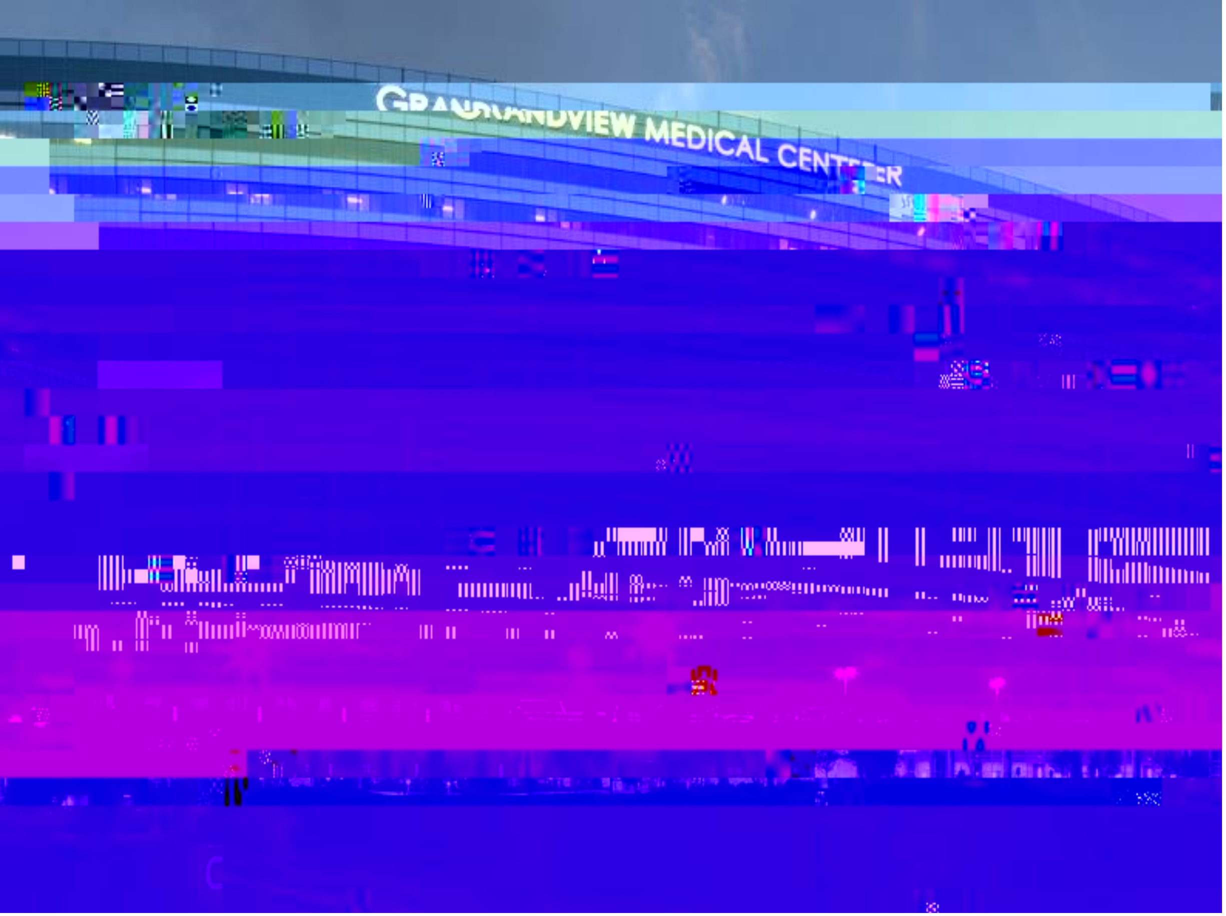
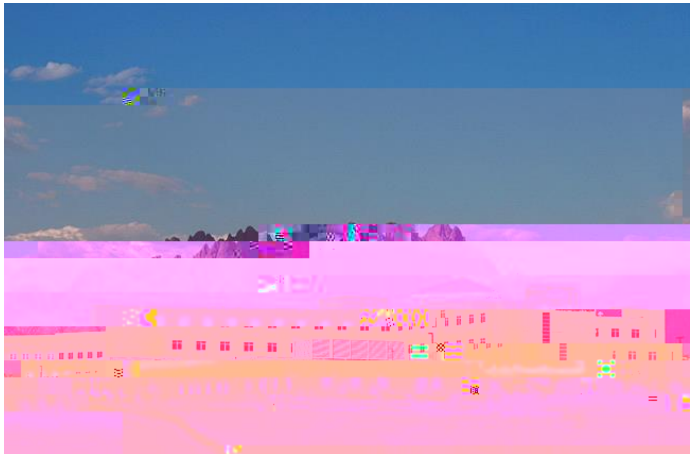




Investor Presentation

2nd Quarter Ended June 30, 2019

COMPANY BACKGROUND

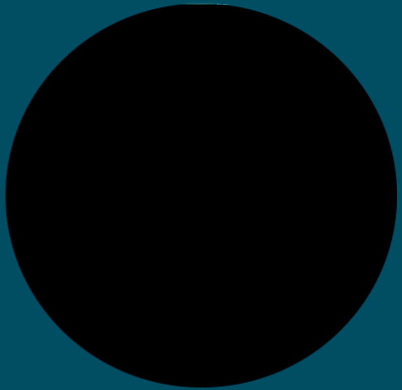
1985

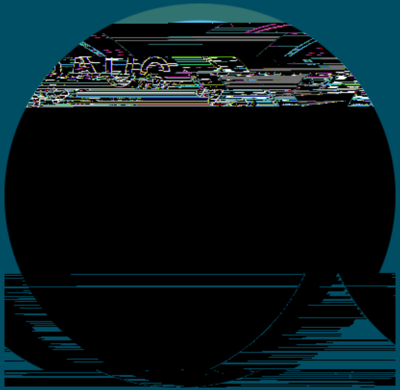
2018

2000

Investments provide platform for strong performance.

Our Strategic Imperatives are the most highly-prioritized, high-impact areas of focus for our organization.





By leveraging techniques from high-risk industries such as nuclear power and aviation, CHS is creating inherently safe hospital environments for patients and staff.

DRIVERS OF HIGH RELIABILITY & SAFETY

SERIOUS SAFETY EVENT RATE

The regional network model provides a direct connection to CHS resources while promoting agility and quicker execution of strategic opportunities.

TOP 5 STATES

DRIVING GROWTH

53%

Access Point Expansion

Primary Care Development

Accountable Care Organization

Consumer Friendly Scheduling

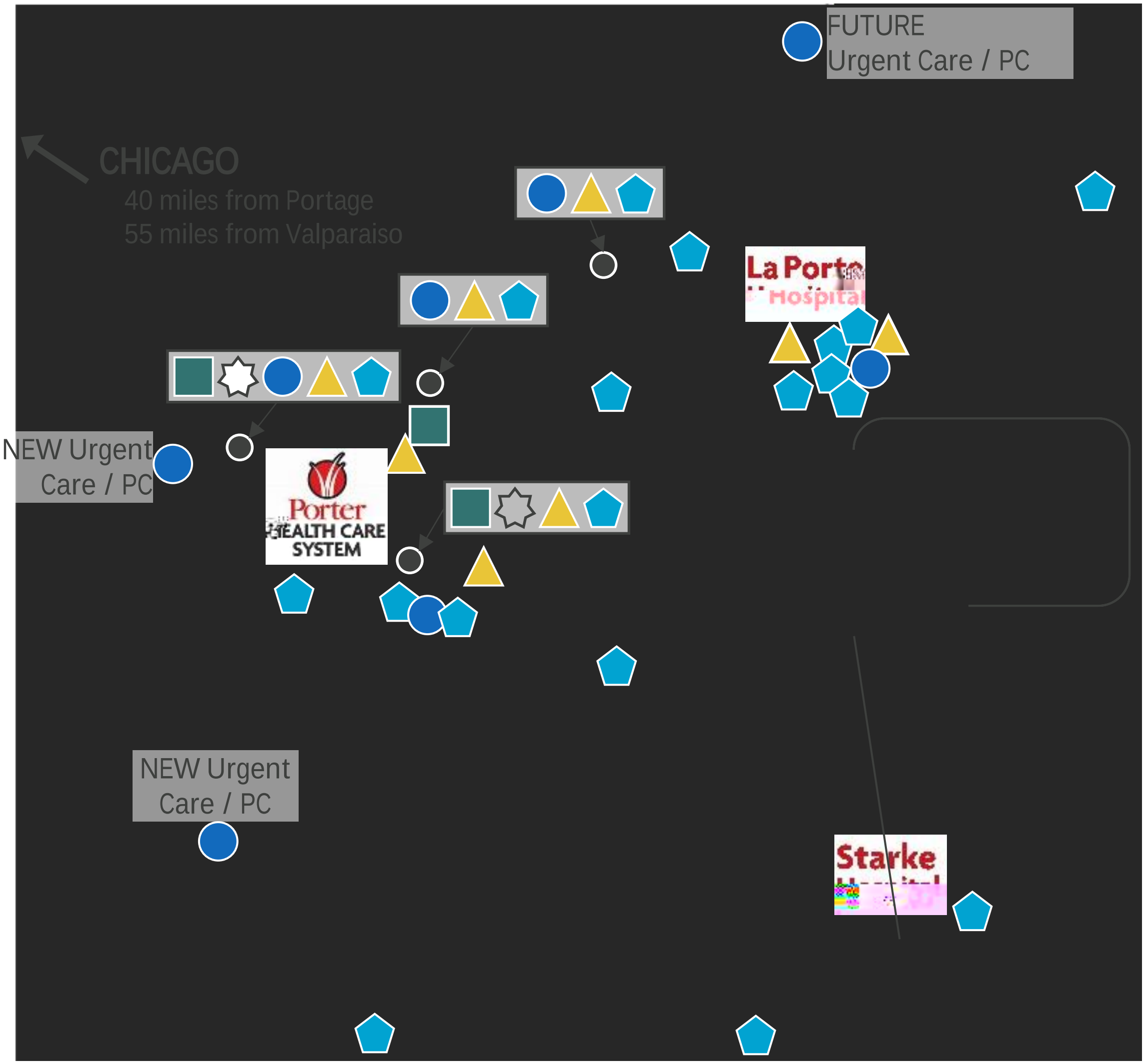
Digital / Online Marketing

CHS is focused on strategic physician alignment to further advance value-based care.

15 Medicare ACOs

2018 RESULTS			2019		
4K+	500+	260k	97%	+150	+20k
Participating Providers	Participating Practices & Hospitals	Attributed Medicare Lives	Provider Retention	New Independent Physicians	New Medicare Lives

Northwest Indiana is a prime example of a market intentionally designed to capture patients across the care continuum.



3 Hospitals

Porter Health Care System | La Porte Hospital | Starke

- 3 ASCs
- 2 FSEDs
- 5 Urgent Care Clinics
- 13 Outpatient Centers
- 19 Physician Offices

Transfer Center

Digital Patient Engagement

ACO

Provider Outreach

ADVANCING OPERATIONAL INITIATIVES

CHS is leveraging technology and scale to deliver operational excellence.

SWB Management

Vendor Efficiencies

FINANCIAL PERFORMANCE

CHS Community Health System

	2Q 2019 compared to 2Q 2018		YTD 2019 compared to YTD 2018	
	Consolidated	Same Store	Consolidated	Same Store
Net Operating Revenue	-7.3%	4.9%	-7.9%	4.0%
Net Revenue per AA		3.1%		2.7%

Admissions	-11.5%	2.3%	-12.5%	1.1%
Adjusted Admissions	-12.3%	1.8%	-12.5%	1.3%
Surgeries	-9.9%	3.4%	-9.4%	3.5%
ER Visits	-13.8%	2.4%	-15.4%	0.2%

Allowing for greater investments in stronger markets as well as debt reduction.

Transactions Completed in 2017

2018 and 2019 Divestiture Plan

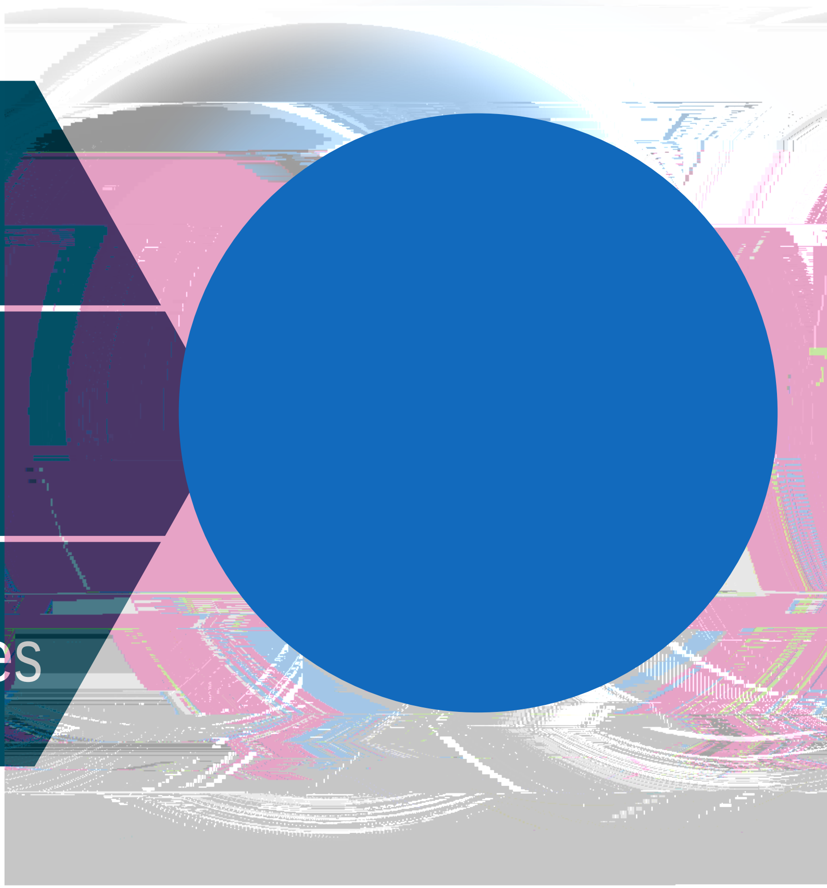
Transactions Completed in 2018

Hospital Closures in 2018

Transactions in 2019

Strategic execution and targeted capital investments provides a platform for 2019 and beyond.

1. Developing Stronger Markets
2. Driving Growth
3. Advancing Operational Initiatives



APPENDIX: Other Financial Information

EBITDA is a non-GAAP financial measure which consists of net loss attributable to Community Health Systems, Inc. before interest, income taxes, and depreciation and amortization. Adjusted EBITDA, also a non-GAAP financial measure, is EBITDA adjusted to add back net income attributable to noncontrolling interests and to exclude the effect of discontinued operations, loss (gain) from early extinguishment of debt, impairment and (gain) loss on sale of businesses, expense incurred related to the sale of a majority ownership interest in the Company's home care division, expense (income) related to government and other legal settlements and related costs, expense related to employee termination benefits and other restructuring charges, expense (income) from settlement and fair value adjustments on the CVR agreement liability related to the HMA legal proceedings and related legal expenses, the overall impact of the change in estimate related to net patient revenue recorded in the fourth quarter of 2017 resulting from the increase in contractual allowances and the provision for bad debts, the impact of a change in estimate to increase the professional liability claims accrual recorded during the second quarter of 2019 with respect to claims incurred in 2016 and prior years, and expense related to the valuation allowance recorded in the second quarter of 2019 to reserve the outstanding balance of a promissory note received from the buyer in connection with the sale of two of the Company's hospitals in 2017. During the six months ended June 30, 2019, the Company experienced a significant increase in the amounts paid to settle outstanding professional liability claims, compared to the same period in the prior year and to previous actuarially determined estimates. This increase in claims paid related to claims incurred in 2016 and prior years and was primarily related to divested hospitals. The settlement of these claims at amounts greater than the previously determined actuarial estimates resulted in the Company recording a $70 million change in estimate during the three months ended June 30, 2019. Additionally, the expense related to the valuation allowance was recorded by the Company in the second quarter of 2019 following the filing of Chapter 11 bankruptcy proceedings by the buyer of these hospitals based on management's assessment of the buyer's ability to make payments under the promissory note in these bankruptcy court proceedings. The Company has included these adjustments in the calculation of Adjusted EBITDA based on our belief that the increase in the amounts paid to settle outstanding professional liability claims as well as the anticipated inability of such buyer to make payments under the promissory note were outside of the ordinary course of the Company's operations and not reflective of the Company's underlying results of operations in light of the intended purpose of Adjusted EBITDA in assessing the Company's operational performance and comparing the Company's performance between periods. The Company has from time to time sold noncontrolling interests in certain of its subsidiaries or acquired subsidiaries with existing noncontrolling interest ownership positions. The Company believes that it is useful to present Adjusted EBITDA because it adds back the portion of EBITDA attributable to these third-party interests and clarifies for investors the Company's portion of EBITDA generated by continuing operations. The Company reports Adjusted EBITDA as a measure of financial performance. Adjusted EBITDA is a key measure used by management to assess the operating performance of the Company's hospital operations and to make decisions on the allocation of resources. Adjusted EBITDA is also used to evaluate the performance of the Company's executive management team and is one of the primary targets used to determine short-term cash incentive compensation. In addition, management utilizes Adjusted EBITDA in assessing the Company's consolidated results of operations and operational performance and in comparing the Company's results of operations between periods. The Company believes it is useful to provide investors and other users of the Company's financial statements this performance measure to align with how management assesses t

The following table reflects the reconciliation of Adjusted EBITDA, as defined, to net loss attributable to Community Health Systems, Inc. stockholders as derived directly from the condensed consolidated financial statements (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss, as reported	$ (1.47)	$ (0.97)	$ (2.51)	$ (1.20)
Adjustments:				
Loss (gain) from early extinguishment of debt	[illegible]	(0.44)	0.21	(0.41)
Impairment and (gain) loss on sale of businesses, net	0.33	1.29	0.58	1.53
Expense from government and other legal settlements and related costs	0.03	0.01	0.06	0.05
Expense from settlement and fair value adjustments and legal expenses related to cases covered by the CVR	0.01	0.03	0.02	0.06
Expense related to employee termination benefits	[illegible]			

($ in millions)

	June 30, 2019	December 31, 2018
Working Capital		
Total Assets		
Long Term Debt		