

Metro Knoxville HMA, LLC
Form 424B5
March 09, 2017
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-203918

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
6.250% Senior Secured Notes due 2023	\$2,200,000,000	\$2,200,000,000	\$254,980
Guarantees of 6.250% Senior Secured Notes due 2023			(2)

- (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.
(2) Pursuant to Rule 457(n), no separate fee is payable with respect to the guarantees.

Table of Contents

**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-203918**

\$2,200,000,000

CHS/Community Health Systems, Inc.

6.250% Senior Secured Notes due 2023

We are offering \$2,200,000,000 aggregate principal amount of 6.250% Senior Secured Notes due 2023 (the notes).

We will pay interest on the notes semi-annually on each March 31 and September 30, commencing on September 30, 2017. The notes will mature on March 31, 2023.

We may redeem some or all of the notes at any time prior to March 31, 2020 at a price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest, if any, plus a make-whole premium, as described in this prospectus supplement. We may redeem some or all of the notes at any time on or after March 31, 2020 at the redemption prices set forth in this prospectus supplement, plus accrued and unpaid interest, if any. In addition, we may redeem up to 40% of the aggregate principal amount of the notes at any time prior to March 31, 2020 using the net proceeds from certain equity offerings at the redemption price set forth in this prospectus supplement, plus accrued and unpaid interest, if any. There is no sinking fund for the notes.

The notes will be our senior secured obligations and will rank equal in right of payment to all of our existing and future senior indebtedness that is not subordinated in right of payment to the notes, will be senior in right of payment to any indebtedness that is subordinated in right of payment to the notes and will be effectively senior to all of our existing and future unsecured indebtedness to the extent of the value of the assets securing the notes. The notes will be guaranteed on a senior secured basis by our parent and certain of our domestic subsidiaries. These guarantees will rank equal in right of payment to all of the existing and future indebtedness of each guarantor that is not subordinated in right of payment to its guarantee of the notes, will be senior in right of payment to any indebtedness of each guarantor that is subordinated in right of payment to its guarantee of the notes and will be effectively senior to all of the existing and future unsecured indebtedness of each guarantor to the extent of the value of the assets securing its guarantee of the notes. The notes and the guarantees of the notes will be secured by liens on certain assets that also secure our existing senior secured credit facilities (the Credit Facility), our 5.125% Senior Secured Notes due 2021 (the 2021 Secured Notes) and, for so long as they are outstanding, our 5.125% Senior Secured Notes due 2018 (the 2018 Secured Notes), subject to certain exceptions. The notes and related guarantees will be structurally junior in right of payment to liabilities of our subsidiaries that will not guarantee the notes.

We do not intend to apply for listing of the notes on any securities exchange.

Investing in the notes involves risks. See Risk Factors beginning on page S-25 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price(1)	100.000%	\$2,200,000,000
Underwriting discount	1.550%	\$ 34,100,000
Proceeds to us (before expenses)(1)	98.450%	\$2,165,900,000

(1) Plus accrued interest, if any, from March 16, 2017.

Delivery of the notes in book-entry form will be made on or about March 16, 2017.

Joint Book-Running Managers

Credit Suisse

BofA Merrill Lynch

Citigroup

Credit Agricole CIB

Goldman, Sachs & Co.

J. P. Morgan

RBC Capital Markets

SunTrust Robinson Humphrey

UBS Investment Bank

Wells Fargo Securities

Co-Managers

BBVA

Deutsche Bank Securities

Fifth Third Securities

**Morgan
Stanley**

Regions Securities LLC

Scotiabank

The date of this prospectus supplement is March 7, 2017.

Table of Contents

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-ii
<u>INDUSTRY AND MARKET DATA</u>	S-ii
<u>FORWARD-LOOKING STATEMENTS</u>	S-ii
<u>SUMMARY</u>	S-1
<u>THE OFFERING</u>	S-11
<u>SUMMARY HISTORICAL FINANCIAL AND OTHER DATA</u>	S-15
<u>RISK FACTORS</u>	S-25
<u>PRINCIPAL STOCKHOLDERS</u>	S-56
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-57
<u>USE OF PROCEEDS</u>	S-58
<u>CAPITALIZATION</u>	S-59
<u>DESCRIPTION OF CERTAIN INDEBTEDNESS</u>	S-61
<u>DESCRIPTION OF THE NOTES</u>	S-68
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	S-157
<u>UNDERWRITING</u>	S-162
<u>LEGAL MATTERS</u>	S-168
<u>EXPERTS</u>	S-168
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	S-168
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	S-170

Prospectus

<u>ABOUT THIS PROSPECTUS</u>	1
<u>FORWARD-LOOKING STATEMENTS</u>	1
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	3
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	3
<u>OUR COMPANY</u>	4
<u>RISK FACTORS</u>	5
<u>USE OF PROCEEDS</u>	5
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	6
<u>DESCRIPTION OF THE SECURITIES WE MAY ISSUE</u>	7
<u>DESCRIPTION OF THE DEBT SECURITIES AND GUARANTEES OF DEBT SECURITIES</u>	11
<u>DESCRIPTION OF THE CAPITAL STOCK</u>	14
<u>DESCRIPTION OF THE SECURITIES WARRANTS</u>	20
<u>PLAN OF DISTRIBUTION</u>	21
<u>LEGAL MATTERS</u>	23
<u>EXPERTS</u>	23

You should rely only on the information contained or incorporated by reference in this prospectus supplement or accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not authorized anyone to provide you with information that is different. If you receive any such other information, it should not be relied upon as having been authorized by us or the underwriters. This prospectus supplement and accompanying prospectus may only be used where it is legal to sell these securities. The information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein may only be accurate as of the date of the document containing such information. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate as of any date other than the date of the document containing such information.

It is expected that delivery of the notes will be made against payment therefor on or about the date specified on the cover of this prospectus supplement, which is the seventh business day following the date of pricing of the notes (such settlement cycle being referred to as T+7). You should note that trading of the notes on the date of this prospectus supplement or the next three succeeding business days may be affected by the T+7 settlement. See Underwriting.

S-i

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which adds, updates and changes information contained or incorporated by reference in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of notes. If the information set forth in this prospectus supplement or any document incorporated by reference herein varies in any way from the information set forth or incorporated by reference in the accompanying prospectus, you should rely on the information contained in this prospectus supplement or any document incorporated by reference herein. If the information set forth in this prospectus supplement varies in any way from the information set forth in a document incorporated by reference herein, you should rely on the information in the more recent document.

We are not, and the underwriters are not, making an offer of these notes in any jurisdiction where the offer or sale is not permitted. Before you invest in the notes, you should read the registration statement described in the accompanying prospectus (including the exhibits thereto) of which this prospectus supplement and the accompanying prospectus form a part, as well as this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The documents incorporated by reference herein are described in this prospectus supplement under **Incorporation of Certain Information by Reference**. You should not assume that the information contained in, or the documents incorporated by reference in, this prospectus supplement or the accompanying prospectus are accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

INDUSTRY AND MARKET DATA

This prospectus supplement includes industry and trade association data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry and government publications and surveys and other independent sources available to us. Some data also are based on our good faith estimates, which are derived from management's knowledge of the industry and from independent sources. These third-party publications and surveys generally state that the information included therein has been obtained from sources believed to be reliable. We have not independently verified any of the data from third-party sources. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources. While we are not aware of any misstatements regarding any such data, forecasts and information presented herein, you should carefully consider the inherent risks and uncertainties associated with the industry and market data contained in this prospectus supplement.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and any documents we incorporate by reference may contain forward-looking statements within the meaning of the federal securities laws, which involve risks, assumptions and uncertainties. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as *expects*, *anticipates*, *intends*, *plans*, *believes*, *estimates*, *thinks*, and other expressions are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors relating to us or the healthcare industry generally that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following:

general economic and business conditions, both nationally and in the regions in which we operate;

the impact of the 2016 federal elections, which may lead to the repeal of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the Affordable Care Act) or significant changes to the Affordable Care Act, its

S-ii

Table of Contents

implementation or its interpretation, as well as changes in other federal, state or local laws or regulations affecting our business;

the extent to which states support increases, decreases or changes in Medicaid programs, implement health insurance exchanges or alter the provision of healthcare to state residents through regulation or otherwise;

the future and long-term viability of health insurance exchanges, which may be affected by whether a sufficient number of payors participate as well as the impact of the 2016 federal elections on the Affordable Care Act;

risks associated with our substantial indebtedness, leverage and debt service obligations, including our ability to refinance such indebtedness on acceptable terms or to incur additional indebtedness;

demographic changes;

changes in, or the failure to comply with, governmental regulations;

potential adverse impact of known and unknown government investigations, audits, and federal and state false claims act litigation and other legal proceedings;

our ability, where appropriate, to enter into and maintain provider arrangements with payors and the terms of these arrangements, which may be further affected by the increasing consolidation of health insurers and managed care companies;

changes in, or the failure to comply with, contract terms with payors and changes in reimbursement rates paid by federal or state healthcare programs or commercial payors;

any potential additional impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets;

changes in inpatient or outpatient Medicare and Medicaid payment levels;

the effects related to the continued implementation of the sequestration spending reductions and the potential for future deficit reduction legislation;

increases in the amount and risk of collectability of patient accounts receivable, including decreases in collectability which may result from, among other things, self-pay growth in states that have not expanded

Medicaid and difficulties in recovering payments for which patients are responsible, including co-pays and deductibles;

the efforts of insurers, healthcare providers and others to contain healthcare costs, including the trend toward value-based purchasing;

our ongoing ability to demonstrate meaningful use of certified electronic health record (EHR) technology and recognize income for the related Medicare or Medicaid incentive payments, to the extent such payments have not expired;

increases in wages as a result of inflation or competition for highly technical positions and rising supply and drug costs due to market pressure from pharmaceutical companies and new product releases;

liabilities and other claims asserted against us, including self-insured malpractice claims;

competition;

our ability to attract and retain, at reasonable employment costs, qualified personnel, key management, physicians, nurses and other healthcare workers;

trends toward treatment of patients in less acute or specialty healthcare settings, including ambulatory surgery centers or specialty hospitals;

changes in medical or other technology;

Table of Contents

changes in U.S. GAAP;

the availability and terms of capital to fund any additional acquisitions or replacement facilities or other capital expenditures;

our ability to successfully make acquisitions or complete divestitures, including the divestiture of hospitals and non-hospital businesses pursuant to our portfolio rationalization and deleveraging strategy, our ability to complete any such acquisitions or divestitures on desired terms or at all (including to realize the anticipated amount of proceeds from contemplated divestitures), the timing of the completion of any such acquisitions or divestitures, and our ability to realize the intended benefits from any such acquisitions or divestitures;

our ability to successfully integrate any acquired hospitals, including those of HMA, or to recognize expected synergies from acquisitions;

the impact of seasonal severe weather conditions;

our ability to obtain adequate levels of general and professional liability insurance;

timeliness of reimbursement payments received under government programs;

effects related to outbreaks of infectious diseases;

the impact of the external, criminal cyber-attack suffered by us in the second quarter of 2014, including potential reputational damage, the outcome of our investigation and any potential governmental inquiries, the outcome of litigation filed against us in connection with this cyber-attack, the extent of remediation costs and additional operating or other expenses that we may continue to incur, and the impact of potential future cyber-attacks or security breaches;

any failure to comply with the terms of our Corporate Integrity Agreement (CIA) with the Office of Inspector General of the Department of Health and Human Services (OIG);

the concentration of our revenue in a small number of states;

our ability to realize anticipated cost savings and other benefits from our current strategic and operational cost savings initiatives;

any effects of our previously announced adoption of a Stockholder Protection Rights Agreement;

any effects related to our previously announced exploration of strategic alternatives; and

other risk factors disclosed under **Risk Factors** and elsewhere in or incorporated by reference in this prospectus supplement.

Although we believe that these forward-looking statements are based upon reasonable assumptions, these assumptions are inherently subject to significant regulatory, economic and competitive uncertainties and contingencies, which are difficult or impossible to predict accurately and may be beyond our control. Accordingly, we cannot give any assurance that our expectations will in fact occur and caution that actual results may differ materially from those in the forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements speak only as of the date they are made. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

S-iv

Table of Contents**SUMMARY**

The following summary contains basic information about us and this offering, but does not contain all the information that may be important to you. For a more complete understanding of this offering, we encourage you to carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including the information set forth under Risk Factors and our financial statements and related notes. Unless otherwise indicated or the context requires otherwise, references in this prospectus supplement to we, our, us and the Company refer to Community Health Systems, Inc. and its consolidated subsidiaries, including CHS/Community Health Systems, Inc., the issuer of the notes offered hereby. References to the Issuer refer to CHS/Community Health Systems, Inc. alone, and references to Holdings refer to Community Health Systems, Inc. alone. We refer to the Issuer's 5.125% Senior Secured Notes due 2018 as the 2018 Secured Notes, to the Issuer's 8.00% Senior Notes due 2019 as the 2019 Notes, to the Issuer's 7.125% Senior Notes due 2020 as the 2020 Notes, to the Issuer's 5.125% Senior Secured Notes due 2021 as the 2021 Secured Notes and to the Issuer's 6.875% Senior Notes due 2022 as the 2022 Notes. The 2018 Secured Notes, 2019 Notes, 2020 Notes, 2021 Secured Notes and 2022 Notes are collectively referred to in this prospectus supplement as the Existing Notes.

In this prospectus supplement, any amounts shown on an as adjusted basis have been adjusted to reflect, as applicable: (i) the issuance of the notes in this offering and (ii) the use of the net proceeds from this offering to repurchase all the outstanding 2018 Secured Notes in the Tender Offer discussed below (assuming that all outstanding 2018 Secured Notes are validly tendered and not validly withdrawn prior to the Early Tender Deadline (as defined below) and accepted for purchase in the Tender Offer), to repay \$1.445 billion aggregate principal amount of terms loans outstanding under our Term F Facility, to pay related fees and expenses and the remainder, if any, for general corporate purposes. See Use of Proceeds.

Our Company

We are one of the largest publicly-traded hospital companies in the United States and a leading operator of general acute care hospitals and outpatient facilities in communities across the country. As of December 31, 2016, we owned or leased 155 hospitals included in continuing operations, with an aggregate of 26,222 licensed beds, comprised of 152 general acute care hospitals and three stand-alone rehabilitation or psychiatric hospitals. These hospitals are geographically diversified across 21 states, with the majority of our hospitals located in regional networks or in close geographic proximity to one or more of our other hospitals. We also owned or leased three hospitals included in discontinued operations at December 31, 2016. We generate revenues by providing a broad range of general and specialized hospital healthcare services and outpatient services to patients in the communities in which we are located. In a number of our markets, we have partnered with local physicians or not-for-profit providers, or both, in the ownership of our facilities. We are paid for our healthcare services by governmental agencies, private insurers and directly by the patients we serve. For the year ended December 31, 2016, our net operating revenue was approximately \$18.438 billion, our net income attributable to Community Health Systems, Inc. common stockholders was a loss of approximately \$1.721 billion and our Adjusted EBITDA was approximately \$2.225 billion. In addition, for the year ended December 31, 2016, our Further Adjusted EBITDA (which is Adjusted EBITDA further adjusted to (i) remove the impact of the divestitures we completed in 2016, beginning with the spin-off of 38 hospitals to Quorum Health Corporation in April 2016, as if those dispositions were completed on January 1, 2016, (ii) include the estimated impact of the hospital acquisitions we completed in 2016 as if we had completed these acquisitions at the beginning of 2016, and (iii) add back stock-based compensation expense) was approximately \$2.169 billion. For additional information on our presentation of Adjusted EBITDA and Further Adjusted EBITDA, see Non-GAAP Financial Measures and Summary Historical Financial and Other Data.

We have grown in the past by acquiring hospitals and by improving the operations of our facilities. We have historically targeted hospitals in growing, non-urban and selected urban healthcare markets for acquisition

S-1

Table of Contents

because of their favorable demographic and economic trends and competitive conditions. Since 2007, we have substantially increased the size of our business and the number of hospitals we operate through the acquisitions of Triad Hospitals, Inc. and Health Management Associates, Inc., or HMA. Our growth strategy has also included developing or acquiring select physician practices, physician-owned ancillary service providers and other outpatient capabilities in markets where we already had a hospital presence. More recently, our efforts have focused on creating regional networks in select urban markets. We believe opportunities exist for skilled, disciplined operators to create networks between urban and non-urban hospitals while improving physician alignment in both markets and making these hospitals more attractive to managed care. Through these regional networks, we have the opportunity to enhance our market position and build market density by providing more integrated service offerings, establishing additional patient access points for our acute care hospitals, recruiting more physicians and expanding our hospitals' local referral network.

We have been implementing a portfolio rationalization and deleveraging strategy by divesting hospitals and non-hospital businesses that are attractive to strategic and other buyers. Generally, these businesses are not in one of our strategically beneficial service areas, are less complementary to our business strategy and/or have lower operating margins. More recently, in connection with our announced divestiture initiative, strategic and other buyers have made offers to buy certain of our assets. Through consideration of these offers, we have divested or may divest hospitals and non-hospital businesses when we find such offers to be attractive and in line with our operating strategy. By reducing the size and geographic footprint of our business, we believe this strategy will allow us to focus on our most attractive markets and regional networks, improve cash flow, reduce leverage, and better position us for the future.

Our Competitive Strengths

We believe the following strengths will allow us to improve our operations:

Geographic diversity and operating scale. As of December 31, 2016, we owned or leased 155 hospitals included in continuing operations, with an aggregate of 26,222 licensed beds, geographically diversified across 21 states. Our geographic diversity helps to mitigate risks associated with fluctuating state regulations related to Medicaid reimbursement and state-specific economic conditions. Our top four states, Florida, Texas, Pennsylvania, and Indiana, contributed approximately 45% of our operating revenues, net of contractual allowances and discounts (but before the provision for bad debts), in 2016. Furthermore, we believe the size of our operations enables us to realize the benefits of economies of scale, purchasing power, increased operating efficiencies and increased return on information technology and other capital investments. In this regard, there are 13 states where we have operations that generated in excess of \$500 million of operating revenues, net of contractual allowances and discounts (but before the provision for bad debts) for the year ended December 31, 2016.

Strong regional network presence. We believe we are one of the leading providers of acute care and outpatient services in many of the markets we serve. Currently, 73 of our hospitals operate in 11 unique regional networks, which are comprised of one or more larger hospitals with smaller hospitals located in nearby communities. Within each regional network, we leverage the network's brand and local scale to expand our continuum of care, enhance access to our facilities, provide a more integrated service offering and reduce costs through increased operating efficiencies. Additionally, 34 of our hospitals operate in close geographic proximity to one or more of our other hospitals in 13 geographic areas. For these hospitals, we seek to develop or expand similar specialty services and outpatient services at our regional networks to yield high patient and physician satisfaction, improve revenue and gain operational efficiencies. As of December 31, 2016, we estimate that approximately 70% of our facilities are located in regional networks or are in close proximity to another CHS hospital.

S-2

Table of Contents

We believe our market positioning strategy will create growth opportunities, allow us to develop long-term relationships with patients, physicians, employers and third-party payors and enable us to achieve an attractive return on investments in the expansion of our facilities and outpatient services and in physician recruitment.

Positioned for growth in outpatient services. We believe outpatient services widen the catchment area for our hospitals and regional networks and are consistent with care delivery trends, including greater convenience for our patients, increased efficiency for our physicians and lower cost of care for our patients and payors. Outpatient services generated approximately 57% of our net revenues for the year ended December 31, 2016. We intend to continue to invest in outpatient services to meet the needs of our communities, provide greater access to medical care and enhance the overall experience of our patients. In 2016, 63% of amounts incurred on our completed major capital projects related to outpatient services, compared to 37% in 2015. In particular, we have made capital investments at several strategic hospital locations to establish free-standing emergency departments, and expect to continue to make these investments in the future. In general, outpatient services require less capital investment than our acute care hospitals and provide an opportunity for attractive operating margins and a higher return on investment.

Emphasis on patient safety and quality of care. We maintain an emphasis on patient safety, the provision of quality care and improving clinical outcomes. We understand that high levels of quality are only achieved with a company-wide focus that embraces patient, physician and employee satisfaction and continual, systematic clinical improvements. We believe that a focus on continuous improvement yields the best results for patients, reduces risk and improves revenue through achievement of quality measures. We have developed and implemented programs to support and monitor patient safety and quality of care that include:

standardized data and benchmarks to monitor hospital performance and quality improvement efforts;

recommended policies and procedures based on nationally recognized medical and scientific evidence as well as training on evidence-based tools for improving patient, physician and employee satisfaction;

leveraging of technology and sharing of evidence-based clinical best practices;

training programs for hospital management and clinical staff regarding regulatory and reporting requirements; and

implementation of specific leadership methods and error-prevention tools to create safer care environments for patients and staff.

As a result of these efforts, we have made significant progress in patient safety and clinical quality. In the facilities we have operated since before our acquisition of HMA (the legacy facilities), we have achieved a 79.9% reduction in Serious Safety Events through the third quarter of 2016 from our baseline in 2013. In our more recently acquired HMA facilities, there has been a 29.6% reduction in Serious Safety Events through the third quarter of 2016 from their baseline in 2015. In addition, for our legacy facilities, we have significantly reduced Hospital-Acquired Infections, or HAIs, over the past several years, with a reduction in every HAI measure for each year that the measures have been publicly reported. Moreover, for the legacy facilities, our total HAI reduction rate was 28.9% from 2011 to 2016. Our quality efforts, along with payor incentive arrangements, generated approximately \$15 million in 2016 earned

incentives.

Strong history of improving operations and making strategic investments resulting in well capitalized facilities. We have extensive experience in improving the operations of our facilities. We have developed and implemented standardized and centralized services across key business areas, recruited new physicians and hospital leaders, and executed cost saving initiatives. Additionally, we have improved operations at many of our acquired facilities through strategies that have included expanding service offerings to include more complex care, optimizing our emergency room approach, increasing outpatient services and making capital investments in selected projects that generate an attractive return on investment. Our facilities have been well capitalized

S-3

Table of Contents

through strategic investments and represent a significant and tangible asset base. Many facilities have undergone or completed significant renovation or expansion projects within the last several years. In addition, we own 127 of the 158 total facilities we operated as of December 31, 2016 (14 of which were subject to definitive sale agreements entered into as of February 28, 2017, that had not yet closed), which provides a valuable real estate base.

Experienced management team with a proven track record. We have a strong and committed management team that has substantial industry knowledge and a proven track record of operations success in the hospital industry. Our chief executive officer and chief financial officer each have over 30 years of experience in the healthcare industry and have worked together since 1973. We recently strengthened our senior management team by promoting a new president and chief operating officer, with over 20 years of experience in the hospital industry. Our five division presidents have each worked at CHS for many years and average 21 years of experience in hospital and division executive roles. Additionally, we have recently made several key external hires to further strengthen our senior management team, including Tom Aaron, who will be replacing Larry Cash as our chief financial officer following Mr. Cash's retirement at our annual meeting of stockholders in May 2017.

Our Business Strategy

The key elements of our business strategy are to:

Optimize our asset portfolio. We are in the process of divesting certain hospital facilities and other non-hospital businesses in furtherance of our portfolio rationalization and deleveraging strategy as noted above. More recently, in connection with our announced divestiture initiative, strategic and other buyers have made offers to buy certain of our assets. Through consideration of these offers we have divested or may divest hospitals and non-hospital businesses when we find such offers to be attractive and in line with our operating strategy. By managing the size and geographic footprint of our business, we believe that we can focus future investments on our most attractive markets and regional networks where we have an opportunity to enhance our market position by providing additional patient access points to our inpatient and outpatient services and recruiting more physicians to improve the quality of care. We intend to continue to evaluate offers from potential buyers for additional divestitures to optimize our asset portfolio and believe this strategy will position us to improve cash flow and reduce leverage.

Since April 2016, we have received approximately \$1.6 billion in proceeds from the spin-off of Quorum Health Corporation and sale of our joint venture in Las Vegas, Nevada and another \$287 million from the sale of investments in non-hospital operations. As of February 28, 2017, we had entered into definitive agreements with respect to the sale of 15 hospitals, and expect to receive approximately \$900 million in proceeds from the sale of these facilities in 2017, if all of these sales are completed on the terms expected as of such date. Additionally, as of February 28, 2017, we had executed non-binding letters of intent with respect to the sale of ten hospitals, and expect to receive approximately \$600 million in proceeds from the sale of these facilities in 2017, if all of these sales are completed on the terms expected as of such date. In addition to those ten hospitals subject to non-binding letters of intent, as of February 28, 2017, we were in preliminary discussions with respect to the sale of additional hospitals, including in certain cases where we had entered into non-binding letters of intent where discussions were at a more preliminary stage relative to those ten hospitals. Proceeds received from our portfolio rationalization program have been used, and are expected to continue to be used, to repay indebtedness. In addition, at such time, if any, that these additional divestitures are completed, these facilities will no longer be part of our operations and the guarantees of the notes by subsidiary guarantors sold as part of these divestitures will be released.

Increase revenue at our facilities. We are implementing a strategy to expand and rationalize service lines. We believe this focused service line strategy facilitates better capital allocation and drives volume, acuity and rate growth in desirable areas. In addition, we are expanding the medical services we provide through the

S-4

Table of Contents

recruitment of additional primary care physicians and specialists. We have further emphasized our recruiting efforts with respect to both employed and affiliated physicians by recruiting approximately 3,896 physicians in 2016, 4,152 in 2015 and 3,765 in 2014. In addition, over 70% of the physicians that commenced practice with us in 2016 were specialists. As of December 31, 2016, we had 20,500 physicians on medical staffs. Recently, we have implemented a number of management tools to assist us in measuring and improving physician performance, improving workflow and increasing physician retention.

In addition, we intend to continue to expand the breadth of services offered at our hospitals through targeted capital expenditures, new service line strategies to add more complex and specialty services, increase the number of patient transfer centers to better coordinate care, and implement digital health solutions to improve patient engagement and satisfaction. Additionally, our capital expenditures have supported expanding the number of patient access points separate from the traditional hospital service location, including free-standing emergency departments, surgery centers, urgent care centers, and other sites that provide quicker access to care in a lower cost setting. Some of our initiatives include:

Expanding our orthopedic program. We have implemented a program developed by an industry leading orthopedic consultant at 35 hospitals, and have experienced a 5% same-store increase in hip or knee replacement surgery volumes in 2016. We intend to implement this program at 16 additional hospitals in 2017. We believe these standardized programs also benefit other orthopedic services at our hospitals;

Expanding and renovating existing emergency rooms to improve service and reduce waiting times. We have implemented marketing campaigns in our local communities to increase awareness of our emergency room capabilities;

Increasing the number of patient transfer centers to better coordinate care among our physicians, hospitals and outpatient centers. Transfer centers enable patients to be transported to the facility that provides the appropriate services they need, provide increased visibility into local hospital operations and help identify future service line opportunities for our hospitals. In 2016, 76 of our hospitals used an outsourced vendor to facilitate over 17,000 transfers; and

Leveraging digital tools to create virtual access points, and improve our patient and physician experiences. These digital solutions use clinical protocols and analytics to drive patient outreach for scheduling appointments, assisting with referral management to keep patients in network when possible and provide post care follow-up, including treatment plans, health education, prescription reminders and prevention screening. We also have introduced a tool that enables patients to compare pricing for select outpatient services among our facilities and those of competitors in our markets.

In addition to these initiatives, we believe our investments in expanding our footprint and patient access points through free-standing emergency departments, ambulatory surgery centers and urgent care centers will generate increased revenues and earnings from businesses with higher growth and operating margins. We believe that appropriate capital investments in our outpatient facilities combined with the development of our service capabilities will increase patient retention while providing an attractive return on investment. As of December 31, 2016, we had 58 surgery centers, 51 urgent care centers, 44 walk-in retail clinics, 9 free standing emergency departments, 149 diagnostic centers and approximately 1,000 physician clinics.

Increase productivity and operating efficiency. We focus on improving operating efficiency to enhance our operating margins. We seek to implement cost containment programs and adhere to operating philosophies that focus on standardizing and centralizing our methods of operation and management, including:

monitoring and enhancing productivity of our human resources;

capitalizing on purchasing efficiencies through the use of company-wide standardized purchasing contracts and terminating or renegotiating unfavorable vendor contracts;

S-5

Table of Contents

installing standardized management information systems, resulting in more streamlined clinical operations and more efficient billing and collection procedures; and

improving patient safety and optimizing staffing allocation through our case and resource management program, which assists in improving clinical care and containing costs.

In 2016, we implemented a number of strategic and operational initiatives to increase our focus on productivity and reduce expenses. Some of these initiatives include:

Consolidating local billing and collection functions into six centralized business offices. We completed the transition of 90% of our hospitals to this new system in 2016 and have started to benefit from lower patient denials, underpayment recoveries and reduced operating expenses;

Implementing improved sourcing initiatives and new procurement and accounts payable systems. We have renegotiated contracts with numerous suppliers, including implant manufacturers and those providing technology and support services, to realize increased savings. In addition, we have implemented a new system to standardize procurement processes, improve workflow efficiency and provide analytics and business intelligence to identify potential future savings;

Introducing physician practice performance programs. For our employed physicians, we are leveraging software solutions to measure and improve physician performance. We have also implemented programs to improve physician workflow, increase physician retention, optimize staffing at physician clinics and standardize onboarding processes;

Realizing employee benefit savings on medical benefits, prescription services and high medical claims; and

Reducing overtime and use of temporary staffing to align with patient admissions.

We intend to continue to try to identify new opportunities to reduce costs and improve productivity and physician practice performance.

Reduce leverage and improve cash flow. We intend to continue our strategy of increasing hospital revenues and reducing operating expenses to generate increased profitability and cash flow. We intend to continue utilizing cash flows from our operations to service debt and to fund capital projects that generate a high return on investment. In addition, as noted above, our portfolio rationalization and deleveraging strategy is ongoing, and since April 2016 this strategy has generated approximately \$1.9 billion in proceeds that have been used to repay indebtedness. Moreover, as noted above, as of February 28, 2017, we had executed definitive agreements with respect to the sale of 15 hospitals and expect to receive approximately \$900 million in proceeds from the sale of such facilities in 2017, and we had executed non-binding letters of intent with respect to the sale of ten additional hospitals and expect to receive approximately \$600 million in proceeds from the sale of such facilities in 2017, in each case if all of these sales are completed on the terms expected as of such date. We intend to use the proceeds from these contemplated divestitures to pay down debt. In 2017, we also intend to try to divest additional hospitals, which, if completed, would provide us with additional funds for debt reduction. We believe that our portfolio rationalization strategy will allow us to better

allocate capital into projects that generate a higher return on our investment in our most attractive markets and regional networks. We also intend to continue to manage our upcoming debt maturities and opportunistically optimize our capital structure, which may in either case include extending portions of our existing debt.

Industry Overview

According to the Centers for Medicare & Medicaid Services, or CMS, national healthcare expenditures in 2016 are projected to have grown 4.8% to approximately \$3.4 trillion. In addition, these CMS projections,

S-6

Table of Contents

published 2017, indicate that total U.S. healthcare spending will grow at an average annual rate of 5.9% from 2018 through 2019 and by an average of 5.8% annually from 2020 through 2025. However, these projections do not take into account initiatives, programs or other developments that may result from the 2016 federal elections, including any potential significant modifications to or repeal of the Affordable Care Act. CMS also projected that total U.S. healthcare annual expenditures will exceed \$5.5 trillion by 2025, accounting for approximately 19.9% of the total U.S. gross domestic product. CMS expects healthcare spending to be largely influenced by changes in economic growth and population aging, and anticipates faster growth in medical prices.

Hospital services, the market within the healthcare industry in which we primarily operate, is the largest single category of healthcare expenditures. In 2016, hospital care expenditures are estimated by CMS to have grown 4.9%, amounting to over \$1 trillion. CMS estimates that the hospital services category will exceed \$1.1 trillion in 2017, and projects growth in this category at an average of 5.5% annually from 2016 through 2025.

Recent Developments

Portfolio Rationalization Program

As noted above, we have been implementing a portfolio rationalization and deleveraging strategy by divesting hospitals and non-hospital businesses that are attractive to strategic and other buyers. Since April 2016, we have received approximately \$1.6 billion in proceeds from the spin-off of Quorum Health Corporation and sale of our joint venture in Las Vegas, Nevada and another \$287 million from the sale of investments in non-hospital operations. In addition, as of February 28, 2017, we had executed definitive agreements with respect to the sale of 15 hospitals. Additionally, as of February 28, 2017, we had executed non-binding letters of intent with respect to the sale of ten hospitals and were in preliminary discussions with respect to the sale of additional hospitals, including in certain cases where we had entered into non-binding letters of intent where discussions were at a more preliminary stage relative to those ten hospitals.

In 2015, we completed the sale of eight hospitals for approximately \$156 million of proceeds. In addition, a summary of the activity related to our portfolio rationalization program since December 31, 2015 is as follows:

Effective January 1, 2016, we sold Bartow Regional Medical Center (72 licensed beds) in Bartow Florida, and related outpatient services to BayCare Health Systems, Inc. for approximately \$60 million in cash.

Effective February 1, 2016, we sold Lehigh Regional Medical Center (88 licensed beds) in Lehigh Acres, Florida, and related outpatient services to Prime Healthcare Services for approximately \$11 million in cash.

On April 29, 2016, we completed the spin-off of 38 hospitals and Quorum Health Resources, LLC, or QHR (our subsidiary through which we provided management advisory and consulting services to non-affiliated general acute care hospitals located throughout the United States), into Quorum Health Corporation, or QHC, an independent, publicly traded corporation. In connection with the spin-off, we received approximately \$1.2 billion of net proceeds from QHC and we recorded a non-cash dividend of approximately \$713 million during the year ended December 31, 2016, representing the net assets of QHC distributed to our stockholders.

On April 29, 2016, we sold our unconsolidated minority equity interests in Valley Health System, LLC, a joint venture with Universal Health Systems, Inc., or UHS, representing four hospitals in Las Vegas, Nevada, in which we owned a 27.5% interest, and in Summerlin Hospital Medical Center, LLC, a joint venture with UHS representing one hospital in Las Vegas, Nevada, in which we owned a 26.1% interest. We received \$403 million in cash in return for the sale of these equity interests and recognized a gain of approximately \$94 million on the sale of our investment

during the year ended December 31, 2016.

S-7

Table of Contents

On September 29, 2016, we signed a definitive agreement with subsidiaries of Curae Health, Inc. to sell the hospitals and associated assets at Merit Health Gilmore Memorial (95 licensed beds) in Amory, Mississippi, Merit Health Batesville (112 licensed beds) in Batesville, Mississippi, and Merit Health Northwest Mississippi (181 licensed beds) in Clarksdale, Mississippi.

On November 17, 2016, we signed a definitive agreement for the sale of two hospitals, a clinic and their associated assets to MultiCare Health System. Facilities included in the transaction include Deaconess Hospital (388 licensed beds) in Spokane, Washington, Valley Hospital (123 licensed beds) in Spokane Valley, Washington and the multi-specialty Rockwood Clinic in Spokane, Washington.

On December 13, 2016, we signed a definitive agreement to sell two hospitals and their associated assets to subsidiaries of Sunnyside Community Hospital and Clinics. Facilities included in the transaction are Yakima Regional Medical and Cardiac Center (214 licensed beds) in Yakima, Washington and Toppenish Community Hospital (63 licensed beds) in Toppenish, Washington.

On December 22, 2016, we completed the sale and leaseback of ten medical office buildings for net proceeds of \$159 million to HCP, Inc. The buildings, with a combined total of 756,183 square feet, are located in five states and support a wide array of diagnostic, medical and surgical services in an outpatient setting for the respective hospitals.

On December 31, 2016, we completed the sale of an 80% majority ownership interest in our home care division to a subsidiary of Almost Family, Inc. for \$128 million.

On February 16, 2017, we signed a definitive agreement for the sale of eight hospitals and their associated assets to subsidiaries of Steward Health, Inc. The facilities included in this transaction are Easton Hospital (254 licensed beds) in Easton, Pennsylvania, Sharon Regional Health System (258 licensed beds) in Sharon, Pennsylvania, Northside Medical Center (355 licensed beds) in Youngstown, Ohio, Trumbull Memorial Hospital (311 licensed beds) in Warren, Ohio, Hillside Rehabilitation Hospital (69 licensed beds) in Warren, Ohio, Wuesthoff Health System Rockledge (298 licensed beds) in Rockledge, Florida, Wuesthoff Health System Melbourne (119 licensed beds) in Melbourne, Florida and Sebastian River Medical Center (154 licensed beds) in Sebastian, Florida.

The table below provides certain additional information with respect to our operations (a) that were divested in 2016, beginning with the spin-off of 38 hospitals to Quorum Health Corporation in April 2016, (b) in respect of which we had entered into definitive sale agreements but that have not been divested, in each case as of February 28, 2017, and (c) in respect of which we had entered into non-binding letters of intent for sale but that have not been divested, in each case as of February 28, 2017. The revenues, income from continuing operations before taxes, Adjusted EBITDA, capital expenditures, and other investments included in the table below are for the year ended December 31, 2016, and the number of hospitals and licensed beds is as of December 31, 2016. For additional information regarding the Adjusted EBITDA information presented below, see Non-GAAP Financial Measures and Summary Historical Financial and Other Data. Prospective investors are cautioned that with respect to our intended divestitures, there can be no assurance that these divestitures will be completed or, if they are completed, the ultimate timing of the completion of these divestitures or the aggregate amount of proceeds we will receive from the divestitures.

Table of Contents

	Completed and Intended Divestitures		
	Completed in 2016(1)	Subject to Definitive Agreements(2)	Subject to Non- binding Letters of Intent(3)
	(\$ in millions)		
Hospitals	38	15	10
Licensed Beds	3,582	2,994	1,695
Sale Proceeds (Approx.)	\$ 1,900	\$ 900	\$ 600
Net Operating Revenues	\$ 925	\$ 1,838	\$ 996
Income from Continuing Operations Before Taxes	\$ 124	\$ (46)	\$ (38)
Adjusted EBITDA	\$ 109	\$ 89	\$ 38
Capital Expenditures	\$ 25	\$ 67	\$ 48
Other Investments(4)	\$ 3	\$ 20	\$ 8

- (1) The information with respect to divestitures completed in 2016 (a) does not include the sales of Bartow Regional Medical Center, which closed on January 1, 2016 and Lehigh Regional Medical Center, which closed on February 1, 2016; (b) includes the sale and leaseback to HCP, Inc. as a component of the \$1,900 million of sale proceeds received but not for the other metrics set forth in the table above because we continue to operate the divested medical office buildings; (c) includes the sale of our joint venture interests in Valley Health System, LLC and Summerlin Hospital Medical Center, LLC as a component of sales proceeds, income from continuing operations before taxes and Adjusted EBITDA but not for the other metrics set forth in the table above because this involved the sale of a minority equity interest, and (d) includes the impact of the spin-off of Quorum Health Corporation and the sale of our home care division (except that the home health care division does not impact the calculation of hospitals and licensed beds). Net operating revenues, income from continuing operations before taxes, Adjusted EBITDA, capital expenditures and other investments are amounts attributable to divested operations in the year ended December 31, 2016 prior to completion of such divestitures.
- (2) We intend to complete the divestitures of these 15 operations subject to definitive agreements prior to June 30, 2017. The information with respect to operations subject to definitive agreements excludes the definitive sale agreement for Memorial Hospital of Salem County and Williamson Memorial Hospital since such hospitals were not included in continuing operations as of December 31, 2016.
- (3) In addition to the ten hospitals identified in the table above as subject to non-binding letters of intent, as of February 28, 2017, we were in preliminary discussions with respect to the sale of additional hospitals, including in certain cases where we had entered into non-binding letters of intent where discussions were at a more preliminary stage relative to the ten hospitals identified in the table above. As is the case with our other pending divestitures, there can be no assurance that these divestitures will be completed or, if they are completed, the ultimate timing of the completion of these divestitures or the aggregate amount of proceeds we will receive from the divestitures.
- (4) Other Investments reflects other cash investments, primarily related to internal-use software and physician recruiting.

Tender Offer and Redemption

On March 2, 2017, we commenced a cash tender offer (the "Tender Offer") for any and all of our \$700 million aggregate principal amount of 2018 Secured Notes on the terms and subject to the conditions set forth in our offer to purchase dated March 2, 2017 (the "Offer to Purchase").

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The Tender Offer is currently scheduled to expire at 11:59 p.m., New York City time, on March 29, 2017, subject to our right to extend the Tender Offer. We are offering, subject to the terms and conditions of the Tender Offer, to pay a total consideration of \$1,014.25 (including an early tender payment of \$30.00) for each \$1,000 principal amount of 2018 Secured Notes validly tendered and not validly withdrawn in the Tender Offer prior to 5:00 p.m., New York City time, on March 15, 2017 (as the same may be extended, the Early Tender Deadline),

S-9

Table of Contents

plus accrued and unpaid interest. The early tender payment will not be paid for any 2018 Secured Notes accepted for purchase that are validly tendered after the Early Tender Deadline and prior to the expiration of the Tender Offer. This prospectus supplement is not an offer to purchase any 2018 Secured Notes. The Tender Offer is only being made pursuant to the Offer to Purchase referred to above.

Following the commencement of the Tender Offer, we also issued to holders of the 2018 Secured Notes a conditional notice of redemption (the Conditional Notice of Redemption) to redeem all of the 2018 Secured Notes not purchased by us in the Tender Offer on April 3, 2017 (the Conditional Redemption Date) at a redemption price of 101.281% of the principal amount of the 2018 Secured Notes plus accrued and unpaid interest. Pursuant to the Conditional Notice of Redemption, our obligation to redeem the 2018 Secured Notes not purchased in the Tender Offer is conditioned upon the completion and receipt of sufficient net cash proceeds from a new debt financing or financings to fund the aggregate redemption price.

We intend to use the net proceeds from this offering to purchase the 2018 Secured Notes validly tendered and not validly withdrawn in the Tender Offer, to redeem all of the 2018 Secured Notes not purchased by us in the Tender Offer pursuant to the Conditional Notice of Redemption, to repay \$1.445 billion aggregate principal amount of terms loans outstanding under our Term F Facility, to pay related fees and expenses and the remainder, if any, for general corporate purposes. See Use of Proceeds.

Exploration of Alternatives

As initially disclosed on September 19, 2016, with the assistance of advisors, we are exploring a variety of options with financial sponsors, as well as other potential alternatives. These discussions are ongoing. There can be no certainty that the exploration will result in any kind of transaction. We do not expect to make further public comment regarding these matters while the exploration process takes place unless and until we otherwise deem further public comment is appropriate or required.

In addition, our Board of Directors adopted a Stockholder Protection Rights Agreement on October 3, 2016. The Stockholder Protection Rights Agreement will not prevent our takeover, but may cause substantial dilution to a person or group that acquires 15% or more of our common stock, which may inhibit or render more difficult a merger, tender offer or other business combination involving us that is not supported by our Board of Directors. The Stockholder Protection Rights Agreement will expire on April 1, 2017.

Certain Results for the Three Months Ended December 31, 2016

The following highlights certain of our financial and operating results for the three months ended December 31, 2016:

net operating revenues totaled \$4.469 billion, compared with \$4.798 billion for the same period in 2015;

net loss attributable to Community Health Systems, Inc. common stockholders was \$(220) million, or \$(1.99) per share (diluted), compared with \$(83) million, or \$(0.73) per share (diluted) for the same period in 2015;

Adjusted EBITDA was \$564 million, compared to \$527 million for the same period in 2015; and

on a same-store basis, both admissions and adjusted admissions decreased 1.4 percent, in each case compared with the same period in 2015.

Our Corporate Information

Community Health Systems, Inc. was incorporated in the State of Delaware on June 6, 1996. CHS/ Community Health Systems, Inc. was incorporated in the State of Delaware on March 25, 1985. Our principal executive offices are located at 4000 Meridian Boulevard, Franklin, Tennessee 37067, and our telephone number is (615) 465-7000. Our website is www.chs.net. Information on our website shall not be deemed part of this prospectus supplement or the accompanying prospectus.

S-10

Table of Contents

THE OFFERING

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. You should carefully review the Description of the Notes section of this prospectus supplement, which contains a more detailed description of the terms and conditions of the notes.

Issuer	CHS/Community Health Systems, Inc.
Notes Offered	\$2,200,000,000 aggregate principal amount of 6.250% senior secured notes due 2023.
Maturity Date	The notes will mature on March 31, 2023.
Interest	The notes will bear interest at a rate of 6.250% per annum.
Interest Payment Dates	The Issuer will pay interest semi-annually on March 31 and September 30 of each year. The first interest payment date on the notes will be September 30, 2017.
Guarantees	<p>The notes will be unconditionally guaranteed on a first-priority senior secured basis by Holdings and certain of our current and future domestic subsidiaries (subject to a shared lien of equal priority with certain other obligations, including obligations under our Credit Facility, our 2021 Secured Notes and, for so long as they remain outstanding, our 2018 Secured Notes, and subject to certain prior ranking liens permitted by the indenture that will govern the notes).</p> <p>Excluding intercompany payables and receivables, we estimate that our non-guarantor subsidiaries accounted for:</p> <p>approximately \$7.2 billion, or 39%, of our total net operating revenue, approximately \$136 million of our net cash provided by operating activities, or 12%, of our total net cash provided by operating activities, and approximately \$(407) million, or 25%, of our total net loss, in each case, for the year ended December 31, 2016; and</p>

approximately \$9.4 billion, or 43%, of our total assets, and approximately \$1.8 billion, or 9%, of our total liabilities, in each case, as of December 31, 2016.

Ranking of the Notes

The notes will be the Issuer's senior secured obligations. Accordingly, the notes will:

rank equal in right of payment to all of the Issuer's existing and future senior indebtedness that is not subordinated in right of payment to the notes (including indebtedness under our Credit Facility and our Existing Notes);

rank senior in right of payment to any of the Issuer's future indebtedness that is subordinated in right of payment to the notes;

S-11

Table of Contents

be effectively senior to all of the Issuer's existing and future unsecured indebtedness (including the 2019 Notes, the 2020 Notes and the 2022 Notes) to the extent of the value of the assets securing the notes (after giving effect to the sharing of such value with holders of equal or prior ranking liens);

be effectively subordinated to any of the Issuer's existing and future indebtedness that is secured by assets that do not secure the notes to the extent of the value of such assets (including indebtedness under our Credit Facility which is secured by certain pledges of subsidiary stock that will not be pledged to secure the notes); and

be structurally subordinated to all liabilities of the Issuer's subsidiaries that will not guarantee the notes.

As of December 31, 2016, on an as adjusted basis, we would have had approximately \$9.4 billion aggregate principal amount of senior secured indebtedness outstanding, approximately \$6.1 billion of senior unsecured indebtedness outstanding and an additional \$945 million that we would have been able to borrow under our revolving credit facility. See [Capitalization](#) and [Description of Certain Indebtedness](#).

Ranking of the Guarantees

The guarantee of the notes by each guarantor will be a senior secured obligation of such guarantor and will:

rank equal in right of payment to all of such guarantor's existing and future senior indebtedness that is not subordinated in right of payment to such guarantee (including guarantees by such guarantor of our Credit Facility and our Existing Notes);

rank senior in right of payment to any of such guarantor's future indebtedness that is subordinated in right of payment to such guarantee;

be effectively senior to all of such guarantor's existing and future unsecured indebtedness (including guarantees by such guarantor of the 2019 Notes, the 2020 Notes and the 2022 Notes) to the extent of the value of the assets securing such guarantees (after giving effect to the sharing of such value with holders of equal or prior ranking liens); and

be effectively subordinated to any of such guarantor's existing and future indebtedness that is secured by assets that do not secure such guarantee to the extent of the value of such assets (including guarantees under our Credit Facility which is secured by certain pledges of subsidiary stock that will not be pledged to secure the guarantee of the notes).

Collateral

The notes and the guarantees thereof will be secured by a first-priority lien (subject to a shared lien of equal priority with certain other

S-12

Table of Contents

obligations, including obligations under our Credit Facility, our 2021 Secured Notes and, for so long as they remain outstanding, our 2018 Secured Notes, and subject to other prior ranking liens permitted by the indenture that will govern the notes) on substantially the same assets that secure the obligations under our Credit Facility, our 2021 Secured Notes and, for so long as they remain outstanding, our 2018 Secured Notes, subject to certain exceptions. See Description of the Notes Collateral.

Intercreditor Agreement

We will enter into a joinder to the first lien intercreditor agreement which will govern the relative rights of the secured parties in respect of the Credit Facility, the 2021 Secured Notes, the 2018 Secured Notes and holders of the notes. The intercreditor agreement will provide, among other things, that to the extent there are liens on assets to secure the Credit Facility, the 2021 Secured Notes, the 2018 Secured Notes and the notes, such liens will be of equal priority. See Description of the Notes Pari Passu Intercreditor Arrangements.

Optional Redemption

At any time prior to March 31, 2020, we may redeem some or all of the notes at a redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to the applicable redemption date plus the applicable make-whole premium set forth in this prospectus supplement.

We may redeem some or all of the notes at any time and from time to time on or after March 31, 2020, at the redemption price set forth in this prospectus supplement plus accrued and unpaid interest, if any, to the applicable redemption date. In addition, at any time prior to March 31, 2020, we may redeem up to 40% of the aggregate principal amount of the notes with the proceeds of certain equity offerings at the redemption price set forth in this prospectus supplement plus accrued and unpaid interest, if any, to the applicable redemption date. See Description of the Notes Optional Redemption.

Change of Control

If a change of control occurs, each holder of notes will have the right to require us to purchase all or a portion of its notes at 101% of the principal amount of the notes on the date of purchase plus accrued and unpaid interest, if any, to the date of repurchase. See Description of the Notes Change of Control.

Certain Covenants

The indenture that will govern the notes will contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur or guarantee additional indebtedness;

pay dividends or make other restricted payments;

make certain investments;

incur restrictions on the ability of our restricted subsidiaries to pay dividends or make certain other payments;

S-13

Table of Contents

create or incur certain liens;

sell assets and subsidiary stock;

impair the security interests;

transfer all or substantially all of our assets or enter into merger or consolidation transactions; and

enter into transactions with our affiliates.

However, these limitations are subject to a number of important qualifications and exceptions. See Description of the Notes Certain Covenants.

Use of Proceeds

We intend to use the net proceeds from this offering to purchase the 2018 Secured Notes validly tendered and not validly withdrawn in the Tender Offer and to redeem pursuant to the Conditional Notice of Redemption all of the 2018 Secured Notes not purchased by us in the Tender Offer, to repay \$1.445 billion aggregate principal amount of terms loans outstanding under our Term F Facility, to pay related fees and expenses and the remainder, if any, for general corporate purposes. See Use of Proceeds.

No Listing

We do not intend to list the notes on any securities exchange. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so and may discontinue market-making activities at any time without notice. Accordingly, a liquid market for the notes may not be maintained.

Risk Factors

Investing in the notes involves substantial risk. See Risk Factors on page S-25 for a discussion of certain factors that you should consider before investing in the notes.

Table of Contents**SUMMARY HISTORICAL FINANCIAL AND OTHER DATA**

The following table sets forth a summary of our consolidated historical financial and other data as of and for the periods presented. The summary historical financial information presented below for each of the three years in the period ended December 31, 2016 has been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement. Our consolidated financial statements for each of the three years in the period ended December 31, 2016 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm.

The following summary historical financial and other data should be read in conjunction with the section entitled "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes thereto, included in our Annual Report on Form 10-K filed with the SEC on February 21, 2017, which is incorporated by reference in this prospectus supplement.

	Year Ended December 31,		
	2016	2015	2014
	(In millions)		
Consolidated Statement of (Loss) Income Data			
Operating revenues (net of contractual allowances and discounts)	\$ 21,275	\$ 22,564	\$ 21,561
Provision for bad debts	2,837	3,127	2,922
<i>Net operating revenues</i>	18,438	19,437	18,639
Operating costs and expenses:			
Salaries and benefits	8,624	8,991	8,618
Supplies	3,011	3,048	2,862
Other operating expenses	4,248	4,520	4,322
Government and other legal settlements and related costs	16	4	101
Electronic health records incentive reimbursement	(70)	(160)	(259)
Rent	450	457	434
Depreciation and amortization	1,100	1,172	1,106
Amortization of software to be abandoned			75
Impairment and loss on sale of businesses, net	1,919	68	41
Total operating costs and expenses	19,298	18,100	17,300
<i>(Loss) income from operations</i>	(860)	1,337	1,339
Interest expense, net of interest income of \$14, \$15 and \$5 in 2016, 2015 and 2014, respectively	962	973	972
Loss from early extinguishment of debt	30	16	73
Gain on sale of investments in unconsolidated affiliates	(94)		
Equity in earnings of unconsolidated affiliates	(43)	(63)	(48)
(Loss) income from continuing operations before income taxes	(1,715)	411	342
(Benefit from) provision for income taxes	(104)	116	82
(Loss) income from continuing operations	(1,611)	295	260
Discontinued operations, net of taxes:			
Loss from operations of entities sold or held for sale	(7)	(27)	(7)
Impairment of hospitals sold or held for sale	(8)	(5)	(50)
Loss on sale, net		(4)	
Loss from discontinued operations, net of taxes	(15)	(36)	(57)

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<i>Net (loss) income</i>	(1,626)	259	203
Less: Net income attributable to noncontrolling interests	95	101	111
Net (loss) income attributable to Community Health Systems, Inc. stockholders	\$ (1,721)	\$ 158	\$ 92

S-15

Table of Contents

	Year Ended December 31,		
	2016	2015	2014
	(In millions)		
Consolidated Statement of Cash Flows Data			
Net cash provided by operating activities	\$ 1,137	\$ 921	\$ 1,615
Net cash provided by (used in) investing activities	630	(1,051)	(4,351)
Net cash (used in) provided by financing activities	(1,713)	(195)	2,872

	Year Ended December 31,		
	2016	2015	2014
	(Dollars in millions)		
Consolidated Data			
Number of hospitals (at end of period)	155	194	197
Licensed beds (at end of period)(1)	26,222	29,853	30,137
Beds in service (at end of period)(2)	23,229	26,312	27,000
Admissions(3)	857,412	940,292	924,557
Adjusted admissions(4)	1,867,348	2,038,103	1,969,770
Patient days(5)	3,832,104	4,175,214	4,091,183
Average length of stay (days)(6)	4.5	4.4	4.4
Occupancy rate (beds in service)(7)	43.1%	43.3%	43.8%
Net operating revenues	\$ 18,438	\$ 19,437	\$ 18,639
Net inpatient revenues as a % of net patient revenues before provision for bad debts	43.2%	42.8%	43.9%
Net outpatient revenues as a % of net patient revenues before provision for bad debts	56.8%	57.2%	56.1%
Net (loss) income attributable to Community Health Systems, Inc. stockholders	\$ (1,721)	\$ 158	\$ 92
Net (loss) income attributable to Community Health Systems, Inc. stockholders as a % of net operating revenues	(9.3)%	0.8%	0.5%
Adjusted EBITDA(8)	\$ 2,225	\$ 2,670	\$ 2,777
Adjusted EBITDA as a % of net operating revenues(8)	12.1%	13.7%	14.9%
Further Adjusted EBITDA(9)	\$ 2,169		
Further Adjusted EBITDA as a % of Non-GAAP Adjusted Net Operating Revenues(9)	12.4%		

	December 31,		
	2016	2015	2014
	(In millions)		
Consolidated Balance Sheet Data			
Cash and cash equivalents	\$ 238	\$ 184	\$ 509
Total assets	21,944	26,595	27,118
Long-term debt	14,789	16,556	16,378
Deferred income taxes	411	593	845
Other long-term Liabilities	1,575	1,698	1,692
Redeemable noncontrolling interests in equity of consolidated subsidiaries	554	571	531

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Community Health Systems, Inc. stockholders' equity	1,615	4,019	4,003
Noncontrolling interests in equity of consolidated subsidiaries	113	86	80

S-16

Table of Contents

	Year Ended December 31,		(Decrease)
	2016	2015	Increase
	(Dollars in millions)		
Same-Store Data(10)			
Admissions(3)	818,559	834,383	(1.9)%
Adjusted admissions(4)	1,773,093	1,782,134	(0.5)%
Patient days(5)	3,678,397	3,752,264	
Average length of stay (days)(6)	4.5	4.5	
Occupancy rate (beds in service)(7)	43.4%	44.3%	
Net operating revenues	\$ 17,481	\$ 17,248	1.4%
Income from operations	\$ 1,069	\$ 1,498	(28.6)%
Income from operations as a % of net operating revenues	6.1%	8.7%	
Depreciation and amortization	\$ 1,045	\$ 1,030	
Equity in earnings of unconsolidated affiliates	\$ (14)	\$ (11)	

	December 31, 2016
	As Adjusted
	(In millions)
Other Financial Data	
Secured Net Debt(11)	\$ 8,442
Total Net Debt(12)	\$ 14,567

- (1) Licensed beds are the number of beds for which the appropriate state agency licenses a facility regardless of whether the beds are actually available for patient use.
- (2) Beds in service are the number of beds that are readily available for patient use.
- (3) Admissions represent the number of patients admitted for inpatient treatment.
- (4) Adjusted admissions is a general measure of combined inpatient and outpatient volume. We computed adjusted admissions by multiplying admissions by gross patient revenues and then dividing that number by gross inpatient revenues.
- (5) Patient days represent the total number of days of care provided to inpatients.
- (6) Average length of stay (days) represents the average number of days inpatients stay in our hospitals.
- (7) We calculated occupancy rate percentages by dividing the average daily number of inpatients by the weighted-average number of beds in service.
- (8) EBITDA is a non-GAAP financial measure which consists of net (loss) income attributable to Community Health Systems, Inc. before interest, income taxes, 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 from early extinguishment of debt, impairment and (gain) loss on sale of business, gain on sale of investments in unconsolidated affiliates, amortization of software to be abandoned, acquisition and integration expenses from the acquisition of HMA, expense incurred related to the spin-off of QHC, expense incurred related to the sale of a majority ownership interest in our home care division, expense related to government and other legal settlements and related costs, and (income) expense from fair value adjustments on the CVR agreement liability accounted for at fair value related to the HMA legal proceedings, and related legal expenses. Adjusted EBITDA does not reflect adjustments for any completed or intended divestitures. We have from time to time sold noncontrolling interests in certain of our subsidiaries or acquired subsidiaries with existing noncontrolling interest ownership positions. We believe 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 our portion of EBITDA generated by continuing operations. We report Adjusted EBITDA as a measure of financial performance. Adjusted EBITDA is a key measure used by our management to assess the operating performance of our hospital operations and to make decisions on the allocation of resources. Adjusted EBITDA is also used to evaluate the performance of our executive management team and is one of the primary targets used to determine short-term cash incentive compensation. In addition, our management

S-17

Table of Contents

utilizes Adjusted EBITDA in assessing our consolidated results of operations and operational performance and in comparing our results of operations between periods. We believe it is useful to provide investors and other users of our financial statements this performance measure to align with how management assesses our results of operations. Adjusted EBITDA also is comparable to a similar metric called Consolidated EBITDA, as defined in our senior secured credit facility, which is a key component in the determination of our compliance with some of the covenants under our senior secured credit facility (including our ability to service debt and incur capital expenditures), and is used to determine the interest rate and commitment fee payable under the Credit Facility (although Adjusted EBITDA does not include all of the adjustments described in the senior secured credit facility). For further discussion of Consolidated EBITDA and how that measure is utilized in the calculation of our debt covenants, see the Capital Resources section of Part II, Item 7 of our Annual Report on Form 10-K filed with the SEC on February 21, 2017, which is incorporated by reference into this prospectus supplement.

Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP. It should not be considered in isolation or as a substitute for net income, operating income, or any other performance measure calculated in accordance with U.S. GAAP. The items excluded from Adjusted EBITDA are significant components in understanding and evaluating financial performance. We believe such adjustments are appropriate as the magnitude and frequency of such items can vary significantly and are not related to the assessment of normal operating performance. Additionally, our calculation of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. See **Non-GAAP Financial Measures** for additional information regarding our use of this measure, including the limitations thereof.

The following table reflects the reconciliation of Adjusted EBITDA, as defined, to net (loss) income attributable to Community Health Systems, Inc. stockholders as derived directly from our consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 (in millions):

	Year Ended December 31,		
	2016	2015	2014
Net (loss) income attributable to Community Health Systems, Inc. stockholders	\$ (1,721)	\$ 158	\$ 92
Adjustments:			
(Benefit from) provision for income taxes	(104)	116	82
Depreciation and amortization	1,100	1,172	1,106
Net income attributable to noncontrolling interests	95	101	111
Loss from discontinued operations	15	36	57
Amortization of software to be abandoned			75
Interest expense, net	962	973	972
Loss from early extinguishment of debt	30	16	73
Impairment and (gain) loss on sale of businesses, net	1,919	68	41
Gain on sale of investments in unconsolidated affiliates	(94)		
Expenses related to the acquisition and integration of HMA		1	69
Expense from government and other legal settlements and related costs	16	4	105
(Income) expense from fair value adjustments and legal expenses related to cases covered by the CVR	(6)	8	(6)
Expenses related to the sale of a majority interest in home care division	1		
Expenses related to the spin-off of Quorum Health Corporation	12	17	
Adjusted EBITDA	\$ 2,225	\$ 2,670	\$ 2,777

- (9) For information regarding Further Adjusted EBITDA, Further Adjusted EBITDA margin and Non-GAAP Adjusted Net Operating Revenues, including applicable reconciliations, see Other Non-GAAP Financial Measures Further Adjusted EBITDA and Non-GAAP Adjusted Net Operating Revenues below.

S-18

Table of Contents

- (10) Same-store operating results and statistical data exclude information for the hospitals divested in the spin-off of QHC in both the year ended December 31, 2016 and the comparable periods in 2015 and 2014. Same-store operating results for the period from January 1, 2014 through December 31, 2014 include former HMA hospitals, as if such hospitals were acquired on January 1, 2014. For all hospitals owned throughout all periods presented, the same-store operating results and statistical data reflects the indicated periods. The same-store information does not reflect the application of purchase accounting adjustments as if the HMA merger had been completed on January 1, 2014. Therefore, this information is not intended to present pro forma information prepared under the guidelines of Articles 3-05 and 11 of the SEC. However, management believes the information provides investors with useful information about the hospital admissions, adjusted admissions and net operating revenues had the HMA facilities been acquired on January 1, 2014. This same-store information for the hospitals acquired in the HMA merger for the period from January 1 through December 31, 2014 is non-GAAP financial information and may not be comparable to the information provided for the comparable 2015 period due to the aforementioned purchase accounting adjustments not having been applied. In addition, same-store comparisons exclude our hospitals that have previously been classified as discontinued operations for accounting purposes.
- (11) Secured Net Debt means total secured debt less the amount outstanding under our Receivables Facility, less cash and cash equivalents, as of December 31, 2016, on an adjusted basis as reflected in *Capitalization* below. For more detailed information regarding the components of Secured Net Debt, including a description of applicable adjustments, see *Capitalization* below.
- (12) Total Net Debt means the aggregate of all outstanding indebtedness less the amount outstanding under our Receivables Facility, less cash and cash equivalents, as of December 31, 2016, on an as adjusted basis as reflected in *Capitalization* below. For more detailed information regarding the components of Total Net Debt, including a description of applicable adjustments, see *Capitalization* below.

Other Non-GAAP Financial Measures

This prospectus supplement, including this section below, presents certain non-GAAP financial measures. This section provides certain information with respect to such non-GAAP financial measures, including reconciliations to the applicable GAAP financial measures.

Further Adjusted EBITDA and Non-GAAP Adjusted Net Operating Revenues

The *Summary* section of this prospectus supplement, and the chart set forth below, presents Further Adjusted EBITDA for the year ended December 31, 2016. Further Adjusted EBITDA is Adjusted EBITDA (calculated as reflected in footnote (8) in this section above), further adjusted to (i) remove the impact for the year ended December 31, 2016, of the operations included in our divestitures that were completed during 2016 beginning in April 2016 (as such amounts do not adjust for the impact of Bartow Regional Medical Center, which was sold on January 1, 2016, and Lehigh Regional Medical Center, which was sold on February 1, 2016) as if those divestitures were completed on January 1, 2016, (ii) with respect to hospital acquisitions that were completed during 2016, include the estimated impact that such acquired operations would have had on our Adjusted EBITDA for the year ended December 31, 2016, as if such operations had been acquired by us as of January 1, 2016, which estimate was derived by calculating the incremental results for the period in 2016 prior to the date of the acquisition by annualizing actual results of operations in 2016 from the date of acquisition, together with such actual results of operations, and (iii) add back stock-based compensation expense in 2016. For additional information regarding the divestitures we completed in 2016, see *Summary Recent Developments Portfolio Rationalization Program* in this prospectus supplement. For additional information regarding the acquisitions we completed in 2016, see *Completed Acquisitions and Divestitures* in Part II, Item 7 of our Annual Report on Form 10-K filed with the SEC on February 21, 2017, incorporated by reference into this prospectus supplement.

S-19

Table of Contents

In addition, the chart set forth below presents our non-GAAP Adjusted Net Operating Revenues and our Further Adjusted EBITDA margin, in each case for the year ended December 31, 2016. Our non-GAAP Adjusted Net Operating Revenues represents our net operating revenues, further adjusted to (i) remove the impact for the year ended December 31, 2016, of the operations included in our divestitures that were completed during 2016 beginning in April 2016 (as such amounts do not adjust for the impact of Bartow Regional Medical Center, which was sold on January 1, 2016, and Lehigh Regional Medical Center, which was sold on February 1, 2016) as if those divestitures were completed on January 1, 2016 and (ii) with respect to hospital acquisitions that were completed during 2016, include the estimated impact that such acquired operations would have had on our net operating revenues for the year ended December 31, 2016 as if such operations had been acquired by us as of January 1, 2016, which estimate was derived by calculating the incremental results for the period in 2016 prior to the date of the acquisition by annualizing actual results of operations in 2016 from the date of acquisition, together with such actual results of operations. Our Further Adjusted EBITDA margin is determined by dividing our Further Adjusted EBITDA by our non-GAAP Adjusted Net Operating Revenues.

We believe that it is useful to present Further Adjusted EBITDA because (i) it adjusts for the impact of divestitures that were completed during 2016 beginning in April 2016 in connection with our portfolio rationalization strategy as well as hospital acquisitions that were completed during 2016, and thus clarifies for investors and other users of our financial statements our portion of Adjusted EBITDA for the year ended December 31, 2016, generated by operations held by us as of the date hereof, and (ii) it excludes and highlights the impact of stock-based compensation expense, which we believe is useful in assessing our underlying operating results in light of the non-cash nature and variability of stock-based compensation expense. We believe that it is useful to present non-GAAP Adjusted Net Operating Revenues and Further Adjusted EBITDA margin because such non-GAAP financial measures similarly adjust for the impact of divestitures that were completed during 2016 beginning in April 2016 in connection with our portfolio rationalization strategy as well as hospital acquisitions that were completed during 2016, and thus clarify for investors and other users of our financial statements our applicable operating performance for the year ended December 31, 2016, with respect to these metrics generated by operations held by us as of the date hereof.

The following table presents our non-GAAP Adjusted Net Operating Revenues, Further Adjusted EBITDA and Further Adjusted EBITDA margin, in each case, for the year ended December 31, 2016.

	Year Ended December 31, 2016 (In millions)	
Non-GAAP Adjusted Net Operating Revenues	\$	17,559
Further Adjusted EBITDA	\$	2,169
Further Adjusted EBITDA Margin		12.4%

The following table reflects the reconciliation of non-GAAP Adjusted Net Operating Revenues, as defined, to net operating revenues, as derived directly from our consolidated financial statements for the year ended December 31, 2016:

	Year Ended December 31, 2016 (In millions)	
Net operating revenues	\$	18,438

Adjustments:

2016 completed divestitures	(925)
2016 completed acquisitions(a)	46

Non-GAAP Adjusted Net Operating Revenues \$ 17,559

- (a) The net operating revenues of hospital acquisitions completed in 2016 has been determined based on the estimated net operating revenues of such acquired operations for the year ended December 31, 2016, as if

S-20

Table of Contents

such acquired operations had been acquired by us as of January 1, 2016, which estimate was derived by calculating the incremental revenue for the period in 2016 prior to the date of the acquisition by annualizing actual results of operations in 2016 from the date of acquisition, together with such actual results of operations. The following table reflects (i) the reconciliation of Further Adjusted EBITDA to Adjusted EBITDA, each as defined, on a consolidated basis, for the year ended December 31, 2016 (for a reconciliation of Adjusted EBITDA to net (loss) income attributable to Community Health Systems, Inc. stockholders, the most comparable GAAP measure on a consolidated basis, for this period, see footnote (9) above).

	Year Ended December 31, 2016	
	(In millions)	
Adjusted EBITDA	\$	2,225
Adjustments:		
2016 completed divestitures(a)		(109)
2016 completed acquisitions(b)		7
Stock-based compensation expense		46
Further Adjusted EBITDA	\$	2,169

- (a) For additional information regarding the Adjusted EBITDA impact in the year ended December 31, 2016, of our divestitures completed in 2016 beginning in April 2016 (as such amounts do not adjust for the impact of Bartow Regional Medical Center, which was sold on January 1, 2016, and Lehigh Regional Medical Center, which was sold on February 1, 2016), and a reconciliation of such non-GAAP financial measure, see below under Other Non-GAAP Financial Measures Adjusted EBITDA: Disposed Operations, Definitive Agreement Operations and LOI Operations.
- (b) The Adjusted EBITDA of hospital acquisitions completed in 2016 has been determined based on the estimated Adjusted EBITDA of such acquired operations for the year ended December 31, 2016, as if such acquired operations had been acquired by us as of January 1, 2016, which estimate was derived by calculating the incremental results for the period in 2016 prior to the date of the acquisition by annualizing actual results of operations in 2016 from the date of acquisition, together with such actual results of operations.

Secured Net Debt and Total Net Debt Ratio

The following chart presents (i) the ratio of our Secured Net Debt as of December 31, 2016 (as defined in the Other Financial Data section of this section above) to our Further Adjusted EBITDA (calculated as reflected in Further Adjusted EBITDA and Non-GAAP Adjusted Net Operating Revenues above) for the year ended December 31, 2016, and (ii) the ratio of our Total Net Debt as of December 31, 2016 (as defined in the Other Financial Data section of this section above) to our Further Adjusted EBITDA for the year ended December 31, 2016). Neither Secured Net Debt nor Total Net Debt includes debt under our Receivables Facility.

Secured Net Debt/Further Adjusted EBITDA	3.9x
Total Net Debt/Further Adjusted EBITDA	6.7x
Adjusted EBITDA Disposed Operations, Definitive Agreement Operations and LOI Operations	

The Summary section of this prospectus supplement presents Adjusted EBITDA (calculated as reflected in footnote (8) in this section above) for the year ended December 31, 2016, with respect to (a) operations included in our divestitures that were completed in 2016, beginning in April 2016 (as such amounts do not adjust

S-21

Table of Contents

for the impact of Bartow Regional Medical Center, which was sold on January 1, 2016, and Lehigh Regional Medical Center, which was sold on February 1, 2016) (the **Disposed Operations**), (b) operations included in our continuing operations in respect of which, as of February 28, 2017, we had entered into definitive agreements to dispose such operations which had not closed (the **Definitive Agreement Operations**), and (c) operations in respect of which, as of February 28, 2017, we had entered into non-binding letters of intent to dispose such operations (but not including certain letters of intent where discussions were at a more preliminary stage as noted in the **Summary** section of this prospectus supplement) (the **LOI Operations**). For additional information regarding the divestitures related to the **Disposed Operations**, and the potential divestitures related to the **Definitive Agreement Operations** and the **LOI Operations**, see **Summary Recent Developments Portfolio Rationalization Program**.

We present Adjusted EBITDA for the year ended December 31, 2016 with respect to the **Disposed Operations** because we believe that, by reflecting the impact of these **Disposed Operations** in respect of divestitures that were completed in 2016 beginning in April 2016 (as such amounts do not adjust for the impact of Bartow Regional Medical Center, which was sold on January 1, 2016, and Lehigh Regional Medical Center, which was sold on February 1, 2016), this measure highlights for investors and other users of our financial statements our portion of Adjusted EBITDA for the year ended December 31, 2016, generated by these operations that are no longer held by us. In addition, we present Adjusted EBITDA with respect to the **Definitive Agreement Operations** and **LOI Operations** because we believe that, by reflecting the impact of these **Definitive Agreement Operations** and **LOI Operations** in respect of these potential divestitures were subject to a definitive agreement as of February 28, 2017, as well as potential divestitures subject to a non-binding letter of intent as of February 28, 2017 (not including certain letters of intent where discussions were at a more preliminary stage as noted in the **Summary** section of this prospectus supplement), respectively, this measure separately highlights for investors and other users of our financial statements our portion of Adjusted EBITDA for the year ended December 31, 2016, generated by operations that no longer would be held by us in the event that the potential divestitures in respect of the **Definitive Agreement Operations** and **LOI Operations**, respectively, are ultimately completed; however, there can be no assurance that these potential divestitures will be completed or, if they are completed, the ultimate timing of the completion of these divestitures.

The following table reflects the reconciliation of our Adjusted EBITDA attributable to the **Disposed Operations** to our income from continuing operations before income taxes (the most comparable GAAP measure to which this non-GAAP financial measure can be reconciled) attributable to **Disposed Operations**, in each case, for the period ended December 31, 2016:

	Year Ended December 31, 2016	
	(In millions)	
Income from continuing operations before income taxes	\$	124
Adjustments:		
Depreciation and amortization		43
Interest expense, net		36
Gain on sale of investments in unconsolidated affiliates		(94)
Adjusted EBITDA	\$	109

The following table reflects the reconciliation of our Adjusted EBITDA attributable to the **Definitive Agreement Operations** to our income from continuing operations before income taxes (the most comparable

S-22

Table of Contents

GAAP measure to which this non-GAAP financial measure can be reconciled) attributable to Definitive Agreement Operations, in each case, for the period ended December 31, 2016:

	Year Ended December 31, 2016 (In millions)	
Loss from continuing operations before income taxes	\$	(46)
Adjustments:		
Depreciation and amortization		101
Interest expense, net		34
Adjusted EBITDA	\$	89

The following table reflects the reconciliation of our Adjusted EBITDA attributable to the LOI Operations to our income from continuing operations before income taxes (the most comparable GAAP measure to which this non-GAAP financial measure can be reconciled) attributable to LOI Operations, in each case, for the period ended December 31, 2016:

	Year Ended December 31, 2016 (In millions)	
Loss from continuing operations before income taxes	\$	(38)
Adjustments:		
Depreciation and amortization		57
Interest expense, net		19
Adjusted EBITDA	\$	38

Additional Information

The Non-GAAP financial measures presented in this section, including non-GAAP Adjusted Net Operating Revenues, Further Adjusted EBITDA and Further Adjusted EBITDA margin, and Adjusted EBITDA for the Disposed Operations, the Definitive Agreement Operations and the LOI Operations, are not measurements of financial performance under U.S. GAAP. These measures should not be considered in isolation or as a substitute for operating revenues (net of contractual allowances and discounts), net income, operating income, or any other performance measure calculated in accordance with U.S. GAAP. The items excluded from these non-GAAP financial measures are significant components in understanding and evaluating financial performance. Additionally, these calculations of non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies.

Our presentation of these non-GAAP financial measures should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items. These non-GAAP financial measures have limitations as analytical tools, some of which are:

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they do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

they do not reflect changes in, or cash requirements for, our working capital needs;

they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our substantial indebtedness;

they do not reflect any income tax payments we may be required to make;

S-23

Table of Contents

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements;

they do not reflect the impact on earnings of charges resulting from certain matters that we believe may not be indicative of our ongoing operations;

Further Adjusted EBITDA does not reflect adjustments for any intended or completed divestitures (other than divestitures we completed between April 1, 2016 and December 31, 2016);

With respect to the potential dispositions included within the Definitive Agreement Operations and the LOI Operations for which Adjusted EBITDA for the year ended December 31, 2016, is calculated as set forth herein, there can be no assurance that these divestitures will be completed or, if they are completed, the ultimate timing of the completion of these divestitures;

Further Adjusted EBITDA does not consider the potentially dilutive impact of issuing stock-based compensation; and

other companies in our industry may calculate these measures differently than we do because such measures do not have standardized definitions, which limits their usefulness as comparative measures.

Table of Contents

RISK FACTORS

Before purchasing the notes, you should carefully consider the risk factors set forth below as well as the other information contained, including information incorporated by reference, in this prospectus supplement and the accompanying prospectus. This prospectus supplement contains forward-looking statements that involve risk and uncertainties. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or part of your original investment.

Risks Related to the Notes and our Indebtedness

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our indebtedness depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to financial, business, regulatory and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. See

Forward-Looking Statements herein and Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources included in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference in this prospectus supplement.

The Issuer is a holding company with no direct operations. The Issuer's principal assets are the equity interests it holds in our operating subsidiaries. As a result, we are dependent upon dividends and other payments from our subsidiaries to generate the funds necessary to meet our outstanding debt service and other obligations. Our subsidiaries may not generate sufficient cash from operations to enable us to make principal and interest payments on our indebtedness, including the notes. In addition, any payments of dividends, distributions, loans or advances to us by our subsidiaries could be subject to legal and contractual restrictions. Our subsidiaries are permitted under the terms of our indebtedness, including the indenture that will govern the notes, to incur additional indebtedness that may restrict payments from those subsidiaries to us. The agreements governing the current and future indebtedness of our subsidiaries may not permit those subsidiaries to provide us with sufficient cash to fund payments on the notes when due. Our subsidiaries are separate and distinct legal entities, and they may have (except to the extent of any guarantees of the notes or any security interest thereby) no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment.

We may find it necessary or prudent to refinance certain of our outstanding indebtedness, the terms of which may not be favorable to us. Our ability to refinance our indebtedness on favorable terms, or at all, is directly affected by the then current general economic and financial conditions. In addition, our ability to incur secured indebtedness (which would generally enable us to achieve better pricing than the incurrence of unsecured indebtedness) depends in part on the value of our assets, which depends, in turn, on the strength of our cash flows and results of operations, and on economic and market conditions and other factors.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the notes. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service

obligations or that these actions would be permitted under the terms of our existing or future debt agreements, including our Credit Facility, the indentures that govern our Existing Notes (the

S-25

Table of Contents

Existing Notes Indentures) and the indenture that will govern the notes. For example, our Credit Facility, the Existing Notes Indentures and the indenture that will govern the notes restrict our ability to dispose of assets and use the proceeds from any dispositions. We may not be able to consummate those dispositions and any proceeds we receive may not be adequate to meet any debt service obligations then due. See Description of Certain Indebtedness and Description of the Notes.

Restrictive covenants in the agreements governing our indebtedness may adversely affect us.

The Credit Facility, the Existing Notes Indentures and the indenture that will govern the notes contain various covenants that limit our ability to take certain actions, including our ability to:

incur, assume or guarantee additional indebtedness;

issue redeemable stock and preferred stock;

repurchase capital stock;

make restricted payments, including paying dividends and making certain loans, acquisitions and investments;

redeem debt that is subordinated in right of payment to the notes;

create liens;

sell or otherwise dispose of assets, including capital stock of subsidiaries;

impair the security interests;

enter into agreements that restrict dividends and certain other payments from subsidiaries;

merge, consolidate, sell or otherwise dispose of substantially all our assets;

enter into transactions with affiliates; and

guarantee certain obligations.

In addition, our Credit Facility contains restrictive covenants and requires us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet these restrictive covenants and financial ratios and tests may be affected by events beyond our control, and we cannot assure you that we will meet those tests.

A breach of any of these covenants could result in a default under our Credit Facility, the Existing Notes Indentures and the indenture that will govern the notes. Upon the occurrence of an event of default under our Credit Facility, any of the Existing Notes Indentures or the indenture that will govern the notes, all amounts outstanding under our Credit Facility, the applicable Existing Notes Indenture or the indenture that will govern the notes may become immediately due and payable and all commitments under the Credit Facility to extend further credit may be terminated. If we were unable to repay those amounts, the lenders under our Credit Facility could proceed against the collateral granted to them to secure that indebtedness, the 2021 Secured Notes and the notes. We have a significant amount of indebtedness outstanding under the Credit Facility. If the lenders under our Credit Facility accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our Credit Facility, the 2021 Secured Notes and our other indebtedness secured thereby, including the notes. If the proceeds of the collateral are not sufficient to repay all indebtedness secured by such assets, the holders of the notes, the 2021 Secured Notes and the lenders under our Credit Facility (to the extent not repaid from the proceeds of the sale of such assets) would have only a senior unsecured, unsubordinated claim against any remaining assets, equal in right of payment with all other unsecured liabilities, including the 2019 Notes, the 2020 Notes, the 2022 Notes and trade payables.

Table of Contents**Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.**

Our borrowings under the Credit Facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease. Our interest expense, net, for the year ended December 31, 2016 was \$962 million. For the year ended December 31, 2016, a fluctuation in interest rates of 1% on our variable rate debt that is not hedged by interest rate swaps would have resulted in a fluctuation in our interest expense of approximately \$50 million.

If we default on our obligations to pay our indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under our Credit Facility or any of the Existing Notes that is not waived by the required lenders or holders, as applicable, and the remedies sought by the holders of indebtedness as a result of a default, could render us unable to pay principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, including covenants in the indenture that will govern the notes, the Existing Notes Indentures and our Credit Facility, we could be in default under the terms of the agreements governing our indebtedness, including our Credit Facility, the Existing Notes Indentures and the indenture that will govern the notes. In the event of any default, the holders of this indebtedness could elect to declare all the funds borrowed to be immediately due and payable, together with accrued and unpaid interest; the lenders under our Credit Facility could elect to terminate their commitments under the Credit Facility, cease making further loans and direct the collateral agent to institute foreclosure proceedings against our assets; and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Credit Facility to avoid being in default. If we breach our covenants under our Credit Facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Credit Facility, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation. See Description of Certain Indebtedness, and Description of the Notes.

We have a substantial amount of indebtedness that will mature and become due in the near future and the notes offered hereby will mature in close proximity to our other indebtedness.

The following table sets forth the substantial indebtedness outstanding as of December 31, 2016 (on an as adjusted basis as described under Capitalization). All of the substantial indebtedness that we will have outstanding after the completion of this offering is scheduled to mature prior to the maturity of the notes offered hereby:

Indebtedness	Principal Amount Outstanding (\$ in millions)	Scheduled Maturity
Receivables Facility Non-Extended Loans	242(1)	November 13, 2017
Receivables Facility Extended Loans	435(1)	November 13, 2018
Credit Facility Term F Loans	0	December 31, 2018
Credit Facility Revolving Loans	0(2)	January 27, 2019(3)
Credit Facility Term A Loans	749	January 27, 2019(3)
2019 Notes	1,925	November 15, 2019

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Credit Facility Term G Loans	1,528	December 31, 2019(4)
2020 Notes	1,200	July 15, 2020
Credit Facility Term H Loans	2,811	January 27, 2021(5)
2021 Secured Notes	1,000	August 1, 2021
2022 Notes	3,000	February 1, 2022
Notes offered hereby	2,200	March 31, 2023

S-27

Table of Contents

- (1) As of December 31, 2016, we had \$700 million of total commitments under our Receivables Facility.
- (2) As of December 31, 2016, we had \$1.0 billion of total commitments under the Revolving Facility.
- (3) If on any date more than an aggregate of \$250 million of the indebtedness under the Term F Facility and the 2018 Secured Notes will mature and become due and payable within 91 days of such date, then the Term A Facility and the Revolving Facility will be accelerated and all amounts then outstanding under the Term A Facility and the Revolving Facility will become immediately due and payable.
- (4) If on any date more than an aggregate of \$250 million of indebtedness under the Term F Facility, the 2018 Secured Notes and the 2019 Notes will mature and become due and payable within 91 days of such date, then the Term G Facility will be accelerated and all amounts then outstanding under the Term G Facility will become immediately due and payable.
- (5) If on any date more than an aggregate of \$250 million of indebtedness under the Term F Facility, the 2018 Secured Notes, the 2019 Notes and the 2020 Notes will mature and become due and payable within 91 days of such date, then the Term H Facility will be accelerated and all amounts then outstanding under the Term H Facility will become immediately due and payable.

As a result, we may not have sufficient cash to repay all amounts owing on the notes, the Existing Notes, the Credit Facility (or any of the various term and revolving loans outstanding thereunder) and the Receivables Facility at the applicable maturity date. Given that the notes, each series of Existing Notes, the Credit Facility and the Receivables Facility will mature in close proximity to each other, there can be no assurance that we will have the ability to borrow or otherwise raise the amounts necessary to repay all such amounts, and the prior maturity of such other substantial indebtedness may make it difficult to refinance or repay at maturity the notes. Our ability to refinance our indebtedness on favorable terms, or at all, is dependent on (among other things) conditions in the credit and capital markets which are beyond our control.

Claims of holders of the notes will be structurally subordinated to claims of creditors and holders of preferred stock of our subsidiaries that do not guarantee the notes.

As of the issue date, the notes will be guaranteed by certain of our domestic subsidiaries. Claims of holders of the notes will be structurally subordinated to the claims of creditors and holders of preferred stock of our subsidiaries that do not guarantee the notes, including trade creditors. All obligations of these subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or to creditors of us, including the holders of the notes.

Excluding intercompany payables and receivables, we estimate that our non-guarantor subsidiaries accounted for approximately \$7.2 billion, or 39%, of our total net operating revenue, approximately \$136 million, or 12%, of our total net cash provided by operating activities, and approximately \$(407) million, or 25%, of our total net loss, in each case, as of December 31, 2016. In addition, we estimate that our non-guarantor subsidiaries accounted for approximately \$9.4 billion, or 43%, of our total assets, and approximately \$1.8 billion, or 9%, of our total liabilities, in each case, as of December 31, 2016.

We may not be able to satisfy our obligations to holders of the notes upon a change of control.

Upon the occurrence of a change of control, as defined in the indenture that will govern the notes, the holders of the notes will be entitled to require us to repurchase the outstanding notes at a purchase price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the date of repurchase. Our failure to purchase or give a notice of purchase with respect to the notes would be a default under the indenture that will govern the notes, which would in turn be a default under the Credit Facility. In addition, a change of control will likely constitute an event of default under the Credit Facility, which would result in a default under the indenture that will govern the notes and the Existing Notes Indentures if the lenders accelerate the debt under the Credit Facility. The Existing Notes

Indentures contain, and any future credit agreements or other agreements to which we become a party may contain, similar restrictions and provisions. The exercise by holders of the notes of their right to require us to repurchase the notes could cause a default under our other debt agreements due to the

S-28

Table of Contents

financial effect of these repurchases on us, even if the change of control itself does not cause a default under the applicable indenture.

In the event of a change of control, we may not have sufficient funds to repurchase the notes and to satisfy our other obligations under the notes and any other indebtedness. The source of funds for any purchase of notes would be available cash or cash generated from other sources, which may not be available. Upon the occurrence of a change of control, we could seek to refinance our indebtedness or obtain a waiver from our lenders, but it is possible that we may not be able to obtain a waiver or refinance our indebtedness on commercially reasonable terms, if at all. On the other hand, the provisions in the indentures that will govern the notes regarding a change of control could increase the difficulty of a potential acquirer obtaining control of us. See Description of the Notes Change of Control.

The change of control provisions in the indenture that will govern the notes may not protect you in the event we consummate a highly leveraged transaction, reorganization, restructuring, merger or other similar transaction, unless such transaction constitutes a change of control under the indenture. Some of these transactions may not involve a change in voting power or beneficial ownership or, even if they do, may not involve a change in the magnitude required under the definition of Change of Control in the indenture to trigger our obligation to repurchase the notes. Except as described above, the indenture will not contain provisions that permit the holders of the notes to require us to repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction. Therefore, if an event occurs that does not constitute a change of control as defined under the indenture that will govern the notes, we will not be required to make an offer to repurchase the notes and you may be required to hold your notes despite the event. See Description of the Notes Change of Control.

Subsidiary guarantors will be automatically released from their obligations under the Credit Facility in a variety of circumstances, which may cause those subsidiary guarantors to be released from their guarantees of the notes.

While any obligations under the Credit Facility remain outstanding, any subsidiary guarantor of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indenture that will govern the notes if any subsidiary guarantor is no longer a guarantor of obligations under our Credit Facility and such subsidiary has no outstanding debt, subject to certain exceptions. See Description of the Notes. Upon the closing of any asset sale permitted under the Credit Facility consisting of the sale of all of the equity interests, or all or substantially all of the assets, of any subsidiary guarantor, the obligations of such subsidiary guarantor under the Credit Facility will be automatically discharged and released. In addition, if any shares of a subsidiary guarantor are subject to certain permitted interest transfers under the Credit Facility, including transfers of such shares in connection with permitted joint ventures or permitted syndication transactions under the Credit Facility, the obligations of such subsidiary guarantor under the Credit Facility will be automatically discharged and released. The lenders under our Credit Facility will have the discretion to release the guarantees under our Credit Facility in a variety of other circumstances.

The indenture that will govern the notes will also permit subsidiary guarantors to be released from their guarantees of the notes without action by, or consent of, any holder of the notes if, among other things, the notes achieve an investment grade status as described under Description of the Notes Certain Covenants Suspension of Covenants and Release of Collateral and Guarantees on Achievement of Investment Grade Status. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

Federal and state statutes may allow courts, under specific circumstances, to void the notes, the guarantees or the security interests, subordinate claims in respect of the notes, the guarantees or the security interests and/or

require noteholders to return payments received from us or the guarantors.

Under the terms of the indenture that will govern the notes, the notes will be guaranteed by Holdings and certain of our subsidiaries and secured by a lien on certain of our and their assets in favor of the collateral agent.

S-29

Table of Contents

If we, Holdings or one of the subsidiaries that is a guarantor of the notes becomes the subject of a bankruptcy case or a lawsuit filed by unpaid creditors of us or any such guarantor, the issuance of the notes, the guarantees entered into by these guarantors or the grant of the security interests in favor of the notes may be reviewed under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws. Under these laws, the notes, a guarantee and/or a grant of security could be voided, or claims in respect of the notes, a guarantee and/or a security interest could be subordinated to other obligations of us or the applicable guarantor or grantor if, among other things, we or the applicable guarantor or grantor, at the time the indebtedness evidenced by the notes or a guarantee was incurred or a security interest was granted:

received less than reasonably equivalent value or fair consideration for issuing the notes, entering into the guarantee or granting the security interest; and

either:

was insolvent or rendered insolvent by reason of issuing the notes, entering into such guarantee or grant;

was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts or contingent liabilities beyond its ability to pay such debts or contingent liabilities as they become due.

A court might also void the issuance of the notes, a guarantee or a grant of security, without regard to the above factors, if the court found that we issued the notes or the applicable guarantor or grantor entered into the applicable guaranty or security agreements with actual intent to hinder, delay or defraud our or their respective creditors.

If a court were to void the notes, a guarantee or a grant of security, you would no longer have a claim against us or the applicable guarantor or grantor, or, in the case of the security interest, a claim with respect to the related collateral. In such event, any payment by a guarantor or grantor pursuant to its guarantee of the notes or claim on the collateral securing the notes or a guarantee of the notes could be voided and required to be returned to the applicable guarantor or grantor, or to a fund for the benefit of other creditors under those circumstances.

If a guarantee and/or a security interest were voided as a fraudulent conveyance or held unenforceable for any other reason, in all likelihood holders of the notes would be creditors solely of the Issuer and those guarantors or grantors whose guarantees or grants of security, as applicable, had not been voided and holders of the notes would not get the benefit of a security interest in respect of the security interests that had been voided. The notes then would in effect be structurally subordinated to all liabilities of any guarantor whose guarantee was voided.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, we, a guarantor or a grantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay the probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

we or such guarantor or grantor could not pay its debts or contingent liabilities as they become due.

We cannot assure you as to what standard a court would use to determine whether or not we or a guarantor or grantor would be solvent at the relevant time, or regardless of the standard used, that any guarantee or grant of security would not be subordinated to any guarantor's or grantor's other debt.

S-30

Table of Contents

If a court held that the notes, a guarantee or a grant of security should be invalidated as a fraudulent conveyance, the court could void, or hold unenforceable, the notes, the guarantees or the grants of security, which could mean that you may not receive any payments under the notes, the guarantees and the grants of security and the court may direct you to return any amounts that you have already received from us or any guarantor or grantor. Furthermore, the holders of the notes would cease to have any direct claim against us or the applicable guarantor or grantor. Consequently, our or the applicable guarantor's or grantor's assets would be applied first to satisfy our or the applicable guarantor's or grantor's other liabilities before any portion of its assets could be applied to the payment of the notes. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. Moreover, the invalidation of a guarantee could result in acceleration of such debt (if not otherwise accelerated due to our or our guarantors' or grantors' insolvency or other proceeding).

Each guarantee contains a provision intended to limit the guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law or may reduce or eliminate the guarantor's obligation to an amount that effectively makes the guarantee worthless. For example, in 2009, the U.S. Bankruptcy Court in the Southern District of Florida in *Official Committee of Unsecured Creditors of TOUSA, Inc. v. Citicorp N. Am., Inc.* found a savings clause provision in that case to be ineffective and held the guarantees at issue in that case to be fraudulent transfers and voided them in their entirety.

There is no assurance that any active trading market will develop for the notes.

The notes are being issued to, and will be owned by, a relatively small number of beneficial owners. The underwriters have advised us that they intend to make a market in the notes, as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in the notes, and they may discontinue their market-making activities at any time without notice. Therefore, we cannot assure you as to the development or liquidity of any trading market for the notes. The liquidity of any market for the notes will also depend on a number of factors, including:

the number of holders of notes;

our operating performance and financial condition;

the market for similar securities;

the interest of securities dealers in making a market in the notes; and

prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. We cannot assure you that the market, if any, for the notes will be free from similar disruptions or that any disruptions may not adversely affect the prices at which you may sell your notes. Therefore, we cannot assure you that you will be able to sell your notes at a particular time or that the price that you receive when you sell will be favorable.

Our level of indebtedness could adversely affect our ability to refinance existing indebtedness or raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our obligations under the agreements related to our indebtedness.

We have a significant amount of indebtedness. As of December 31, 2016, on an as adjusted basis, we had approximately \$9.4 billion aggregate principal amount of senior secured indebtedness outstanding, and approximately \$6.1 billion of senior unsecured indebtedness outstanding. See Capitalization and Description of Certain Indebtedness.

S-31

Table of Contents

Our substantial leverage could have important consequences for you, including the following:

it may limit our ability to refinance existing indebtedness or obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;

a substantial portion of our cash flows from operations will be dedicated to the payment of principal and interest on our indebtedness and will not be available for other purposes, including to fund our operations, capital expenditures, and future business opportunities;

the debt service requirements of our indebtedness could make it more difficult for us to satisfy our financial obligations;

some of our borrowings, including borrowings under our Credit Facility, accrue interest at variable rates, exposing us to the risk of increased interest rates;

it may limit our ability to make strategic acquisitions or require us to make divestitures we would not otherwise make;

it may limit our ability to adjust to changing market conditions and place us at a competitive disadvantage compared to our competitors that are less leveraged; and

it may increase our vulnerability in connection with adverse changes in general economic, industry or competitive conditions or government regulations or other adverse developments.

Despite current indebtedness levels, we may still be able to incur substantially more debt. This could further exacerbate the risks described above.

We and our subsidiaries have the ability to incur substantial additional indebtedness in the future, subject to restrictions contained in our Credit Facility, the Existing Notes Indentures and the indenture that will govern the notes. Our Credit Facility as well as a separate receivables facility provide for commitments and borrowings of up to approximately \$8.2 billion in the aggregate, of which approximately \$7.2 billion was outstanding as of December 31, 2016. Our Credit Facility also gives us the ability to provide for one or more additional tranches of term loans and increases in our revolving credit facility in the aggregate principal amount of up to the greater of (x) \$1.5 billion (only \$750 million of which is effectively available, see Description of Certain Indebtedness Credit Facility) and (y) an amount such that our senior secured net leverage ratio would not exceed 4.0:1.0 without the consent of the existing lenders if specified criteria are satisfied. For the 12-month period ended December 31, 2016, (a) the interest coverage ratio financial covenant under our Credit Facility required the ratio of consolidated EBITDA, as defined, to consolidated interest expense to be greater than or equal to 2.00 to 1.00 and (b) the secured net leverage ratio financial covenant under our Credit Facility limited the ratio of secured debt to consolidated EBITDA, as defined, to less than or equal to 4.50 to 1.00. We were in compliance with all such covenants at December 31, 2016, with a secured net

leverage ratio of approximately 3.96 to 1.00 and an interest coverage ratio of approximately 2.43 to 1.00. If additional indebtedness is added to our current debt levels, the related risks that we currently face related to indebtedness as noted above could increase.

If the notes are issued with any original issue discount, or OID, and a bankruptcy petition were filed by or against the Issuer, holders of the notes may receive a lesser amount for their claim than they would have been entitled to receive under the indenture governing the notes.

If the notes are issued with OID and a bankruptcy petition were filed by or against the Issuer under the United States Bankruptcy Code after the issuance of the notes, the claim by any holder of the notes for the principal amount of the notes may be limited to an amount equal to the sum of:

the original issue price for the notes; and

that portion of any OID that does not constitute unmatured interest for purposes of the United States Bankruptcy Code.

Table of Contents

Any OID that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest for purposes of the United States Bankruptcy Code. Accordingly, holders of the notes under these circumstances may receive a lesser amount than they would be entitled to receive under the terms of the indenture governing the notes, even if sufficient funds are available.

We are relying on our existing collateral agreement for the Credit Facility to grant the holders of the notes a security interest in our assets and the assets of the guarantors on a pari passu basis with the lenders under the Credit Facility and holders of the 2018 Secured Notes and the 2021 Secured Notes. If our existing collateral agreement is found to not properly extend to the obligations of the Issuer and the guarantors under the notes and the guarantees in respect thereof, or if there are any defects or omissions under our existing collateral agreement, the holders of the notes may not have a valid and perfected security interest in the collateral.

In connection with this offering, the holders of the n