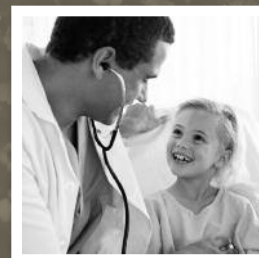


COMMUNITY HEALTH SYSTEMS, INC.

Annual Report to Stockholders 2012





Located in the Nashville, Tennessee, suburb of Franklin, Community Health Systems, Inc. is one of the largest publicly-traded hospital companies in the United States and a leading operator of general acute care hospitals in non-urban and mid-size markets throughout the country. Through its subsidiaries, the Company currently owns, leases or operates 135 hospitals in 29 states with an aggregate of approximately 20,000 licensed beds. (as of March 1, 2013). Its hospitals offer a broad range of inpatient and surgical services, outpatient treatment and skilled nursing care. In addition, through its subsidiary, Quorum Health Resources, LLC, the Company provides management and consulting services to non-affiliated general acute care hospitals located throughout the United States.

Shares in Community Health Systems, Inc. are traded on the New York Stock Exchange under the symbol "CYH."



Hospital Locations

Alabama

Birmingham, Trinity Medical Center
Centre, Cherokee Medical Center
Dothan, Flowers Hospital
Enterprise, Medical Center Enterprise
Foley, South Baldwin Regional
Medical Center
Fort Payne, DeKalb Regional Medical Center
Gadsden, Gadsden Regional Medical Center
Greenville, LV Stabler Memorial Hospital
Huntsville, Crestwood Medical Center

Alaska

Palmer, Mat-Su Regional Medical Center

Arizona

Bullhead City, Western Arizona Regional
Medical Center
Oro Valley, Northwest Medical Center
Oro Valley
Payson, Payson Regional Medical Center
Tucson, Northwest Medical Center

Arkansas

Northwest Health System

Bentonville, Northwest Medical Center-
Bentonville
Johnson, Northwest Medical Center-
Willow Creek Women's Hospital
Siloam Springs, Siloam Springs
Regional Hospital
Springdale, Northwest Medical Center-
Springdale
El Dorado, Medical Center of
South Arkansas
Forrest City, Forrest City Medical Center
Helena, Helena Regional Medical Center
Newport, Harris Hospital

California

Barstow, Barstow Community Hospital
Fallbrook, Fallbrook Hospital
Watsonville, Watsonville Community Hospital

Florida

Crestview, North Okaloosa Medical Center
Lake Wales, Lake Wales Medical Center

Georgia

Augusta, Trinity Hospital of Augusta
Blue Ridge, Fannin Regional Hospital

Illinois

Anna, Union County Hospital
Blue Island, MetroSouth Medical Center
Galesburg, Galesburg Cottage Hospital
Granite City, Gateway Regional
Medical Center
Marion, Heartland Regional Medical Center
Mt. Vernon, Crossroads Community Hospital
Red Bud, Red Bud Regional Hospital
Waukegan, Vista Medical Center East
Waukegan, Vista Medical Center West

Indiana

Lutheran Health Network

Bluffton, Bluffton Regional
Medical Center
Fort Wayne, Dupont Hospital
Fort Wayne, Lutheran Hospital
Fort Wayne, The Orthopaedic Hospital
Fort Wayne, Lutheran
Rehabilitation Hospital
Fort Wayne, St. Joseph's Hospital
Peru, Dukes Memorial Hospital
Warsaw, Kosciuszko Community Hospital
Valparaiso, Porter Hospital

Kentucky

Fulton, Parkway Regional Hospital
Jackson, Kentucky River Medical Center
Louisa, Three Rivers Medical Center

Louisiana

Lake Charles, Women & Children's Hospital
Leesville, Byrd Regional Hospital
Ruston, Northern Louisiana Medical Center

Mississippi

Hattiesburg, Wesley Medical Center
Vicksburg, River Region Health System

Missouri

Kirkville, Northeast Regional Medical Center
Moberly, Moberly Regional Medical Center

Nevada

Mesquite, Mesa View Regional Hospital

New Jersey

Salem, Memorial Hospital of Salem County

New Mexico

Carlsbad, Carlsbad Medical Center
Deming, Mimbres Memorial Hospital
Hobbs, Lea Regional Medical Center
Las Cruces, Mountain View Regional
Medical Center
Las Vegas, Alta Vista Regional Hospital
Roswell, Eastern New Mexico
Medical Center

North Carolina

Williamston, Martin General Hospital

Ohio

Valleycare Health System of Ohio

Warren, Trumbull Memorial Hospital
Warren, Hillside Rehabilitation Hospital
Youngstown, Northside Medical Center
Massillon, Affinity Medical Center

Oklahoma

Oklahoma City, Deaconess Hospital
Ponca City, Ponca City Medical Center
Woodward, Woodward Regional Hospital

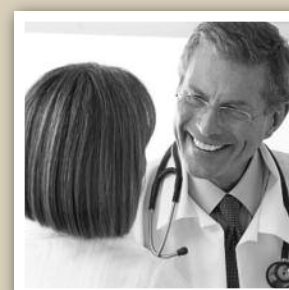
Oregon

Springfield, McKenzie-Willamette
Medical Center

Pennsylvania

Commonwealth Health

Berwick, Berwick Hospital
Nanticoke, Special Care Hospital
Peckville, Mid-Valley Hospital
Scranton, Moses Taylor Hospital
Scranton, Regional Hospital of Scranton
Tunkhannock, Tyler Memorial Hospital
Wilkes-Barre, First Hospital
Wilkes-Barre, Wilkes-Barre
General Hospital



Coatesville, Brandywine Hospital
 Easton, Easton Hospital
 Lock Haven, Lock Haven Hospital
 Philadelphia, Chestnut Hill Hospital
 Phoenixville, Phoenixville Hospital
 Pottstown, Pottstown Medical Center
 Sunbury, Sunbury Community Hospital
 West Grove, Jennersville Regional Hospital
 York, Memorial Hospital

South Carolina

Bennettsville, Marlboro Park Hospital
 Cheraw, Chesterfield General Hospital
 Florence, Carolinas Hospital
 System-Florence
 Lancaster, Springs Memorial Hospital
 Mullins, Carolinas Hospital System-Marion
 Spartanburg, Mary Black Memorial Hospital

Tennessee

Brownsville, Haywood Park
 Community Hospital
 Clarksville, Gateway Medical Center
 Cleveland, SkyRidge Medical Center
 Dyersburg, Dyersburg Regional
 Medical Center
 Jackson, Regional Hospital of Jackson
 Lexington, Henderson County
 Community Hospital
 Martin, Volunteer Community Hospital
 McKenzie, McKenzie Regional Hospital
 Morristown, Lakeway Regional Hospital
 Selmer, McNairy Regional Hospital
 Shelbyville, Heritage Medical Center

Texas

Abilene, Abilene Regional Medical Center
 Alpine, Big Bend Regional Medical Center
 Big Spring, Scenic Mountain Medical Center
 Brownwood, Brownwood Regional
 Medical Center
 Cedar Park, Cedar Park Regional
 Medical Center
 College Station, College Station
 Medical Center
 Corsicana, Navarro Regional Hospital

Granbury, Lake Granbury Medical Center
 Hillsboro, Hill Regional Hospital
 Jourdan, South Texas Regional
 Medical Center
 Laredo, Laredo Medical Center
 Longview, Longview Regional Medical Center
 Lufkin, Woodland Heights Medical Center
 San Angelo, San Angelo Community
 Medical Center
 Tomball, Tomball Regional Hospital
 Victoria, DeTar Healthcare System
 Weatherford, Weatherford Regional
 Medical Center

Utah

Tooele, Mountain West Medical Center

Virginia

Emporia, Southern Virginia Regional
 Medical Center
 Franklin, Southampton Memorial Hospital
 Petersburg, Southside Regional
 Medical Center

Washington

Rockwood Health System
 Spokane, Deaconess Hospital
 Spokane Valley, Valley Hospital

West Virginia

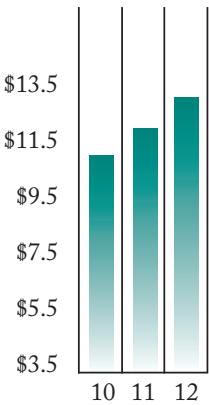
Bluefield, Bluefield Regional Medical Center
 Oak Hill, Plateau Medical Center
 Ronceverte, Greenbrier Valley Medical Center

Wyoming

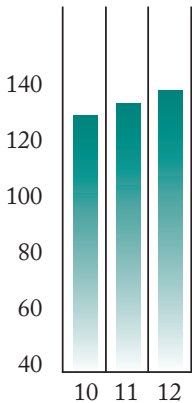
Evanston, Evanston Regional Hospital

*Hospitals are owned or leased and operated by
 subsidiaries of Community Health Systems, Inc.
 Community Health Systems, Inc. does not have
 any employees.*

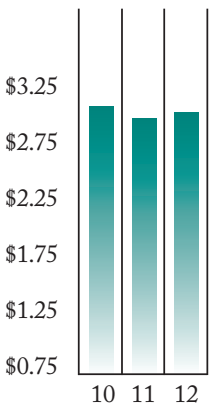
**Operating
 Revenues**
(in billions)



Hospitals



**Earnings Per Share
 from Continuing
 Operations (diluted)**



Financial Highlights

(In thousands, except per share amounts)

	Year Ended December 31,	
	2012	2011
Operating Results		
Net operating revenues	\$ 13,028,985	\$ 11,906,212
Income from continuing operations	\$ 346,269	\$ 335,894
Income per share from continuing operations		
Diluted	\$ 2.96	\$ 2.87
Weighted average number of shares outstanding:		
Diluted	89,807	90,666

	As of December 31,	
	2012	2011
Balance Sheet Data		
Working capital	\$ 1,275,922	\$ 934,950
Total assets	16,606,335	15,208,840
Long-term debt	9,451,394	8,782,798
Stockholders' equity	2,731,207	2,397,096

	For The Year Ended December 31,					
	Consolidated			Same-Store		
	2012	2011	% Change	2012	2011	% Change
Selected Operating Data						
Number of hospitals (at end of period)	135	131		131	131	
Licensed beds (at end of period)	20,334	19,695		19,662	19,695	
Beds in service (at end of period)	17,265	16,832		16,745	16,832	
Admissions	701,837	675,050	4.0%	668,679	675,050	-0.9%
Adjusted admissions	1,418,472	1,330,988	6.6%	1,351,043	1,330,988	1.5%
Patient days	3,058,931	2,970,044		2,902,418	2,970,044	
Average length of stay (days)	4.4	4.4		4.3	4.4	
Occupancy rate (average beds in service)	48.6%	49.1%		48.3%	49.1%	
Net operating revenues	\$ 13,028,985	\$ 11,906,212	9.4%	\$ 12,438,580	\$ 11,893,095	4.6%
Net inpatient revenues as a % of total net operating revenues before provision for bad debts	44.7%	46.1%		44.2%	46.1%	
Net outpatient revenues as a % of total net operating revenues before provision for bad debts	53.4%	51.9%		53.9%	51.9%	
Income from operations	\$ 1,210,124	\$ 1,134,485	6.7%	\$ 1,198,243	\$ 1,164,545	2.9%
Income from operations as a % of net operating revenues	9.3%	9.5%		9.6%	9.8%	
Depreciation and amortization	\$ 725,558	\$ 652,674		\$ 703,236	\$ 652,674	
Equity in earnings of unconsolidated affiliates	\$ (42,033)	\$ (49,491)		\$ (42,210)	\$ (49,491)	
Liquidity Data:						
Adjusted EBITDA	\$ 1,977,715	\$ 1,836,650	7.7%			
Adjusted EBITDA as a % of net operating revenues	15.2%	15.4%				
Net cash provided by operating activities	\$ 1,280,120	\$ 1,261,908				
Net cash provided by operating activities as a % of net operating revenues	9.8%	10.6%				

Letter to Stockholders:

There are many ways to measure the performance of a company. Whatever metric is applied, 2012 was a successful year for Community Health Systems, Inc. and our stockholders. Our financial results were strong. Our long track record of year-over-year growth continued. Most exciting was our work to advance clinical quality, safety and the patient experience in 135 affiliated hospitals across the country.

Our success is fundamentally rooted in the outstanding clinical care provided in each of our hospitals. Our skilled medical staffs, nurses and other caregivers underscore this rigorous commitment to quality in millions of positive patient encounters annually, including over 700,000 inpatient admissions and more than 3.1 million emergency department visits in 2012.

Fifty of our affiliated hospitals were named *Top Performers on Key Quality MeasuresTM* by The Joint Commission, the nation's largest accrediting agency for healthcare organizations. This public recognition of exemplary performance was earned by only 18 percent of the more than 3,400 eligible and accredited hospitals in the U.S. in 2012 and is based on evidence-based clinical processes that improve care for certain medical conditions.

We value the trust of the patients and communities we serve and have intensified our efforts to create inherently safe hospital environments. In 2011, we applied for and received listing status for our patient safety organization by the Health and Human Services Agency for Healthcare Research and Quality. In 2012, we utilized industry-leading performance techniques in a strenuous effort to reduce errors and prevent serious safety events. Our imperative to improve the safety of the care provided is an ongoing effort that will never cease.

Balancing disciplined deployment of our resources with the unique needs of our hospitals, we continued to make significant capital investments. We invested \$769 million in capital improvements to enhance our facilities, bring sophisticated medical technology and clinical information

systems to our communities, expand healthcare services and create a more coordinated and comfortable patient experience. We opened three brand new, state-of-the-art replacement hospitals in Arkansas, California and Indiana.

Physician recruitment has always been a hallmark of our success and critically important to our communities. This was true again in 2012 as we recruited 2,125 physicians, an increase of 14 percent over the previous year. We grew our clinical capacity even more by adding 115 mid-level licensed healthcare practitioners. Recruiting medical professionals is essential to our hospitals; retaining them is equally important. Our focus on practice development and ongoing support facilitates long-term, productive relationships. As a result, our retention rate and physician satisfaction levels are consistently strong.

Our hospitals generate even more tangible benefit through the expenditure of millions of dollars to employ local residents, provide charity care for those who can't afford health services and through taxes paid to support their communities.

We are proud of our accomplishments especially because we operate in challenging times. Federal policy and other governmental dynamics continue to affect all aspects of the healthcare industry. Hospital operators are functioning under the constant pressure of lowered reimbursement rates even as regulatory requirements and the corresponding cost of compliance become more stringent and expensive.

In 2012, the U.S. Supreme Court's landmark decision upholding the Patient Protection and Affordable Care Act brought some clarity about the implementation of reforms, but there were also new uncertainties as states were empowered to make their own decisions about whether to expand Medicaid programs and establish health insurance exchanges. Regardless, millions of currently uninsured Americans will soon gain access to health coverage and the healthcare system.



*Community Health Systems is well positioned
for the transformative period ahead.*

WAYNE T. SMITH

We have been preparing for this influx of newly insured patients, developing the necessary infrastructure across our entire system. We also have established integrated healthcare delivery networks in markets where we have a significant presence, including Arkansas, Indiana, Ohio, Pennsylvania and Washington. While each hospital is independently licensed and operated, they are collaborating with one another and with physicians in their communities to deliver a comprehensive, coordinated healthcare experience for patients. Integrated networks strengthen our competitive position and create alignments that will increase quality, reduce waste, make healthcare more affordable and, ultimately, lead to greater value for patients.

As an organization, we have built lasting success on an absolute ability to execute growth strategies. With the acquisition of four additional hospitals in 2012, we now operate 135-affiliated hospitals nationwide. The assimilation of other recent acquisitions has accelerated their ability to achieve operational improvements. Looking ahead, we see significant opportunities for further expansion, but we will continue to be selective in our approach, looking for hospitals that meet our operating objectives and show the most potential for growth.

In all of our hospitals we are implementing strategies to increase clinical programs, build market share and reduce outmigration. Our core purpose will always be to make high-quality affordable health services available in local communities so patients can find the care they need close to home.

Our operating model and ability to adjust to dynamic market conditions is reflected in our financial results. 2012 was another solid year. Consolidated revenues reached \$13.0 billion, a 9.4 percent increase over 2011. Income from continuing operations was \$346.3 million, up from \$335.9 million in the prior year. Net income from continuing operations for the year was \$2.96 per share (diluted) compared with \$2.87 per share (diluted) in 2011. Excluding the loss on early extinguishment of

debt, our net income from continuing operations was \$418.1 million and earnings per share were \$3.77 (diluted) in 2012.

Cash flow from 2012 operations was \$1.28 billion compared with \$1.26 billion in 2011. And we shared that success with stockholders by paying a special one-time dividend of \$0.25 per share at the end of the year, our first dividend since becoming a public company in 2000. The opportunity to provide a return on our stockholders' investment reflects a solid financial position and reinforces our confidence in the company's future.

On a same-store basis, net operating revenues increased 4.6 percent over 2011. We were encouraged by more favorable volume trends in our hospitals in 2012, especially during the second half of the year.

Our company is well positioned for the transformative period ahead. Community Health Systems is a healthy and prosperous organization that is defined by a relentless commitment to quality care, the impressive caliber of our human resources, the synergies and scale made possible by the sheer size of our organization and our demonstrated ability to produce sustainable results in every aspect of our business.

I would like to thank the extraordinary physicians, hospital employees and local administrators who, with the support of our exceptional management team and board of directors, have made our past success possible and our future promising.

I also thank you, our stockholders, for your continued confidence and support.

Sincerely,

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

Board of Directors and Officers / Community Health Systems, Inc.

Board of Directors

Wayne T. Smith

*Chairman of the Board
President and
Chief Executive Officer*

W. Larry Cash

*Executive Vice President and
Chief Financial Officer*

John A. Clerico ^{(1) (2)}

*Co-founder and Chairman
ChartMark Investments, Inc.*

James S. Ely III ⁽¹⁾

*Founder and Chief Executive Officer
Priority Capital Management LLC*

John A. Fry ^{(1) (3)}

*President
Drexel University*

William Norris Jennings, M.D. ⁽³⁾

*Former Managing Partner
Southend Medical Clinic*

Julia B. North ^{(2) (3)}

*Former President – Consumer Services
BellSouth Telecommunications*

H. Mitchell Watson, Jr. ⁽²⁾

*Former President and Chief Executive Officer
ROLM Company*

⁽¹⁾ Member of the Audit and
Compliance Committee

⁽²⁾ Member of the Compensation Committee

⁽³⁾ Member of the Governance
and Nominating Committee

Officers

Wayne T. Smith

*Chairman of the Board
President and
Chief Executive Officer*

W. Larry Cash

*Executive Vice President and
Chief Financial Officer*

Rachel A. Seifert

*Executive Vice President,
Secretary and General Counsel*

William S. Hussey

President – Division IV Operations

David L. Miller

President – Division I Operations

Thomas D. Miller

President – Division V Operations

Michael T. Portacci

President – Division II Operations

Martin D. Smith

President – Division III Operations

T. Mark Buford

Senior Vice President – Internal Audit

Larry M. Carlton

*Senior Vice President –
Revenue Management*

Kenneth D. Hawkins

*Senior Vice President –
Acquisitions and Development*

Barbara R. Paul, M.D.

*Senior Vice President and
Chief Medical Officer*

Martin G. Schweinhart

Senior Vice President – Operations

J. Gary Seay

*Senior Vice President and
Chief Information Officer*

Lynn T. Simon, M.D.

*Senior Vice President and
Chief Quality Officer*

Andrea E. Bosshart

*Vice President – Corporate Compliance
Officer and Privacy Officer*

James W. Doucette

Vice President and Treasurer

Ben C. Fordham

Vice President and Chief Litigation Counsel

Tomi J. Galin

Vice President – Corporate Communications

Kevin J. Hammons

*Vice President, Corporate Controller and
Chief Accounting Officer*

Robert A. Horrar

*Vice President – Administration and Human
Resources*

Robert O. Horrar

Vice President – Division II Operations

Debra S. Landers

Vice President and Chief Marketing Officer

Michael M. Lynd

Vice President – Financial Services

Tim G. Marlette

Vice President – Materials Management

Ronald J. Shafer

Vice President – Physician Practice Services

This Annual Report contains forward looking statements made pursuant to the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. Important factors that could cause our actual results to differ materially from the results contemplated by the forward looking statements are contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) and included with this Annual Report and in subsequent filings with the SEC.

Corporate Information / Community Health Systems, Inc.

Corporate Office

Community Health Systems, Inc.
4000 Meridian Boulevard
Franklin, TN 37067
(615) 465-7000
www.chs.net

Form 10-K/Investor Contact

A copy of the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission, may be obtained from the Company at no charge. Requests for the Annual Report on Form 10-K and other investor information should be directed to Investor Relations at the Company's corporate office or at www.chs.net.

Registrar and Transfer Agent

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016 - 3572
800-456-0596

Independent Auditors

Deloitte & Touche LLP
Nashville, TN

Annual Stockholders' Meeting

The annual meeting of stockholders will be held on Tuesday, May 21, 2013, at 8:00 a.m. local time at The St. Regis Hotel, 2 East 55th Street, New York, NY

Common Stock Information

The Company's common stock trades on the New York Stock Exchange under the symbol CYH. As of March 22, 2013, Community Health Systems had approximately 45 stockholders of record and 28,100 beneficial holders of its common stock.

The following table sets forth the high and low sales price information as reported by the New York Stock Exchange during the period indicated.

Stock Price

2012	High	Low
First Quarter	\$25.74	\$16.37
Second Quarter	\$28.79	\$20.71
Third Quarter	\$29.59	\$22.51
Fourth Quarter	\$32.70	\$26.33

2011	High	Low
First Quarter	\$42.50	\$34.62
Second Quarter	\$41.09	\$22.33
Third Quarter	\$27.63	\$15.91
Fourth Quarter	\$21.92	\$14.61

Community Health Systems, Inc.

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