4,502		4,618	4,502	
Admissions	119,627	104,286	14.7%	103,608	104,286	-0.7%
Adjusted admissions	217,916	191,171	14.0%	188,245	191,171	-1.5%
Patient days	466,987	406,534	14.9%	407,166	406,534	0.2%
Average length of stay (days)	3.9	3.9		3.9	3.9	
Occupancy rate (beds in service)	47.9%	50.3%		49.0%	50.3%	
Net operating revenues	\$ 1,316,570	\$ 1,064,101	23.7%	\$ 1,151,837	\$ 1,063,910	8.3%
Net inpatient revenue as a % of Total net operating revenues	51.6%	52.2%		51.6%	52.1%	
Net outpatient revenue as a % of Total net operating revenues	47.1%	46.4%		47.1%	46.6%	
EBITDA as a % of net operating revenues	15.9%	16.9%		17.0%	16.9%	
Net income as a % of net operating revenue	4.7%	4.6%				

\* Does not include hospital acquired on June 30, 2002.

**COMMUNITY HEALTH SYSTEMS, INC.**  
**Condensed Consolidated Balance Sheets**  
(Unaudited)  
(\$ in thousands)

	June 30, 2003	December 31, 2002
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 25,306	\$ 132,844
Patient accounts receivable, net	411,085	400,442
Other current assets	121,542	114,440
<b>Total current assets</b>	<b>557,933</b>	<b>647,726</b>
Property and equipment	1,463,139	1,310,738
Less accumulated depreciation and amortization	(328,709)	(281,401)
Property and equipment, net	1,134,430	1,029,337
Goodwill, net	1,091,918	1,029,975
Other assets, net	102,755	102,458
<b>Total assets</b>	<b>\$ 2,887,036</b>	<b>\$ 2,809,496</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current liabilities:		
Current maturities of long-term debt	\$ 17,780	\$ 18,529
Accounts payable and accrued liabilities	316,936	299,901
<b>Total current liabilities</b>	<b>334,716</b>	<b>318,430</b>
Long-term debt	1,168,197	1,173,929
Other long-term liabilities	112,750	102,832
Stockholders' equity	1,271,373	1,214,305
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,887,036</b>	<b>\$ 2,809,496</b>



**COMMUNITY HEALTH SYSTEMS, INC.**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)  
(\$ in thousands)

	Six Months ended June 30,	
	2003	2002
<b>Cash flows from operating activities</b>		
Net income	\$ 64,155	\$ 51,417
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	67,600	57,435
Minority interest in earnings	1,052	1,516
Other non-cash expenses, net	122	2,496
Net Changes in operating assets and liabilities, net of effects of acquisitions	18,362	22,891
<b>Net cash provided by operating activities</b>	<b>151,291</b>	<b>135,755</b>
<b>Cash flows from investing activities</b>		
Acquisitions of facilities	(157,176)	(70,122)
Purchases of property and equipment	(66,101)	(50,778)
Increase in other assets	(13,640)	(14,760)
<b>Net cash used in investing activities</b>	<b>(236,917)</b>	<b>(135,660)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net of expenses	—	3,900
Proceeds from exercise of stock options	768	1,463
Stock buy-back	(12,533)	—
Proceeds from minority investments	—	1,770
Redemption of minority investments	(115)	(571)
Distribution to minority investors	(1,539)	(217)
Borrowings under Credit Agreement	80,000	55,900
Repayments of long-term indebtedness	(88,493)	(50,702)
<b>Net cash (used in) provided by financing activities</b>	<b>(21,912)</b>	<b>11,543</b>
<b>Net change in cash and cash equivalents</b>	<b>(107,538)</b>	<b>11,638</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>132,844</b>	<b>8,386</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 25,306</b>	<b>\$ 20,024</b>

## QuickLinks

[Exhibit Number 99.1](#)

[COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES SECOND QUARTER 2003 RESULTS WITH NET REVENUE UP 23.9%, EBITDA UP 17.4%, NET INCOME UP 26.2% AND NET INCOME PER SHARE \(DILUTED\) UP 25.0%](#)

[COMMUNITY HEALTH SYSTEMS, INC. Financial Highlights](#)

[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 \(Unaudited\) \(\\$ in thousands\)](#)

[COMMUNITY HEALTH SYSTEMS, INC. Condensed Consolidated Statements of Cash Flows \(Unaudited\) \(\\$ in thousands\)](#)