

COMMUNITY HEALTH SYSTEMS INC

Form 4

March 14, 2006

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

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

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

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

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
7100 COMMERCE WAY, SUITE
100

3. Date of Earliest Transaction
(Month/Day/Year)
03/13/2006

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

(Street)

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

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

BRENTWOOD, TN 37027

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock	03/13/2006	03/13/2006	M		200,000	A	\$ 13	784,071 D
Common Stock	03/13/2006	03/13/2006	S		160,000	D	\$ 39.017 (1)	624,071 D
Common Stock	03/14/2006	03/14/2006	S		40,000	D	\$ (2)	584,071 D
Common Stock								2,000 I Spouse

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Stock Options (Right to Buy)	\$ 13	03/13/2006	03/13/2006	M		200,000		06/08/2001	06/08/2010	Common Stock	200,000
Performance Based Restricted Shares	\$ 0							(3)	(3)	Common Stock	
Stock Options (Right to Buy)	\$ 20.3							05/22/2004	05/22/2013	Common Stock	
Stock Options (Right to Buy)	\$ 32.37							02/28/2006	02/28/2013	Common Stock	
Stock Options (Right to Buy)	\$ 38.3							03/01/2007	03/01/2014	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH WAYNE T 7100 COMMERCE WAY SUITE 100	X		Chairman, President & CEO	

BRENTWOOD, TN 37027

Signatures

Rachel A. Seifert, Attorney in Fact for Wayne T.
Smith

03/14/2006

__Signature of Reporting Person

Date

Explanation of Responses:

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

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

(1) Shares were sold in a series of transactions at an average sales price of \$39.017.

(2) Shares were sold in a series of transactions at an average sale price of \$39.0013.

Each performance based restricted share represents a contingent right to receive one share of CYH common stock. There are two elements to the lapsing of the restriction; first, the Company must achieve specified targeted amount of earnings per share from continuing operations, and if the performance objective is met, the vesting restrictions will lapse in 1/3 increments on the first, second and third anniversary of the date of grant.

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

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