

COMMUNITY HEALTH SYSTEMS INC

Form 4

March 02, 2016

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
SMITH WAYNE T

2. Issuer Name **and** Ticker or Trading
Symbol
COMMUNITY HEALTH
SYSTEMS INC [CYH]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
4000 MERIDIAN BOULEVARD
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
03/01/2016

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Chairman & CEO

FRANKLIN, TN 37067

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	03/01/2016		M	150,000	A \$ 0 1,225,081	D	
Common Stock	03/01/2016		M	200,000	A \$ 0 1,425,081	D	
Common Stock					206,842	I	by 2009 WTS Irrevocable Trust Dated 2/27/09
Common Stock					481,721	I	WAC LLC

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title Underlying (Instr. 3)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Performance Based Restricted	\$ 0	03/01/2016		M ⁽¹⁾			150,000	03/01/2016	02/28/2025	Common Stock
Performance Based Restricted	\$ 0	03/01/2016		M ⁽²⁾			200,000	⁽²⁾	⁽²⁾	Common Stock
Performance Based Restricted	\$ 0	03/01/2016		A		150,000		03/01/2017 ⁽³⁾	02/28/2026	Common Stock
Stock Options (Right to Buy)	\$ 32.28							02/27/2009	02/26/2018	Common Stock
Stock Options (Right to Buy)	\$ 33.9							02/24/2011	02/23/2020	Common Stock
Stock Options (Right to Buy)	\$ 37.96							02/23/2012	02/22/2021	Common Stock
Stock Options (Right to Buy)	\$ 21.07							02/16/2013	02/15/2022	Common Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

SMITH WAYNE T
4000 MERIDIAN BOULEVARD X Chairman & CEO
FRANKLIN, TN 37067

Signatures

Christopher G. Cobb, Attorney in Fact for Wayne T. Smith

03/02/2016

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The performance objectives governing these shares of Performance Based Restricted Stock have been met, and, accordingly, these shares
(1) will now be reported in Table 1 as directly owned shares of Restricted Stock. The time-vesting restrictions lapse in 1/3 increments on the first, second and third anniversary of the date of grant.

Pursuant to the terms governing the award, the Company has achieved the cost savings ("synergies") from the Health Management Associates, Inc. ("HMA") merger transaction that were required to be achieved during the first two years following the HMA merger transaction, and, accordingly, the performance-based restrictions on the remaining portion of the award have lapsed as of the second anniversary of the date of grant. All such shares will now be reported on Table 1 as directly owned shares of Restricted Stock. There is also a time-vesting element. The time-vesting restrictions lapse in equal installments on the second and third anniversary of the date of grant.
(2)

Each performance based restricted share represents a contingent right to receive one share of CYH common stock. There are two elements to the lapsing of the performance-based restriction; first, the Company must achieve specified targeted amount of adjusted EBITDA or net revenue from continuing operations, and if the performance objective is met, the time-vesting restrictions will lapse in 1/3 increments on the first, second and third anniversary of the date of grant. If the performance objectives are not met, the shares will be forfeited.
(3)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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