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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## FORM 10-K/A

(Amendment No. 1)  
FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-15925

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### COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State of incorporation)

13-3893191  
(IRS Employer Identification No.)

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

37027  
(zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class  
Common Stock, \$.01 par value

Name of Each Exchange on Which Registered  
New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act) Yes  No

The aggregate market value of the voting stock held by non-affiliates of the Registrant was \$1,411,025,735. Market value is determined by reference to the closing price on June 28, 2002 of the Registrant's Common Stock as reported by the New York Stock Exchange. As of March 10, 2003 there were 98,320,010 shares of common stock, par value \$.01 per share outstanding.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement to be filed under Regulation 14A in connection with the Annual Meeting of Stockholders of the Registrant scheduled to be held on May 22, 2003 have been incorporated by reference into Part III of this Report.

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## Explanatory Note

This Amendment No. 1 to the Annual Report on Form 10-K of Community Health Systems, Inc. amends and restates in its entirety Item 15 of Part IV for the sole purpose of adding Exhibits 10.20, 10.21 and 10.22, which are being filed herewith.

### PART IV

#### Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

Item 15(a)(1), 15(a)(2) and 15(d):

The following financial statement schedule is filed as part of this Report at page 8 hereof:

Schedule II—Valuation and Qualifying Accounts

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

Item 15(a)(3) and 15(c):

The following exhibits are filed with this Report.

No.	Description
2.1	Agreement and Plan of Merger between the Registrant, FLCH Acquisition Corp. and Community Health Systems, Inc., dated on June 9, 1996 (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-1 (No. 333-31790))
3.1	Form of Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (No. 333-31790))
3.2	Form of Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000)
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (No. 333-31790))
4.2	Form of Indenture, dated as of October 15, 2001 between the Registrant and First Union National Bank, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (No. 333-69064))
10.1	Form of outside director Stock Option Agreement (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 (No. 333- 31790))
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10.6	Form of Stockholder's Agreement between the Registrant and employees (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 (No. 333-31790))
10.7	Registration Rights Agreement, dated July 9, 1996, among the Registrant, FLCH Acquisition Corp., Forstmann Little & Co. Equity Partnership V, L.P. and Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership VI, L.P. (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (No. 333-31790))
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10.10	First Amendment, dated as of October 25, 2002 representing an amendment to the Credit Agreement dated as of July 16, 2002, among CHS/Community Health Systems, Inc., Community Health Systems, Inc., certain lenders, JPMorgan Chase Bank, as Administrative Agent, Bank of America, N.A., as Syndication Agent and Wachovia Bank National Association, as Documentation Agent (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002)
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10.13	Corporate Compliance Agreement between the Office of Inspector General of the Department of Health and Human Services and the Registrant (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1 (No. 333-31790))
10.14	Tenet BuyPower Purchasing Assistance Agreement, dated June 13, 1997, between Community Health Systems, Inc. and Tenet HealthSystem Inc., Addendum, dated September 19, 1997 and First Amendment, dated March 15, 2000 (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 (No. 333-31790))
10.15	The Registrant's 2000 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on

- 10.16 Settlement Agreement between the United States of America, the states of Illinois, New Mexico, South Carolina, Tennessee, Texas, West Virginia and the Registrant (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-1 (No. 333-31790))

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- 10.17 Community Health Systems, Inc. Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002)
- 10.18 Community Health Systems Deferred Compensation Plan Trust, Amended and Restated Effective February 26, 1999 (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002)
- 10.19 Community Health Systems Deferred Compensation Plan, as amended effective October 1, 1993; January 1, 1994; January 1, 1995; April 1, 1999; July 1, 2000; and June 1, 2001 (incorporated by reference to Exhibit 10.19 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002)
- 10.20 Form of Community Health Systems, Inc. Supplemental Benefits Plan\*
- 10.21 Form of Community Health Systems, Inc. Supplemental Benefits Plan, Benefit Exchange Agreement\*
- 10.22 Form of Community Health Systems, Inc. Supplemental Benefits Plan, Amendment to Benefit Exchange Agreement\*
- 21 List of subsidiaries\*\*
- 23.1 Consent of Deloitte & Touche LLP\*
- 99.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*
- 99.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*

\* Filed herewith.

\*\* Previously filed.

Item 15(b):

Form 8-K, dated October 23, 2002, in connection with our press release related to third quarter 2002 operating results.

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### SIGNATURES

Pursuant to the requirements of Rule 12b-15 of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMMUNITY HEALTH SYSTEMS, INC.

By: /s/ WAYNE T. SMITH

Wayne T. Smith  
Chairman of the Board  
President and Chief Executive Officer  
April 10, 2003

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### Certifications

I, Wayne T. Smith, certify that:

1. I have reviewed this annual report on Form 10-K/A of Community Health Systems, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 10, 2003

/s/ WAYNE T. SMITH

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Wayne T. Smith  
*Chairman of the Board, President and  
Chief Executive Officer*

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I, W. Larry Cash, certify that:

- 1. I have reviewed this annual report on Form 10-K/A of Community Health Systems, Inc.;
- 2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
- 4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- 5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- 6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with

Date: April 10, 2003

/s/ W. LARRY CASH

W. Larry Cash  
Executive Vice President and  
Chief Financial Officer

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholders of  
Community Health Systems, Inc.  
Brentwood, Tennessee

We have audited the consolidated financial statements of Community Health Systems, Inc. and subsidiaries as of December 31, 2002 and 2001, and for each of the three years in the period ended December 31, 2002, and have issued our report thereon dated February 18, 2003 (which report expresses an unqualified opinion and includes an explanatory paragraph referring to the Company changing its method of accounting for goodwill and other intangible assets by adopting certain provisions of Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* effective January 1, 2002), included elsewhere in this Annual Report. Our audits also included the consolidated financial statement schedule listed in Item 15 of this Annual Report on Form 10-K. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

*Deloitte & Touche LLP*

Nashville, Tennessee  
February 18, 2003

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**Community Health Systems, Inc. and Subsidiaries**

**Schedule II—Valuation and Qualifying Accounts**

(In Thousands)

Description	Balance at Beginning of Year	Charged to Costs and Expenses	Write-offs	Balance at End of Year
Year ended December 31, 2002 allowance for doubtful accounts	\$ 63,880	\$ 201,334	\$ (192,104)	\$ 73,110
Year ended December 31, 2001 allowance for doubtful accounts	52,935	156,226	(145,281)	63,880
Year ended December 31, 2000 allowance for doubtful accounts	34,499	122,303	(103,867)	52,935

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\*\* Previously filed.

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## SUPPLEMENTAL BENEFITS PLAN

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### INTRODUCTION

The Community Health Systems, Inc. Supplemental Benefits Plan ("SBP" or the "Plan") was designed to provide competitive supplemental benefits for management employees. You become eligible for Plan benefits when you enter an eligible category, or on the date of acquisition of your facility by Community Health Systems, Inc. ("CHS") if you are in an eligible category ("Eligibility Date"). This booklet describes the provisions of each of the Plan components:

- Survivor Benefits
- Supplemental Survivor Accumulation Plan ("SSAP")
- Severance Plan

All benefits under the Plan are calculated using annual base salary unless stated otherwise.

### BENEFIT CATEGORIES

Plan benefits categories are based upon your position with the Company. The following benefit categories are referenced throughout this booklet:

<i>Executive</i>	Corporate Vice President and above
<i>Group 1</i>	Corporate Assistant Vice Presidents Corporate Management Grades 7-9 Facility Executive Director
<i>Group 2</i>	Corporate Management Grades 4-6 Facility Assistant Executive Director Facility Controller Facility Director of Nursing

Category determination is the exclusive right of the Plan Sponsor.

### PLAN YEAR

The Plan year for the Supplemental Benefits Plan is January 1 to December 31.

### ENROLLMENT AND EFFECTIVE DATES

Although you are immediately eligible for Plan Severance Benefits on your Eligibility Date, there are only two annual entry dates for Survivor and Supplemental Survivor Accumulation Plan ("SSAP") Benefits—January 1 and July 1. The variable universal life insurance policy which funds the Survivor Benefits and the SSAP requires completion of enrollment and investment election forms. This process may take several weeks to complete. Therefore, the actual



effective date of coverage of this policy ("SSAP Effective Date") is dependent upon when your account is officially established. You will receive confirmation of this directly from the Plan Administrator—TBG Financial.

## CATEGORY OR BENEFIT CHANGE

If you enter a different benefit category or receive an increase in your base salary of 25% or more any time before your next Plan anniversary date, your Survivor and SSAP Benefits will be increased on the next entry date (January 1 or July 1). As with newly eligible employees, changes in the Survivor Benefits and the Survivor Benefits/SSAP resulting from benefit category changes are not in effect until you receive confirmation of the change.

If you are transferred to a position with CHS or a subsidiary that is not a position included within an eligible benefit category, your participation in all Plan components will terminate as of the date on which your transfer becomes effective. CHS will not make any additional contributions on your behalf after the date your transfer becomes effective. However, even after your participation in the Plan

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terminates, your ownership rights in the variable life insurance policy purchased in connection with your participation in the SSAP shall be determined under the terms of the Split Dollar Insurance Agreement and/or Death Benefit Only Agreement which you and CHS entered into in connection with your Plan participation. If this happens, TBG financial will contact you regarding your options.

## SURVIVOR BENEFITS

Survivor Benefits are life insurance proceeds intended to provide cash in the event of your death to:

- Your loved ones who survive you and depend on you as a financial provider
- Your estate to pay taxes and other settlement expenses
- Those individuals, charities, and/or other organizations you would like to assist financially

These Survivor Benefits are provided through group insurance or a combination of group insurance and individual permanent insurance (which may continue after you terminate employment) and death benefits paid directly by CHSI.

## SUPPLEMENTAL SURVIVOR INSURANCE

**Amount of Benefit.** Simultaneous with your SSAP Effective Date, your group term life insurance and Accidental Death and Disability ("AD&D") benefits will each be fixed at \$50,000 (from your plan Eligibility Date until your SSAP Effective Date your group coverage will be the same amount as the SBP Survivor Benefits). Plan Survivor Benefits are provided in addition the group term coverage (which will now be fixed at \$50,000) through the use of a variable universal life insurance policy. The benefit amount is based on Plan entry salary and benefit category:

<i>Executive</i>	4X Base Salary
<i>Group 1</i>	3X Base Salary
<i>Group 2</i>	2X Base Salary

The variable universal life policy amount will remain at the multiple of your Plan *entry* base salary unless you enter a different benefit category or receive an increase in your base salary of 25% or more during a Plan year. Otherwise, policies are reviewed every five years for funding adequacy.

**Split Dollar Benefit.** An additional death benefit may be paid by CHS under the Split Dollar Agreement, depending upon the cash value of the policy.

**Tax Status.** There is no taxable income to you for your \$50,000 group term coverage. However, since the Plan's death benefits are paid in an income tax-free lump sum to your beneficiaries, as required by the IRS, you will have taxable income added to your W-2 each year for the imputed income value of the additional Plan death benefits. The Plan's Survivor Benefits are provided on a Split Dollar Insurance basis. By using Split Dollar, the lowest possible rates for valuing this benefit are used when calculating the amount to be added to your W-2. Split Dollar results in taxable income to you which is approximately 60% lower than the same benefit under group term life.

**Termination.** Upon termination of employment, the policy is portable. You may elect to continue this policy, although future premium payments may be required. The variable universal life contract used to fund this benefit is very adaptable and may be modified after you leave to change the amount of premium payments or the level of benefit provided.

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**Accelerated Living Benefit.** The accelerated living benefit can provide funds from your Supplemental Survivor policy when you are terminally ill with less than six months to live. Accelerated living benefits may be taxable when received.

**Evidence of Insurability.** Up to \$1,000,000 coverage is guaranteed regardless of your medical condition. This guarantee is contingent upon your ability to work and proof of full-time employment during the three months prior to your Plan entry date. If your amount of coverage exceeds the carrier's guaranteed issue, you may be required to provide pertinent details on your health or to have a physical examination by a healthcare professional selected by the insurance company. All examination results will be kept strictly confidential.

## POST-TERMINATION BENEFITS

Post-Termination Benefits are intended to provide cash or other benefits to you and your family. These benefits are designed to:

- Provide a competitive level of employer-paid retirement benefits
- Maximize economic return through use of all available tax advantages
- Provide you with post-retirement survivor coverage

### SUPPLEMENTAL SURVIVOR ACCUMULATION PLAN ("SSAP")

**Amount of Benefit.** The SSAP is funded through deposits to the variable universal life insurance policy which funds your Survivor Benefits. Each year, on the anniversary of your SSAP Effective Date (either January 1 or July 1), for so long as you are an active employee or until you reach age 65 (when contributions cease), CHS will make a deposit to your account based on your benefit category:

*Executive* The target benefit, assuming a maximum 30 years of service with CHS, is equal to 50% of projected final average last five years cash compensation (base salary and target bonus) with CHS at age 65. This target benefit encompasses a combination of CHS paid sources:

- SSAP deposits
- CHS employer social security contributions
- 401(k) basic and matching contributions

A target cash value at age 65 (the lump sum required to produce an annuity equal to the target benefit) is then determined and a percentage of projected annual cash compensation is calculated to yield the target cash value. This percentage is used to determine the amount of the annual SSAP deposit.

*Groups 1 and 2* The annual deposit is 3% of base salary. This percent was selected to provide a target benefit, assuming a maximum of 30 years of service with CHS, equal to 60% of projected final average last five years base salary. This target benefit is provided through a combination of CHS paid sources:

- SSAP deposits
- CHS employer social security contributions
- 401 (k) basic and matching contributions

**Type of Benefit.** This Plan is designed to be a welfare benefit plan for tax and ERISA purposes.

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**Vesting.** You vest in the cash value (the value of the policy upon surrender) of your SSAP at a rate of 10% per year of service. For Plan purposes, years of service begin the later of the date CHS acquired your hospital or the date you entered an eligible position. In the event of your death, disability or retirement at age 65 from CHS, you automatically become 100% vested.

**Ownership.** You legally own all vested SSAP deposits and earnings, subject to the Substantial Risk of Forfeiture.

**Tax Status.** Your SSAP benefit is protected from taxation until termination of employment by a Substantial Risk of Forfeiture ("SRF") (see Appendix). Income taxes will be due upon a distribution of funds at termination of employment or at the end of the Substantial Risk of Forfeiture period, if applicable. Income taxes due may be paid using the policy's cash value. Tax liability upon death is governed by the provisions of the Split Dollar Agreement.

**Termination Value.** At termination of employment your policy is portable. The variable universal life policy used to fund this benefit is very adaptable and may be modified after you leave to change the amount of premium payments or the level of benefit provided. The amount and duration of the policy's post-termination values depend upon the amount of cash value in the policy when you terminate employment or, if applicable, when the Substantial Risk of Forfeiture ends (your vested percentage is frozen at the time of voluntary termination rather than when the SRF ends). The higher the investment return, the greater the value.

**Investment Choices.** You may direct the investment of the premium deposits among the portfolios within the insurance policy. The Prospectus which you will receive at the time of your enrollment in the Plan will describe your investment alternatives. You may move the money within the portfolios up to four times per year (except for transfers from the fixed fund which are restricted) without charge.

### Distribution of Funds

- **Upon Disability (unable to perform the essential duties of your own occupation due to illness or injury), or Retirement.** If any of these events occur, CHS will release its interest in the policy and you will automatically become 100% vested. You may then elect any of the following:
  - Annuitize the cash value to provide retirement income
  - Withdraw the cash in a lump sum
  -

Use the cash to provide paid-up life insurance protection

— Combination of the above

- **Upon Death (Pre-Retirement).** Under the provisions of the Split Dollar Agreement, your beneficiary(ies) receive a tax-free death benefit equal to the amount of your Survivor Benefits (the multiple of your applicable annual salary as shown on page 3). CHS receives a tax-free death benefit equal to the cash value within the policy (you will be 100% vested) which is then paid out to your beneficiary(ies). This payment is a taxable event, resulting in a tax liability for the beneficiary(ies).
- **Upon Voluntary Termination (Pre-Retirement) or Involuntary Termination with Cause.** In the event of a voluntary termination or an involuntary termination with Cause, you will be entitled to the vested portion of the cash value of the policy. However, CHS will retain its interest in the policy for up to 24 months until you satisfy the SRF. Vesting is frozen on the termination date, and no funds may be withdrawn from the policy by either party during this time period. CHS has the

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option to choose which SRF requirement you must satisfy before the vested portion of your SSAP account will be released to you:

- You will not work for a competitor in the same or similar job duties for a period of up to 24 months within the geographic area as described in the SRF, or
- CHS may require you to consult for a period of time based upon the balance in your SSAP account, according to the formula in the SRF.

At the end of the SRF period, CHS will release its interest in the policy and recover any non-vested cash. You may then elect any of the following:

- Annuitize the cash value to provide retirement income
  - Withdraw the cash in a lump sum
  - Use the cash to provide paid-up life insurance protection
  - Combination of the above
- **Upon Involuntary Termination without Cause.** You will be entitled to the vested portion of the cash value of the policy upon involuntary termination without Cause. CHS will release its interest in the policy within 30 days of termination, and you will not be required to satisfy the SRF. You may then elect any of the following:
    - Annuitize the cash value to provide retirement income
    - Withdraw the cash in a lump sum
    - Use the cash to provide paid-up life insurance protection
    - Combination of the above

## SEVERANCE BENEFITS

The Severance Benefits below will be provided to you in the event you are terminated without Cause ("Ordinary Termination").

### AMOUNT OF BENEFIT

Severance Benefits are based upon your benefits category and the reason for the termination:\*

Benefits Category	Ordinary Termination
President	24 months
Executive Vice President	18 months
Senior Vice President	15 months
Vice President	12 months
Assistant Vice Presidents	9 months
Group 1 (Corporate Grades 7-9)	6 months
Group 1 (Facility)	6 months
Group 2 (Corporate Grades 4-6)	3 months
Group 2 (Facility)	3 months

\* A lump sum benefit will be paid out within 30 days of termination.

Basic and supplemental benefits (or their value if the benefit may not legally or contractually be continued post-termination) included in the severance payment are:

- Base Salary
- Medical/Dental Benefits under COBRA
- Group Term Life Insurance
- FICA tax (company portion)

Employees who are subject to Ordinary Termination after enrollment in the Plan, but before completing 12 months of employment with CHS, will receive one-half of the Severance Benefits shown above.

#### **CHANGE OF OWNERSHIP** (Key Hospital Managers only)

Severance Benefits will not be payable if your employment with CHS ends due to the sale, lease or transfer of your facility and you are retained in the same or a comparable position by a successor employer for at least 90 days.

#### **TAX STATUS**

The cost of these benefits is added to your W-2 as taxable income.

#### **PAYMENT OF BENEFIT**

In order to receive your severance benefits, you will be required to release CHS from all claims relating to your employment (see Appendix for form of Release of Claims).

\* If any inconsistency exists between the provisions of an employment agreement and this document regarding post-termination benefits, the provisions of the employment agreement shall apply.

### **GLOSSARY**

**Cash Value.** The value of the SSAP policy upon surrender.

**Cause.** The Company shall have Cause upon any or all of the following:

1. Employee's gross neglect of duties, which gross neglect continues more than 30 days after receiving written notice from the Chief Executive Officer of the Company (the "CEO") or other appropriate officers of the actions or inactions constituting gross neglect.
2. Employee's conviction of a felony.
3. Employee's dishonesty, embezzlement, or fraud committed in connection with his or her employment with the Company resulting in substantial financial harm to the Company as determined by the CEO or other appropriate officers.
4. The issuance of any final order for employee's removal as an employee of the Company by any state or federal regulatory agency.
5. Employee's violation of the Non-Competitive Provisions (defined below), which continues for more than five days after the employee receives written notice from the CEO or other appropriate officers specifying those actions that constitute a violation of such provisions and what actions employee must take in order to cure such violation.
6. Employee's material breach of any duty owed to the Company, including without limitation the duty of loyalty as determined solely by the CEO or other appropriate officers.

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Cause shall not include ordinary negligence or failure to act, whether due to an error in judgement or otherwise, if employee has exercised substantial efforts in good faith to perform the duties reasonably assigned or appropriate to his position.

**Death Benefit Only Agreement.** Provides the Company with an unfunded obligation to pay the cash value of your policy to your beneficiary. This agreement also provides the Company with the right to recover any excess of the face value of the policy in excess of participant's salary multiple.

**Group Insurance.** Refers to insurance plans written on groups of employees, typically for health, life, and disability protection.

**Imputed Income.** The value ascribed by the Internal Revenue Service to certain employer-sponsored benefits, such as group term life insurance in excess of \$50,000. The value is then reported as income on each individual's W-2 at the end of the year.

**Key Hospital Manager.** A facility's Executive Director, Assistant Executive Director, Controller and Director of Nursing of their equivalent positions.

**Non-Competition Provisions.** During the Employee's employment with the Company, employee shall not directly or indirectly own or accept employment with, consult with or maintain any interest in any healthcare provider organization, or otherwise act on behalf of any other enterprise whether in competition with the Company or not, except as approved in advance from time to time by the Company's CEO or other appropriate officers. Notwithstanding the preceding

sentence, nothing shall prevent employee from owning stock in any corporation whose stock is listed on any nationally recognized stock exchange as long as employee owns less than 3% of the outstanding shares of any such corporation. In any event the Company's CEO or other appropriate officers have previously approved in advance to allow employee to accept employments with, consult with or maintain any interest in any healthcare provider organization, or otherwise act on behalf of another enterprise whether in competition with the Company or not and subsequently revoke such approval, the CEO or other appropriate officers shall give employee written notice of such revocation, in which event the employee shall have 30 days to cure such violation. The CEO or other appropriate officers approvals of any ownership position of employee in another enterprise shall not be revoked.

**Ordinary Termination.** Involuntary termination without Cause.

**Pre-Tax.** The deposit or deferral of cash compensation made before income taxes are paid. Pre-tax deferrals increase investment by an amount equivalent to an individual's income tax bracket.

**SSAP.** Supplemental Survivor Accumulation Plan. See Post-Termination Benefits.

**Split Dollar Agreement.** This agreement between the participant and CHS spells out the terms and conditions of your policy ownership including amount of death benefit, premium payments, vesting and policy cash values, the Company's right to recover a portion of the policy value for termination of employment, etc. This is also the vehicle by which the variable universal policy is actually purchased.

**Salary.** Refers to annual base salary.

**Split Dollar Insurance.** A method whereby two or more parties share in the ownership or value and death proceeds of an insurance policy. Provides more favorable tax treatment than other forms of insurance or ownership. See Survivor Benefits.

**Substantial Risk of Forfeiture.** The possibility that a benefit may not be collected by an employee because of adverse circumstances, typically the risks of cliff vesting and non-competition agreement. The risks preserve the tax-favored status of certain non-qualified benefits. See Post-Termination and Severance Benefits.

**Survivor Benefits.** Life insurance which may or may not include cash value.

**Tax-Sheltered.** Not subject to income taxes until constructively received at some later date.

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**Variable Universal Life Insurance.** Similar to a whole life insurance contract incorporating various investment portfolios and featuring adjustable premiums and death benefits. Also known as VAL or VUL. See Survivor and Post-Termination Benefits.

**Vesting.** The amount of ownership an individual has in a benefit. Vesting determines how much of the benefit the employee is entitled to receive. See Post-Termination Benefits.

## ERISA INFORMATION

### YOUR RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain rights and protection under federal law, as stated in the Employee Retirement Income Security Act of 1974 (ERISA). ERISA entitles you as a Plan participant to:

- Examine all Plan documents without charge at the Plan Administrator's office, including copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is legally required to furnish each participant with a copy of this summary annual report.

### OBLIGATION OF FIDUCIARIES

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan are called fiduciaries. They have a duty to operate the Plan prudently and in the interest of you and other Plan participants and beneficiaries. In carrying out their respective responsibilities under the Plan, the Plan Administrator and other fiduciaries shall have the discretionary authority to interpret the terms of the Plan and to determine eligibility for and entitlement to Plan benefits according to the terms of the Plan. Any interpretation or determination made within their discretionary authority shall be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

### PROVISIONS FOR LEGAL ACTION

No one employed by Community Health Systems, Inc., a subsidiary or an affiliated group may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights:

- You have the right to request materials regarding the Plan. If you do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the

materials were not sent because of reasons beyond the control of the Plan Administrator.

- If you have a benefit claim which is denied or ignored, in whole or in part, you may file suit in a state court.

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- If the Plan fiduciaries misuse the Plan money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, (for example, if it finds your claim is frivolous).

## **FOR MORE INFORMATION**

If you have any questions about this Plan, contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, contact the nearest area office of the Labor-Management Services Administration, U.S. Department of Labor.

## **ADMINISTRATIVE INFORMATION**

### **PLAN NAME**

Community Health Systems, Inc. Supplemental Benefits Plan

### **PLAN SPONSOR**

Community Health Systems, Inc.  
PO. Box 217 (Zip 37024-0217)  
155 Franklin Road, Suite 400  
Brentwood, TN 37027-4600  
(615) 373-9600

### **PLAN IDENTIFICATION NUMBER**

Plan #506

### **PLAN SPONSOR IDENTIFICATION NUMBER**

76-0137985

### **FUNDING AND ADMINISTRATION**

The Plan is funded entirely by the Plan Sponsor.

Plan Administration is provided by TBG Financial, One Century Plaza, 2029 Century Park East, Suite 3720, Los Angeles, CA 90067.

### **AGENT FOR LEGAL PROCESS**

Community Health Systems, Inc.  
PO. Box 217 (Zip 37024-0217)  
155 Franklin Road, Suite 400  
Brentwood, TN 37027-4600  
(615) 373-9600

### **PLAN YEAR**

January 1 through December 31

### **PLAN'S FUTURE**

Community Health Systems, Inc. intends to continue the Plan but reserves the right to terminate, change, withdraw, or suspend the Plan at any time subject to the Split Dollar Agreement, Death Benefit Only Agreement, Collateral Assignment and an agreement required to implement the Plan's provisions. Any such amendment or termination shall be adopted by formal action of the Company's Board of Directors.

Any action that effects the continuance of this Plan will not impact any deposits to participants accounts made before the action was taken.

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## **APPENDIX**

### **SUBSTANTIAL RISK OF FORFEITURE**

Name: \_\_\_\_\_

Location:

I am a Participant in the CHS Supplemental Survivor Accumulation Plan (SSAP), which involves the purchase of a life insurance policy on my life. I will own the policy. CHS will pay premiums on the policy.

I recognize that CHS has the right to receive a portion of the policy's death proceeds if I die before any other termination of employment. CHS also retains a security interest in the cash value of the policy, resulting in a return of the policy's cash value to CHS if certain contingencies (described below) occur.

1. **Entire Cash Value.** I will be entitled to the entire cash value of the policy upon the occurrence of any of the following events:
  - I remain employed with CHS to age 65
  - My employment with CHS terminates for any of the following reasons:
    - My death
    - My disability (unable to perform the essential duties of my own occupation)
2. **Vested Portion of the Policy's Cash Value.** I will be entitled to the vested portion of the cash value of the policy upon my involuntary termination of employment without Cause, as that term is defined in the Supplemental Benefits Plan.
3. **Return of the Policy's Cash Value to CHS.** The policy's entire cash value will be returned to CHS if either of the following events occurs:
  - I voluntarily terminate employment prior to any event described in paragraph 1, or
  - I am involuntarily terminated for Cause

and I then violate the post-termination restrictions described below.

4. **Post-Termination Requirements.** If my employment ends for either of the reasons described in paragraph 3, CHS shall select either the noncompetition restrictions or the post-termination consulting requirements described below.

**(a) Noncompetition Restrictions:**

- These restrictions require that I not compete with CHS for 24 months following my termination of employment.
- I will be in competition with CHS if I accept employment with, consult with or own more than 5% of another:
  - healthcare provider organization, whether taxable or tax-exempt
  - organization involved in the same business in which CHS or a subsidiary is involved

which organization is located within 50 miles of the corporate headquarters, or from any CHS facility.

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**(b) Post-Termination Consulting Requirements:**

- CHS will compensate me for such services on an hourly basis. The hourly rate is my final rate of base compensation.
- The total hours of consulting required is 20% of what the total hours required would be if I were to earn the entire vested cash value by performing services at my final rate of total compensation.

*Example:* If my vested cash value were \$10,000, and my final hourly rate of compensation were \$50, then I would have to render 10 hours of service to CHS before receiving all rights to the cash value [ $(\$10,000/\$50) \times 20\%$ ].

- The services required will be determined by CHS, who will reimburse me for reasonable expenses (including travel expenses) which I incur in rendering the services.
- Required services may include activities such as:
  - attending on-site and off-site meetings on CHS's behalf
  - interviewing potential executive candidates
  -

performing specific analysis commissioned by the Board or Senior Management training executives

- gathering and analyzing industry and market data
- locating potential acquisition targets

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

**RELEASE OF CLAIMS**

In consideration of the Severance Benefits to be paid by Community Health Systems, Inc. (CHS), the undersigned, having opportunity to consult with legal counsel, agrees as follows:

1. **Waiver.** This Agreement and the accompanying Severance Benefits are a complete settlement of any and all causes of actions or claims that Employee has had in the past, now has, or may now have, in any way related to the Employee's employment and termination of employment with CHS or any of its subsidiaries or affiliates, including those granted pursuant to any federal, state or local employment laws or other requirements (including, but not limited to, causes of action or claiming out of the ADEA, Title VII of the Civil Rights Act of 1964, the Equal Pay Act, or any similar federal or state statute) and all other claims including but not limited to defamation, intentional or negligent infliction of emotional distress, or breach of any implied covenant of good faith and fair dealing, breach of contract or wrongful termination and Employee hereby discharges CHS or any of its subsidiaries or affiliates, its past, present, and future officers, employees, directors, agents, and successors or assigns, except for claims related to benefit plans covered by ERISA and COBRA or any state insurance continuation statutes that may be applicable.
2. **Rescission.** Employee understands that Employee may have a right to rescind this Release of Claims under applicable and federal laws. If Employee exercises any such right, all of CHS's obligations to Employee will immediately cease, and CHS will be entitled to recover any Severance Benefits previously paid. If Employee is 40 years of age or over, Employee is protected by the ADEA which entitles the Employee to 21 days to consider the terms of this Release.

**ACCEPTED AND AGREED TO BY:**

Employee Signature: \_\_\_\_\_

Date Signed: \_\_\_\_\_ 20 \_\_\_\_\_

Witness Signature: \_\_\_\_\_

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**COMMUNITY HEALTH SYSTEMS, INC.  
SUPPLEMENTAL BENEFITS PLAN**

**BENEFIT EXCHANGE AGREEMENT**

This Benefit Exchange Agreement (the "Agreement") is entered into effective \_\_\_\_\_, 2002, by and between CHS/Community Health Systems, Inc. ("CHS") and \_\_\_\_\_ ("Employee").

**WITNESSETH**

WHEREAS, Employee is a Participant in the Community Health Systems, Inc. Supplemental Benefits Plan ("Supplemental Benefits Plan"); and

WHEREAS, Employee is the owner of Manulife Policy # \_\_\_\_\_ (the "Policy") which is subject to a Split Dollar Agreement (the "Split Dollar Agreement") between Employee and CHS, and was entered into pursuant to the provisions of the Supplemental Survivor Accumulation Plan ("SSAP") portion of the Supplemental Benefits Plan; and

WHEREAS, pursuant to the terms of the SSAP and the Split Dollar Agreement, Employee is currently \_\_\_\_\_% vested in the net cash value of the Policy; and

WHEREAS, the approximate net cash value of the Policy, as of December 31, 2001, was \$\_\_\_\_\_; and

WHEREAS, the Internal Revenue Service has issued Notices 2001-10 and 2002-8, which have raised some question about the future tax treatment of the Employee's vested interest in the cash value of Policy; and

WHEREAS, CHS has offered Employee the opportunity to exchange the Employee's interest in the Split Dollar Agreement and vested interest in the cash value of the Policy for an increased benefit under the Community Health Systems, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan"), on the terms described herein; and

WHEREAS, Employee is willingly entering into this Agreement in order to accept such opportunity, believing that Employee will benefit from (1) having certain unpaid premium payments required under the Split Dollar Agreement, and all such future payments, paid to the Deferred Compensation Plan for the benefit of Owner instead of the Policy; (2) not having to risk the imposition of any surrender charges or other fees required under the Policy on any future premium payments to the Policy; and (3) avoiding the uncertain tax treatment associated with the Split Dollar Agreement in light of the uncertainty created in Internal Revenue Service Notices 2001-10 and 2002-2008.

NOW, THEREFORE, Employee and CHS enter into this Benefit Exchange Agreement ("Agreement") and agree as follows:

1. The Split Dollar Agreement between CHS and Employee shall be terminated, effective immediately, and in connection therewith the Employee shall sign any documents CHS reasonably requests confirming such termination and release of the Employee's interest in the Policy, and if needed, the transfer of all right, title and interest in the Policy to CHS.
2. CHS will make the following contributions to the Deferred Compensation Plan on behalf of the Employee:
  - (a) all unpaid 2001 and 2002 premium payments specified in the Split Dollar Agreement, with such contribution to be made within thirty (30) days of this Agreement;
  - (b) an amount equal to the 100% of the net cash surrender value of the Policy on the date the Policy is surrendered by CHS (i.e., the total cash proceeds received by CHS from the surrender of the Policy, without any reduction for any unvested interest of the Employee in such cash value), which shall be effected within thirty (30) days after Employee transfers all right, title and interest in the Policy to CHS, with such contribution to be made by June 30, 2002; and

- 
- (c) annual amounts equal to the premium payments to the Policy that would have been required under the Split Dollar Agreement for years after 2002, reduced each year by the actual cost of providing the supplemental life insurance coverage to the Employee described in Section 4 herein, with such contributions to be made within thirty (30) days after the anniversary of the effective date of the Split Dollar Agreement.

Any contributions that are not made by the deadlines specified in this Section 2 shall be increased at a rate of five percent (5.00%) per annum, simple interest, from the date each such contribution is due and the date such contribution is actually made to the deferred Compensation Plan.

3. Once CHS has made any of the contributions to the Deferred Compensation Plan required in the preceding Section 2, Employee's rights in connection with all such contributions shall be determined exclusively under the terms of the Deferred Compensation Plan.
4. After the surrender of the Policy by CHS as described in Section 2(b), above, CHS will continue to provide Employee with the supplemental life insurance coverage provided for in the Supplemental Benefit Plan, in an amount at least equal to \_\_\_\_\_ times the Employee's total cash compensation, from some combination of individual and/or group life insurance policies, as requested by Employee on the Life Insurance

Preference Form attached hereto as Exhibit "A" and determined in the sole discretion of CHS, and to communicate with Employee in writing each time CHS terminates, amends or otherwise changes the life insurance policies being used to provide Employee with such supplemental life insurance, and to provide Employee with all the forms and other materials necessary to designate one or more beneficiaries to receive any death benefits payable under such policies.

- 5. Subject only to the completion by CHS of its obligations in this Agreement, the Employee hereby agrees to release any and all claims, for benefits or otherwise, Employee may have under the SSAP portion of the Supplemental Benefit Plan. All such claims shall be released and discharged forever once CHS has made the contributions to the Deferred Compensation Plan required under paragraphs (a) and (b) of Section 2. Thereafter, all of Employee's rights to have any additional contributions made to the deferred Compensation Plan shall be governed by and determined under this Agreement.
- 6. Notice. Each notice and other communication hereunder shall be in writing and shall be delivered or mailed by registered mail, return receipt requested, and shall be deemed to have been given on the date of its delivery, if delivered, and on the fifth full business day following the date of the mailing, if mailed to each of the parties thereto at the following respective addresses or such other address as may be specified in any notice delivered or mailed as above provided:

(i) CHS:

\_\_\_\_\_  
CHS/Community Health Systems, Inc.  
155 Franklin Road, Suite 400  
P. O. Box 217  
Brentwood, TN 37027-4600

(ii) Employee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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- 7. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other term or provision hereof, and this Agreement in such event shall be construed in all respects as if any invalid or unenforceable provision were not included in this Agreement.
  - 8. Governing Law. This Agreement shall be construed and enforced in accordance with the local laws of the State of Tennessee, without regard to the conflict of laws provisions thereof.
  - 9. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understanding, both written and oral, between the parties with respect to the subject matter hereof.
  - 10. Amendments. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties to this Agreement. This Agreement may be terminated at any time by an instrument in writing signed by the parties to this Agreement.
  - 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original.
  - 12. Section Headings. The Section headings are for reference only and shall not limit or control the meaning of any provisions of this Agreement.
  - 13. Waiver. No delay or omission on the part of either party hereto in exercising any right hereunder shall operate as a waiver of such right or any other right under this Agreement; however, any of the terms or conditions of this Agreement may be waived in writing at any time by the party hereto which is entitled to the benefit thereof.
  - 14. Taxes. CHS will continue to impute taxable income to Employee for the value of the supplement survivor insurance as required by applicable law, including Notice 2002-8 and any regulations issued by the Internal Revenue Service in connection with the taxation of such life insurance coverage. In addition, in the event that CHS determines that any of the transactions described herein result in taxable wages to Employee, CHS will withhold any required taxes from other wages and amounts payable by CHS as required by applicable law.
  - 15. Binding Nature of Agreement. This Agreement shall accrue to and bind the parties hereto, their successors, assigns and all other parties who claim any interest in the Supplemental Benefits Plan or the Deferred Compensation Plan that is derivative of the Employee's participation in such Plans, to the fullest extent permitted by law.

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**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement as of the date first written above.

CHS/COMMUNITY HEALTH SYSTEMS, INC.

By: \_\_\_\_\_

Its:

EMPLOYEE

(NAME)

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**COMMUNITY HEALTH SYSTEMS, INC.  
SUPPLEMENTAL BENEFITS PLAN**

**BENEFIT EXCHANGE AGREEMENT  
EXHIBIT A**

**LIFE INSURANCE PREFERENCE FORM**

**Name:** \_\_\_\_\_

**Life Insurance Amount:** \$ \_\_\_\_\_

I request the life insurance benefit as follows:

Non-portable group term life insurance (with accidental death and dismemberment coverage). The annual premium for 2002 is \$1250. No health history questions apply.

Portable 10-year fixed premium Canada Life insurance policy. Estimated annual fixed premium, subject to final determination resulting from health history questions, is \$ \_\_\_\_\_.

Portable 10-year fixed premium CNA life insurance policy. Estimated annual fixed premium is \$ \_\_\_\_\_. Health history questions may not apply due to previous policy with CNA.

Portable 20-year fixed premium Canada Life life insurance. Estimated annual fixed premium, subject to final determination resulting from health history questions, is \$ \_\_\_\_\_.

Portable 20-year fixed premium CNA life insurance policy. Estimated annual fixed premium is \$ \_\_\_\_\_. Health history questions may not apply due to previous policy with CNA.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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[Exhibit 10.21](#)

[COMMUNITY HEALTH SYSTEMS, INC. SUPPLEMENTAL BENEFITS PLAN  
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COMMUNITY HEALTH SYSTEMS, INC. SUPPLEMENTAL BENEFITS PLAN BENEFIT EXCHANGE AGREEMENT EXHIBIT A LIFE INSURANCE  
PREFERENCE FORM](#)

**COMMUNITY HEALTH SYSTEMS, INC.  
SUPPLEMENTAL BENEFITS PLAN**

**AMENDMENT TO BENEFIT EXCHANGE AGREEMENT**

This Amendment to the Benefit Exchange Agreement (the "Amendment") is entered into effective January 1, 2003, by and between CHS/Community Health Systems, Inc. ("CHS") and \_\_\_\_\_ ("Employee").

**WITNESSETH**

WHEREAS, Employee is a Participant in the Community Health Systems, Inc. Supplemental Benefits Plan (the "Supplemental Benefits Plan"); and

WHEREAS, Employee has previously entered into a Benefit Exchange Agreement, a copy of which is attached hereto; and

WHEREAS, pursuant to the Benefit Exchange Agreement, Employee exchanged Employee's vested interest in the cash value of the Manulife Policy (the "Policy") that was subject to a Split Dollar Agreement (the "Split Dollar Agreement") between Employee and CHS and entered into pursuant to the provisions of the Supplemental Survivor Accumulation Plan portion of the Supplemental Benefits Plan, for an increased benefit under the Community Health Systems, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan"); and

WHEREAS, pursuant to the Benefit Exchange Agreement, CHS agreed to make certain additional contributions to the Deferred Compensation Plan on behalf of Employee, beginning in 2003, including annual amounts equal to the premium payments to the Policy required under the Split Dollar Agreement, less certain adjustments; and

WHEREAS, Community Health Systems, Inc. has now established the Community Health Systems, Inc. Supplemental Executive Retirement Plan (the "SERP Plan") and has designated Employee as a Participant in the SERP Plan; and

WHEREAS, CHS and Employee agree that the benefits to be provided to Employee under the SERP Plan are to be in lieu of the additional contributions to the Deferred Compensation Plan that CHS agreed to make on behalf of Employee, beginning in 2003, in the Benefit Exchange Agreement; and

WHEREAS, CHS and Employee wish to amend the Benefits Exchange Agreement to relieve CHS from the obligation to make any such additional contributions to the Deferred Compensation Plan, as hereinafter set forth.

NOW, THEREFORE, Employee and CHS enter into this Amendment to the Benefit Exchange Agreement and agree as follows:

1. Section 2 of the Benefit Exchange Agreement is hereby deleted and replaced in its entirety by the following:
2. CHS will make the following contributions to the Deferred Compensation Plan on behalf of the Employee:
  - (a) all unpaid 2001 and 2002 premium payments specified in the Split Dollar Agreement, with such contribution to be made within thirty (30) days of this Agreement; and

- 
- (b) an amount equal to the 100% of the net cash surrender value of the Policy on the date the Policy is surrendered by CHS (i.e., the total cash proceeds received by CHS from the surrender of the Policy, without any reduction for any unvested interest of the Employee in such cash value), which shall be effected within thirty (30) days after Employee transfers all right, title and interest in the Policy to CHS, with such contribution to be made by June 30, 2002.

Any contributions that are not made by the deadlines specified in this Section 2 shall be increased at a rate of five percent (5.00%) per annum, simple interest, from the date each such contribution is due and the date such contribution is actually made to the Deferred Compensation Plan.

2. Except as amended herein, the Benefit Exchange Agreement shall continue on in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Amendment to the Benefit Exchange Agreement as of the date first written above.

CHS/COMMUNITY HEALTH SYSTEMS, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

EMPLOYEE  
\_\_\_\_\_

QuickLinks

[Exhibit 10.22](#)

[COMMUNITY HEALTH SYSTEMS, INC. SUPPLEMENTAL BENEFITS PLAN  
AMENDMENT TO BENEFIT EXCHANGE AGREEMENT](#)

**INDEPENDENT AUDITORS' CONSENT**

We consent to the incorporation by reference in Registration Statement Nos. 333-100349, 333-61614 and 333-44870 of Community Health Systems, Inc. on Form S-8 of our report dated February 18, 2003 (which report expresses an unqualified opinion and includes an explanatory paragraph referring to the Company changing its method of accounting for goodwill and other intangible assets by adopting certain provisions of Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, effective January 1, 2002), appearing in the Annual Report on Form 10-K/A of Community Health Systems, Inc. for the year ended December 31, 2002.

*Deloitte & Touche LLP*

Nashville, Tennessee  
April 10, 2003

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QuickLinks

[Exhibit 23.1](#)

[INDEPENDENT AUDITORS' CONSENT](#)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

**In connection with the Annual Report of Community Health Systems, Inc. (the "Company") on Form 10-K/A for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wayne T. Smith, Chairman of the Board, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:**

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ WAYNE T. SMITH

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Wayne T. Smith  
Chairman of the Board, President and Chief Executive  
Officer

April 10, 2003

A signed original of this written statement required by Section 906 has been provided to Community Health Systems, Inc. and will be retained by Community Health Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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QuickLinks

[Exhibit 99.1](#)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

**In connection with the Annual Report of Community Health Systems, Inc. (the "Company") on Form 10-K/A for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Larry Cash, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:**

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ W. LARRY CASH

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W. Larry Cash  
Executive Vice President and Chief Financial Officer

April 10, 2003

A signed original of this written statement required by Section 906 has been provided to Community Health Systems, Inc. and will be retained by Community Health Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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QuickLinks

[Exhibit 99.2](#)