

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**COMMUNITY HEALTH SYSTEMS, INC.  
FRANKLIN, TENNESSEE**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2012**

**Audits Section—Sacramento  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Robert G. Kvick  
Audit Supervisor: Blanca Dacanay  
Auditors: Ivan Quiroz, Krishnita Prasad, and Richard Hamner**



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

March 28, 2014

Jon Depp  
Manager, Revenue Management  
Community Health Systems, Inc.  
4000 Meridian Blvd.  
Franklin, TN 37067

COMMUNITY HEALTH SYSTEMS, INC.  
FISCAL PERIOD ENDED DECEMBER 31, 2012

We have examined the Medi-Cal Home Office Cost Report for the fiscal period end December 31, 2012. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Jon Depp  
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If you have questions regarding this report, you may call the Audits Section—  
Sacramento at (916) 650-6994.

**Original Signed By**

Robert G. Kwick, Chief  
Audits Section—Sacramento  
Financial Audits Branch

Certified

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## SUMMARY OF AUDITED HOME OFFICE CAPITAL AND NONCAPITAL RELATED COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		CAPITAL RELATED (SCHEDULE 3) 1	NONCAPITAL RELATED (SCHEDULE 3-1) 2	TOTAL AUDITED H.O. COSTS (COLUMN 1 + 2) 3	
		FROM	TO				
<b><u>HEALTH CARE FACILITIES</u></b>							
1.	1.41 Watsonville Community Health - Concurrent	1710958228	01/01/11	07/31/11	\$182,443	\$1,471,914	\$1,654,357
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	08/01/11	12/31/11	130,432	1,052,746	1,183,178
3.	1.43 Barstow Community Health - Concurrent	1780655670	01/01/11	01/31/11	9,721	81,227	90,947
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	02/01/11	12/31/11	108,883	904,287	1,013,170
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	01/01/11	06/30/11	57,300	459,375	516,675
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	07/01/11	12/31/11	57,044	456,322	513,366
7.		0			0	0	0
8.		0			0	0	0
9.		0			0	0	0
10.		0			0	0	0
11.		0			0	0	0
12.		0			0	0	0
13.		0			0	0	0
14.		0			0	0	0
15.		0			0	0	0
16.		0			0	0	0
17.		0			0	0	0
18.		0			0	0	0
19.		0			0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0			89,993,413	265,904,238	355,897,650
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$90,539,234</b>	<b>\$270,330,108</b>	<b>\$360,869,342</b>
<b><u>OTHER COMPONENTS</u></b>							
21.	Clinics	0			\$4,512,017	\$35,216,001	\$39,728,018
22.	Other	0			875,558	6,971,563	7,847,121
23.		0			0	0	0
24.		0			0	0	0
25.		0			0	0	0
26.		0			0	0	0
27.		0			0	0	0
28.		0			0	0	0
29.		0			0	0	0
30.		0			0	0	0
31.		0			0	0	0
32.		0			0	0	0
33.		0			0	0	0
34.		0			0	0	0
35.		0			0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					<b>\$5,387,575</b>	<b>\$42,187,564</b>	<b>\$47,575,139</b>
<b>GRAND TOTAL</b>					<b>\$95,926,807</b>	<b>\$312,517,672</b>	<b>\$408,444,479</b>

COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		REPORTED HOME OFFICE COSTS (SCH. 9) 1	AUDITED H.O. COSTS (SCH. 3 & 3-1) 2	VARIANCE (COLUMN 2-1) 3	
		FROM	TO				
<b><u>HEALTH CARE FACILITIES</u></b>							
1.	1.41 Watsonville Community Health - Concurrent	1710958228	01/01/11	07/31/11	\$1,920,021	\$1,654,357	(\$265,664)
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	08/01/11	12/31/11	1,373,095	1,183,178	(189,917)
3.	1.43 Barstow Community Health - Concurrent	1780655670	01/01/11	01/31/11	108,434	90,947	(17,487)
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	02/01/11	12/31/11	1,178,671	1,013,170	(165,501)
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	01/01/11	06/30/11	580,311	516,675	(63,636)
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	07/01/11	12/31/11	576,996	513,366	(63,630)
7.		0			0	0	0
8.		0			0	0	0
9.		0			0	0	0
10.		0			0	0	0
11.		0			0	0	0
12.		0			0	0	0
13.		0			0	0	0
14.		0			0	0	0
15.		0			0	0	0
16.		0			0	0	0
17.		0			0	0	0
18.		0			0	0	0
19.		0			0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0			363,094,760	355,897,650	(7,197,110)
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$368,832,288</b>	<b>\$360,869,342</b>	<b>(\$7,962,946)</b>
<b><u>OTHER COMPONENTS</u></b>							
21.	Clinics	0			\$44,165,634	\$39,728,018	(\$4,437,616)
22.	Other	0			8,676,341	7,847,120	(829,221)
23.		0			0	0	0
24.		0			0	0	0
25.		0			0	0	0
26.		0			0	0	0
27.		0			0	0	0
28.		0			0	0	0
29.		0			0	0	0
30.		0			0	0	0
31.		0			0	0	0
32.		0			0	0	0
33.		0			0	0	0
34.		0			0	0	0
35.		0			0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					<b>\$52,841,975</b>	<b>\$47,575,138</b>	<b>(\$5,266,837)</b>
<b>GRAND TOTAL</b>					<b>\$421,674,263</b>	<b>\$408,444,480</b>	<b>(\$13,229,783)</b>

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT CAPITAL COSTS (SCHEDULE 7) 1	FUNCTIONAL CAPITAL COSTS (SCHEDULE 5) 2	POOLED CAPITAL COSTS (SCHEDULE 4) 3	TOTAL CAPITAL COSTS (COL. 1 TO 3)	
		FROM	TO					
<b>HEALTH CARE FACILITIES</b>								
1.	1.41 Watsonville Community Health - Concurrent	1710958228	01/01/11	07/31/11	\$0	\$11,629	\$170,813	\$182,443
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	08/01/11	12/31/11	0	8,422	122,010	130,432
3.	1.43 Barstow Community Health - Concurrent	1780655670	01/01/11	01/31/11	0	1,299	8,421	9,721
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	02/01/11	12/31/11	0	13,206	95,676	108,883
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	01/01/11	06/30/11	0	2,946	54,354	57,300
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	07/01/11	12/31/11	0	2,690	54,354	57,044
7.		0			0	0	0	0
8.		0			0	0	0	0
9.		0			0	0	0	0
10.		0			0	0	0	0
11.		0			0	0	0	0
12.		0			0	0	0	0
13.		0			0	0	0	0
14.		0			0	0	0	0
15.		0			0	0	0	0
16.		0			0	0	0	0
17.		0			0	0	0	0
18.		0			0	0	0	0
19.		0			0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0			59,533,055	2,791,912	27,668,446	89,993,413
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$59,533,055</b>	<b>\$2,832,106</b>	<b>\$28,174,074</b>	<b>\$90,539,234</b>
<b>OTHER COMPONENTS</b>								
21.	Clinics	0			\$0	\$0	\$4,512,017	\$4,512,017
22.	Other	0			0	33,434	842,123	875,558
23.		0			0	0	0	0
24.		0			0	0	0	0
25.		0			0	0	0	0
26.		0			0	0	0	0
27.		0			0	0	0	0
28.		0			0	0	0	0
29.		0			0	0	0	0
30.		0			0	0	0	0
31.		0			0	0	0	0
32.		0			0	0	0	0
33.		0			0	0	0	0
34.		0			0	0	0	0
35.		0			0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					<b>\$0</b>	<b>\$33,434</b>	<b>\$5,354,140</b>	<b>\$5,387,575</b>
<b>GRAND TOTAL</b>					<b>\$59,533,055</b>	<b>\$2,865,540</b>	<b>\$33,528,212</b>	<b>\$95,926,807</b>

(To Schedule 1 & 2)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT COSTS (SCH. 7-1) 1	FUNCTIONAL COSTS (SCH. 5-1) 2	POOLED COSTS (SCH. 4) 3	TOTAL NONCAPITAL COSTS (COL. 1 TO 3)	
		FROM	TO					
<b><u>HEALTH CARE FACILITIES</u></b>								
1.	1.41 Watsonville Community Health - Concurrent	1710958228	01/01/11	07/31/11	\$0	\$138,727	\$1,333,187	\$1,471,914
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	08/01/11	12/31/11	0	100,470	952,276	1,052,746
3.	1.43 Barstow Community Health - Concurrent	1780655670	01/01/11	01/31/11	0	15,501	65,726	81,227
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	02/01/11	12/31/11	0	157,539	746,748	904,287
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	01/01/11	06/30/11	0	35,147	424,228	459,375
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	07/01/11	12/31/11	0	32,094	424,228	456,322
7.		0			0	0	0	0
8.		0			0	0	0	0
9.		0			0	0	0	0
10.		0			0	0	0	0
11.		0			0	0	0	0
12.		0			0	0	0	0
13.		0			0	0	0	0
14.		0			0	0	0	0
15.		0			0	0	0	0
16.		0			0	0	0	0
17.		0			0	0	0	0
18.		0			0	0	0	0
19.		0			0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0			16,648,691	33,305,100	215,950,447	265,904,238
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$16,648,691</b>	<b>\$33,784,578</b>	<b>\$219,896,839</b>	<b>\$270,330,108</b>
<b><u>OTHER COMPONENTS</u></b>								
21.	Clinics	0			\$0	\$0	\$35,216,001	\$35,216,001
22.	Other	0			0	398,843	6,572,720	6,971,563
23.		0			0	0	0	0
24.		0			0	0	0	0
25.		0			0	0	0	0
26.		0			0	0	0	0
27.		0			0	0	0	0
28.		0			0	0	0	0
29.		0			0	0	0	0
30.		0			0	0	0	0
31.		0			0	0	0	0
32.		0			0	0	0	0
33.		0			0	0	0	0
34.		0			0	0	0	0
35.		0			0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					<b>\$0</b>	<b>\$398,843</b>	<b>\$41,788,721</b>	<b>\$42,187,564</b>
<b>GRAND TOTAL</b>					<b>\$16,648,691</b>	<b>\$34,183,421</b>	<b>\$261,685,565</b>	<b>\$312,517,672</b>

(To Schedule 1 & 2)

POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

<u>HEALTH CARE FACILITIES</u>		PROVIDER NPI	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (SCH. 8) 2	NONCAPITAL (SCH. 8) 3	TOTAL POOLED (COL. 2 + 3) 4
		(Adj. 27-33)				
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$61,743,003	\$170,813	\$1,333,187	\$1,504,000
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	44,102,144	122,010	952,276	1,074,286
3.	1.43 Barstow Community Health - Concurrent	1780655670	3,043,913	8,421	65,726	74,147
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	34,583,647	95,676	746,748	842,424
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	19,646,969	54,354	424,228	478,581
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	19,646,969	54,354	424,228	478,581
7.		0	0	0	0	0
8.		0	0	0	0	0
9.		0	0	0	0	0
10.		0	0	0	0	0
11.		0	0	0	0	0
12.		0	0	0	0	0
13.		0	0	0	0	0
14.		0	0	0	0	0
15.		0	0	0	0	0
16.		0	0	0	0	0
17.		0	0	0	0	0
18.		0	0	0	0	0
19.		0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	10,001,169,697	27,668,446	215,950,447	243,618,893
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$1,183,936,342</b>	<b>\$28,174,074</b>	<b>\$219,896,839</b>	<b>\$248,070,913</b>
<u>OTHER COMPONENTS</u>						
21.	Clinics	0	\$1,630,935,274	\$4,512,017	\$35,216,001	\$39,728,018
22.	Other	0	304,398,004	842,123	6,572,720	7,414,843
23.		0	0	0	0	0
24.		0	0	0	0	0
25.		0	0	0	0	0
26.		0	0	0	0	0
27.		0	0	0	0	0
28.		0	0	0	0	0
29.		0	0	0	0	0
30.		0	0	0	0	0
31.		0	0	0	0	0
32.		0	0	0	0	0
33.		0	0	0	0	0
34.		0	0	0	0	0
35.		0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			<b>\$1,935,333,278</b>	<b>\$5,354,140</b>	<b>\$41,788,721</b>	<b>\$47,142,861</b>
<b>GRAND TOTAL</b>			<b>\$12,119,269,620</b>	<b>\$33,528,212</b>	<b>\$261,685,565</b>	<b>\$295,213,773</b>
			(To Schedule 3)(To Schedule 3-1)			

MULTIPLIER

0.002767

0.021593

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	Old Cap. Related- Buildings & 1.00	1.01	Old Cap. Related- Movable 2.00	2.01	New Cap. Related- Buildings & 4.00	Int. Exp. - New Cap. Bldg. 4.01
<b>HEALTH CARE FACILITIES</b>							
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$0	\$0	\$0	\$0	\$7,757
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	0	5,618
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	867
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	8,809
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	1,965
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	1,795
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	0	1,862,275
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$1,889,085
<b>OTHER COMPONENTS</b>							
21.	Clinics	0	\$0	\$0	\$0	\$0	\$0
22.	Other	0	0	0	0	0	22,302
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			\$0	\$0	\$0	\$0	\$22,302
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$1,911,387

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	New Cap. Related- Movable 5.00	5.01	Insurance Premiums 7.00	Taxes and Licenses - Not INCM 8.00	Other 9.00	AUDITED TOTAL CAPITAL
<b>HEALTH CARE FACILITIES</b>							
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$3,872	\$0	\$0	\$0	\$11,629
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	2,804	0	0	0	8,422
3.	1.43 Barstow Community Health - Concurrent	1780655670	433	0	0	0	1,299
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	4,397	0	0	0	13,206
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	981	0	0	0	2,946
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	896	0	0	0	2,690
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	929,637	0	0	0	2,791,912
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$943,020</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,832,106</b>
<b>OTHER COMPONENTS</b>							
21.	Clinics	0	\$0	\$0	\$0	\$0	\$0
22.	Other	0	11,133	0	0	0	33,434
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			<b>\$11,133</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,434</b>
<b>GRAND TOTAL</b>			<b>\$954,153</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,865,540</b>

(To Schedule 3)

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	Salaries of Officers 11	Salaries & Wages of Others 12	Payroll Taxes 13	Employee Benefits-Payroll Related 14	Employee Benefits- Nonpayroll 15	Profit Sharing/Pensio n Plans 16	Legal Fees 17
<b>HEALTH CARE FACILITIES</b>								
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$0	\$0	\$0	\$0	\$0	\$0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	0	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	0	0
7.		0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.	Clinics	0	0	0	0	0	0	0
22.	Other	0	0	0	0	0	0	0
23.		0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	Auditing & Accounting Fees 18	Utilities 19	Communication s 20	Travel & Entertainment 21	Transportation 22	Cleaning Office & Admin Supplies 23	Minor Equipment Expensed 24
<b>HEALTH CARE FACILITIES</b>								
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$0	\$0	\$0	\$0	\$0	\$0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	0	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	0	0
7.		0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.	Clinics	0	\$0	\$0	\$0	\$0	\$0	\$0
22.	Other	0	0	0	0	0	0	0
23.		0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	Repairs & Maintenance 25	Dues & Subscriptions 26	Contributions 27	Insurance Premium-Non Capital Related 28	Taxes & Licenses - Non Capital Related 29	Interest Expense 30	Contract Labor/Purchase d Services 31
<b>HEALTH CARE FACILITIES</b>								
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$0	\$0	\$0	\$0	\$0	\$0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	0	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	0	0
7.		0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.	Clinics	0	\$0	\$0	\$0	\$0	\$0	\$0
22.	Other	0	0	0	0	0	0	0
23.		0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	Printing/Shippin g/Other Expenses 32	Outside Services 33	Training/Emplo yee Programs 34	Pasi Capital Allocation 35	Conversion cost - FRA 35.01	Adjusting Entries 090 35.02	CM Health United 35.03
<b>HEALTH CARE FACILITIES</b>								
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$0	\$0	\$0	\$138,727	\$0	\$0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	100,470	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	15,501	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	157,539	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	35,147	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	32,094	0	0
7.		0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	33,305,100	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$33,784,579	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.	Clinics	0	\$0	\$0	\$0	\$0	\$0	\$0
22.	Other	0	0	0	0	398,843	0	0
23.		0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			\$0	\$0	\$0	\$398,843	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$34,183,422	\$0	\$0

**FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
COMPONENTS - NONCAPITAL RELATED**

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	Triad Hospital, Inc.	Triad CSLP	CHS Issuer - Franklin	HR/PR Service Center		AUDITED TOTAL NONCAPITAL
		35.04	35.05	35.06	35.07	35.08	
<b>HEALTH CARE FACILITIES</b>							
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$0	\$0	\$0	\$0	\$138,727
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	0	100,470
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	15,501
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	157,539
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	35,147
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	32,094
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	0	33,305,100
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$33,784,578
<b>OTHER COMPONENTS</b>							
21.	Clinics	0	\$0	\$0	\$0	\$0	\$0
22.	Other	0	0	0	0	0	398,843
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			\$0	\$0	\$0	\$0	\$398,843
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$34,183,421

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

		PROVIDER NPI	Old Cap. Related- (Statistics) 1.00 (Adj. )	(Statistics) 1.01 (Adj. )	Old Cap. Related- (Statistics) 2.00 (Adj. )	(Statistics) 2.01 (Adj. )	New Cap. Related- (Statistics) 4.00 (Adj. )	Int. Exp. - New Cap. Bldg. (Statistics) 4.01 (Adj. )
<b>HEALTH CARE FACILITIES</b>								
1.	1.41 Watsonville Community Health - Concurrent	1710958228	0	0	0	0	244,029	0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	0	176,733	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	27,268	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	277,121	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	61,825	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	56,456	0
7.		0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	0	58,585,696	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0	59,429,128	0
<b>OTHER COMPONENTS</b>								
21.	Clinics	0	0	0	0	0	0	0
22.	Other	0	0	0	0	0	701,589	0
23.		0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			0	0	0	0	701,589	0
<b>GRAND TOTAL</b>			0	0	0	0	60,130,717	0
TOTAL STATISTICS			0	0	0	0	60,130,717	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)			\$0	\$0	\$0	\$0	\$1,911,387	\$0
UNIT COST MULTIPLIER			0.000000	0.000000	0.000000	0.000000	0.031787	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

		PROVIDER NPI	New Cap. Related- (Statistics) 5.00 (Adj. )	(Statistics) 5.01 (Adj. )	Insurance Premiums (Statistics) 7.00 (Adj. )	Taxes and Licenses - Not (Statistics) 8.00 (Adj. )	Other (Statistics) 9.00 (Adj. )
<b>HEALTH CARE FACILITIES</b>							
1.	1.41	Watsonville Community Health - Concurrent	1710958228	244,029	0	0	0
2.	1.42	Watsonville Community Health - Nonconcurrent	1710958228	176,733	0	0	0
3.	1.43	Barstow Community Health - Concurrent	1780655670	27,268	0	0	0
4.	1.44	Barstow Community Health - Nonconcurrent	1780655670	277,121	0	0	0
5.	1.45	Fallbrook Hospital - Concurrent	1447222674	61,825	0	0	0
6.	1.46	Fallbrook Hospital - Noncurrent	1447222674	56,456	0	0	0
7.			0	0	0	0	0
8.			0	0	0	0	0
9.			0	0	0	0	0
10.			0	0	0	0	0
11.			0	0	0	0	0
12.			0	0	0	0	0
13.			0	0	0	0	0
14.			0	0	0	0	0
15.			0	0	0	0	0
16.			0	0	0	0	0
17.			0	0	0	0	0
18.			0	0	0	0	0
19.			0	0	0	0	0
20.	1-5.23	All Other Health Care Facilities ( Excluding above lines)	0	58,585,696	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>				59,429,128	0	0	0
<b>OTHER COMPONENTS</b>							
21.		Clinics	0	0	0	0	0
22.		Other	0	701,589	0	0	0
23.			0	0	0	0	0
24.			0	0	0	0	0
25.			0	0	0	0	0
26.			0	0	0	0	0
27.			0	0	0	0	0
28.			0	0	0	0	0
29.			0	0	0	0	0
30.			0	0	0	0	0
31.			0	0	0	0	0
32.			0	0	0	0	0
33.			0	0	0	0	0
34.			0	0	0	0	0
35.			0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>				701,589	0	0	0
<b>GRAND TOTAL</b>				60,130,717	0	0	0
TOTAL STATISTICS				60,130,717	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)				\$954,153	\$0	\$0	\$0
UNIT COST MULTIPLIER				0.015868	0.000000	0.000000	0.000000





FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

	PROVIDER NPI	Cleaning Office & Admin (Statistics) 23.00 (Adj. )	Minor Equipment (Statistics) 24.00 (Adj. )	Repairs & Maintenance (Statistics) 25.00 (Adj. )	Dues & Subscriptions (Statistics) 26.00 (Adj. )	Contributions (Statistics) 27.00 (Adj. )	Insurance Premium-Non (Statistics) 28.00 (Adj. )
<b>HEALTH CARE FACILITIES</b>							
1.	1.41 Watsonville Community Health - Concurrent	1710958228	0	0	0	0	0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0	0
<b>OTHER COMPONENTS</b>							
21.	Clinics	0	0	0	0	0	0
22.	Other	0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			0	0	0	0	0
<b>GRAND TOTAL</b>			0	0	0	0	0
TOTAL STATISTICS			0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)			\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER			0.000000	0.000000	0.000000	0.000000	0.000000



FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

		PROVIDER NPI	Pasi Capital Allocation (Statistics) 35.00 (Adj. )	Conversion cost - FRA (Statistics) 35.01 (Adj. )	Adjusting Entries 090 (Statistics) 35.02 (Adj. )	CM Health United (Statistics) 35.03 (Adj. )	Triad Hospital, Inc. (Statistics) 35.04 (Adj. )	Triad CSLP (Statistics) 35.05 (Adj. )
<b>HEALTH CARE FACILITIES</b>								
1.	1.41	Watsonville Community Health - Concurrent	1710958228	244,029	0	0	0	0
2.	1.42	Watsonville Community Health - Nonconcurrent	1710958228	176,733	0	0	0	0
3.	1.43	Barstow Community Health - Concurrent	1780655670	27,268	0	0	0	0
4.	1.44	Barstow Community Health - Nonconcurrent	1780655670	277,121	0	0	0	0
5.	1.45	Fallbrook Hospital - Concurrent	1447222674	61,825	0	0	0	0
6.	1.46	Fallbrook Hospital - Noncurrent	1447222674	56,456	0	0	0	0
7.			0	0	0	0	0	0
8.			0	0	0	0	0	0
9.			0	0	0	0	0	0
10.			0	0	0	0	0	0
11.			0	0	0	0	0	0
12.			0	0	0	0	0	0
13.			0	0	0	0	0	0
14.			0	0	0	0	0	0
15.			0	0	0	0	0	0
16.			0	0	0	0	0	0
17.			0	0	0	0	0	0
18.			0	0	0	0	0	0
19.			0	0	0	0	0	0
20.	1-5.23	All Other Health Care Facilities ( Excluding above lines)	0	58,585,696	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>				59,429,128	0	0	0	0
<b>OTHER COMPONENTS</b>								
21.		Clinics	0	0	0	0	0	0
22.		Other	0	701589	0	0	0	0
23.			0	0	0	0	0	0
24.			0	0	0	0	0	0
25.			0	0	0	0	0	0
26.			0	0	0	0	0	0
27.			0	0	0	0	0	0
28.			0	0	0	0	0	0
29.			0	0	0	0	0	0
30.			0	0	0	0	0	0
31.			0	0	0	0	0	0
32.			0	0	0	0	0	0
33.			0	0	0	0	0	0
34.			0	0	0	0	0	0
35.			0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>				701,589	0	0	0	0
<b>GRAND TOTAL</b>				60,130,717	0	0	0	0
TOTAL STATISTICS				60,130,717	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)				\$34,183,422	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER				0.568485	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

**HEALTH CARE FACILITIES**

PROVIDER NPI	CHS Issuer - Franklin (Statistics) 35.06 (Adj. )	HR/PR Service Center (Statistics) 35.07 (Adj. )	(Statistics) 35.08 (Adj. )
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1.	1.41 Watsonville Community Health - Concurrent	1710958228	0	0	0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	0	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0
7.		0	0	0	0
8.		0	0	0	0
9.		0	0	0	0
10.		0	0	0	0
11.		0	0	0	0
12.		0	0	0	0
13.		0	0	0	0
14.		0	0	0	0
15.		0	0	0	0
16.		0	0	0	0
17.		0	0	0	0
18.		0	0	0	0
19.		0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 20)** 0 0 0

**OTHER COMPONENTS**

21.	Clinics	0	0	0	0
22.	Other	0	0	0	0
23.		0	0	0	0
24.		0	0	0	0
25.		0	0	0	0
26.		0	0	0	0
27.		0	0	0	0
28.		0	0	0	0
29.		0	0	0	0
30.		0	0	0	0
31.		0	0	0	0
32.		0	0	0	0
33.		0	0	0	0
34.		0	0	0	0
35.		0	0	0	0

**SUBTOTAL (LINES 21 THROUGH 35)** 0 0 0

**GRAND TOTAL** 0 0 0

TOTAL STATISTICS	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000

DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

HEALTH CARE FACILITIES		PROVIDER NPI	REPORTED TOTAL (SCH. E)						AUDITED TOTAL
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$147,331	\$0	\$0	\$0	(\$147,331)	\$0	\$0
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	105,236	0	0	0	(105,236)	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	23,294	0	0	0	(23,294)	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	23,294	0	0	0	(23,294)	0	0
7.		0	0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0	0
20.	1-5,23 All Other Health Care Facilities ( Excluding above lines)	0	57,862,809	1,629,987	22,692	17,567	0	0	59,533,055
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$58,161,964</b>	<b>\$1,629,987</b>	<b>\$22,692</b>	<b>\$17,567</b>	<b>(\$299,155)</b>	<b>\$0</b>	<b>\$59,533,055</b>
<b><u>OTHER COMPONENTS</u></b>									
21.	Clinics	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22.	Other	0	0	0	0	0	0	0	0
23.		0	0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL</b>			<b>\$58,161,964</b>	<b>\$1,629,987</b>	<b>\$22,692</b>	<b>\$17,567</b>	<b>(\$299,155)</b>	<b>\$0</b>	<b>\$59,533,055</b>

(To Schedule 3)

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

<u>HEALTH CARE FACILITIES</u>		PROVIDER NPI	REPORTED TOTAL (SCH. E-1)	Hospitalist Services  (Adj. 4 )	Department of Medical Affairs  (Adj. 5)	Franchise Taxes  (Adj. 6)	Physicians Business Services  (Adj. 7 )	Physician Practice Support  (Adj. 8 )	Interest Expenses  (Adj. 20 )	(Adj. )
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$27,922	\$0	\$0	\$0	\$0	\$0	(\$27,922)	\$0
2.	1.42 Watsonville Community Health - Nonconcurr	1710958228	19,944	0	0	0	0	0	(19,944)	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	0	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	0	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	4,085	0	0	0	0	0	(4,085)	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	4,085	0	0	0	0	0	(4,085)	0
7.		0	0	0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding	0	6,094,084	566,890	1,191,055	6,637,001	1,038,692	1,120,969	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$6,150,120</b>	<b>\$566,890</b>	<b>\$1,191,055</b>	<b>\$6,637,001</b>	<b>\$1,038,692</b>	<b>\$1,120,969</b>	<b>(\$56,036)</b>	<b>\$0</b>
<u>OTHER COMPONENTS</u>										
21.	Clinics	0	0	0	0	0	0	0	0	0
22.	Other	0	0	0	0	0	0	0	0	0
23.		0	0	0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL</b>			<b>\$6,150,120</b>	<b>\$566,890</b>	<b>\$1,191,055</b>	<b>\$6,637,001</b>	<b>\$1,038,692</b>	<b>\$1,120,969</b>	<b>(\$56,036)</b>	<b>\$0</b>

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

<u>HEALTH CARE FACILITIES</u>		PROVIDER NPI	(Adj. )	AUDITED TOTAL					
1.	1.41 Watsonville Community Health - Concurrent	1710958228	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	1.42 Watsonville Community Health - Nonconcurr	1710958228	0	0	0	0	0	0	0
3.	1.43 Barstow Community Health - Concurrent	1780655670	0	0	0	0	0	0	0
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	0	0	0	0	0	0	0
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	0	0	0	0	0	0	0
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	0	0	0	0	0	0	0
7.		0	0	0	0	0	0	0	0
8.		0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0	0
20.	1-5.23 All Other Health Care Facilities ( Excluding		0	0	0	0	0	0	16,648,691
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,648,691</b>
<u>OTHER COMPONENTS</u>									
21.	Clinics	0	0	0	0	0	0	0	0
22.	Other	0	0	0	0	0	0	0	0
23.		0	0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0	0
26.		0	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			<b>\$0</b>						
<b>GRAND TOTAL</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,648,691</b>

(To Schedule 3-1)

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

LINE NO.	COST CENTER DESCRIPTION	REPORTED POOLED ALLOC. (SCH. B, COL 8)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED POOLED COSTS
<b>CAPITAL-RELATED COSTS - OLD</b>					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Cap. Related-Buildings & Fixtures	\$5,887,011	1,9	(\$1,058,674)	\$4,828,337
4.01	Int. Exp. - New Cap. Bldg.	0		0	0
5.00	New Cap. Related-Movable Equipment	34,078,421	1-3,9,11-14	(5,378,546)	28,699,875
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$39,965,432</u>		<u>(\$6,437,220)</u>	<u>\$33,528,212</u>
<b>OTHER CAPITAL-RELATED COSTS</b>					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>NON CAPITAL-RELATED COSTS</b>					
11.00	Salaries of Officers	\$28,813,010		\$0	\$28,813,010
12.00	Salaries & Wages of Others	156,005,789	4,5,7,8,15	(4,906,958)	151,098,831
13.00	Payroll Taxes	10,320,752	4,5,7,8	(158,322)	10,162,430
14.00	Employee Benefits-Payroll Related	10,335,738		0	10,335,738
15.00	Employee Benefits-Nonpayroll Related	4,387,506	4,5,7,8,16	(81,372)	4,306,134
16.00	Profit Sharing/Pension Plans	3,481,397		0	3,481,397
17.00	Legal Fees	1,702,462	5,8,17	(260,840)	1,441,622
18.00	Auditing & Accounting Fees	5,244,455		0	5,244,455
19.00	Utilities	1,231,635		0	1,231,635
20.00	Communications	3,977,829	4,5,7,8	(11,326)	3,966,503
21.00	Travel & Entertainment	2,847,488	4,5,7,8,18	(66,912)	2,780,576
22.00	Transportation			0	0
23.00	Cleaning Office & Admin Supplies	578,212	4,5,7,8	(13,978)	564,234
24.00	Minor Equipment Expensed	125,378	4,5,7,8	(3,892)	121,486
25.00	Repairs & Maintenance	13,768,572		0	13,768,572
26.00	Dues & Subscriptions	741,614	4,5,7,8,19	(397,644)	343,970
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	2,090,723		0	2,090,723
29.00	Taxes & Licenses - Non Capital Related	7,072,809	6	(6,637,001)	435,808
30.00	Interest Expense	4,742,829	21	(4,742,829)	0
31.00	Contract Labor/Purchased Services	26,512,159	4,5,7,8,22	(581,498)	25,930,661
32.00	Printing/Shipping/Other Expenses	2,893,131	4,5,7,8,23	(136,683)	2,756,448
33.00	Outside Services	0		0	0
34.00	Training/Employee Programs	0		0	0
35.00	Pasi Capital Allocation	0		0	0
35.01	Conversion cost - FRA	0		0	0
35.02	Adjusting Entries 090	(7,850,191)		0	(7,850,191)
35.03	CM Health United	0		0	0
35.04	Triad Hospital, Inc.	1,241	25	(1,241)	0
35.05	Triad CSLP	0		0	0
35.06	CHS Issuer - Franklin	579,865	26	(579,865)	0
35.07	HR/PR Service Center	661,523		0	661,523
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$280,265,926</u>		<u>(\$18,580,361)</u>	<u>\$261,685,565</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$320,231,358</u>		<u>(\$25,017,581)</u>	<u>\$295,213,777</u>
					(To Sch. 4)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
	<b>TOTAL EXPENSES</b>	<u>\$320,231,358</u>		<u>(\$25,017,581)</u>	<u>\$295,213,777</u>

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

LINE NO.	COST CENTER DESCRIPTION	REPORTED DIRECT ALLOC. (SCH. B, COL 6)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED DIRECT COSTS
<b>CAPITAL-RELATED COSTS - OLD</b>					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Cap. Related-Buildings & Fixtures	\$1,259,291	1	\$295,161	\$1,554,452
4.01	Int. Exp. - New Cap. Bldg.	50,625,261	10	(299,155)	50,326,106
5.00	New Cap. Related-Movable Equipment	6,277,412	1,2,3	1,375,085	7,652,497
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$58,161,964</u>		<u>\$1,371,091</u>	<u>\$59,533,055</u>
<b>OTHER CAPITAL-RELATED COSTS</b>					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>NON CAPITAL-RELATED COSTS</b>					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries & Wages of Others	0	4,5,7,8	3,132,222	3,132,222
13.00	Payroll Taxes	0	4,5,7,8	158,322	158,322
14.00	Employee Benefits-Payroll Related	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0	4,5,7,8	51,751	51,751
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	0	5,8	4,720	4,720
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0	4,5,7,8	11,326	11,326
21.00	Travel & Entertainment	0	4,5,7,8	54,659	54,659
22.00	Transportation	0		0	0
23.00	Cleaning Office & Admin Supplies	0	4,5,7,8	13,978	13,978
24.00	Minor Equipment Expensed	0	4,5,7,8	3,892	3,892
25.00	Repairs & Maintenance	0		0	0
26.00	Dues & Subscriptions	0	4,5,7,8	17,502	17,502
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0	6	6,637,001	6,637,001
30.00	Interest Expense	2,094,623	20	(56,036)	2,038,587
31.00	Contract Labor/Purchased Services	0	4,5,7,8	358,821	358,821
32.00	Printing/Shipping/Other Expenses	0	4,5,7,8	110,414	110,414
33.00	Outside Services	0		0	0
34.00	Training/Employee Programs	0		0	0
35.00	Pasi Capital Allocation	0		0	0
35.01	Conversion cost - FRA	3,694,366		0	3,694,366
35.02	Adjusting Entries 090	0		0	0
35.03	CM Health United	361,131		0	361,131
35.04	Triad Hospital, Inc.	0		0	0
35.05	Triad CSLP	0		0	0
35.06	CHS Issuer - Franklin	0		0	0
35.07	HR/PR Service Center	0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$6,150,120</u>		<u>\$10,498,572</u>	<u>\$16,648,692</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$64,312,084</u>		<u>\$11,869,663</u>	<u>\$76,181,747</u>
(To Sch. 7, 7-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENSES</b>		<u>\$64,312,084</u>		<u>\$11,869,663</u>	<u>\$76,181,747</u>

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

LINE NO.	COST CENTER DESCRIPTION	REPORTED FUNCTIONAL COSTS (SCH. B, COL 7)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED FUNCTIONAL COSTS
<b>CAPITAL-RELATED COSTS - OLD</b>					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Cap. Related-Buildings & Fixtures	\$1,911,387		\$0	\$1,911,387
4.01	Int. Exp. - New Cap. Bldg.	0		0	0
5.00	New Cap. Related-Movable Equipment	954,153		0	954,153
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$2,865,540</u>		<u>\$0</u>	<u>\$2,865,540</u>
<b>OTHER CAPITAL-RELATED COSTS</b>					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>NON CAPITAL-RELATED COSTS</b>					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries & Wages of Others	0		0	0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll Related	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	0		0	0
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel & Entertainment	0		0	0
22.00	Transportation	0		0	0
23.00	Cleaning Office & Admin Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	0		0	0
26.00	Dues & Subscriptions	0		0	0
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0		0	0
30.00	Interest Expense	0		0	0
31.00	Contract Labor/Purchased Services	0		0	0
32.00	Printing/Shipping/Other Expenses	0		0	0
33.00	Outside Services	0		0	0
34.00	Training/Employee Programs	0		0	0
35.00	Pasi Capital Allocation	34,265,281	24	(81,859)	34,183,422
35.01	Conversion cost - FRA	0		0	0
35.02	Adjusting Entries 090	0		0	0
35.03	CM Health United	0		0	0
35.04	Triad Hospital, Inc.	0		0	0
35.05	Triad CSLP	0		0	0
35.06	CHS Issuer - Franklin	0		0	0
35.07	HR/PR Service Center	0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$34,265,281</u>		<u>(\$81,859)</u>	<u>\$34,183,422</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$37,130,821</u>		<u>(\$81,859)</u>	<u>\$37,048,962</u>
(To Sch. 6, 6-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENSES</b>		<u>\$37,130,821</u>		<u>(\$81,859)</u>	<u>\$37,048,962</u>

REPORTED HOME OFFICE COSTS

HOME OFFICE NAME:  
COMMUNITY HEALTH SYSTEMS, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2012

HEALTH CARE FACILITIES	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT ALLOCATION		FUNCTIONAL ALLOCATION		POOLED ALLOCATION		TOTAL ALLOCATION HOME OFFICE COSTS	
		FROM	TO	CAPITAL RELATED COSTS (SCH. E)	NON-CAPITAL RELATED COSTS (SCH. E-1)	CAPITAL RELATED COSTS (SCH. F)	NON-CAPITAL RELATED COSTS (SCH. F-1)	CAPITAL RELATED COSTS (SCH. G)	NON-CAPITAL RELATED COSTS (SCH. G)		
1.	1.41 Watsonville Community Health - Concurrent	1710958228	01/01/11	07/31/11	\$147,331	\$27,922	\$11,629	\$139,059	\$198,944	\$1,395,136	\$1,920,021
2.	1.42 Watsonville Community Health - Nonconcurrent	1710958228	08/01/11	12/31/11	105,236	19,944	8,422	100,711	142,122	996,660	1,373,095
3.	1.43 Barstow Community Health - Concurrent	1780655670	01/01/11	01/31/11			1,300	15,539	11,431	80,164	108,434
4.	1.44 Barstow Community Health - Nonconcurrent	1780655670	02/01/11	12/31/11			13,206	157,917	125,743	881,805	1,178,671
5.	1.45 Fallbrook Hospital - Concurrent	1447222674	01/01/11	06/30/11	23,294	4,085	2,946	35,231	64,242	450,513	580,311
6.	1.46 Fallbrook Hospital - Noncurrent	1447222674	07/01/11	12/31/11	23,294	4,085	2,691	32,171	64,242	450,513	576,996
7.											0
8.											0
9.											0
10.											0
11.											0
12.											0
13.											0
14.											0
15.											0
16.											0
17.											0
18.											0
19.											0
20.	1-5.23 All Other Health Care Facilities ( Excluding above lines)				57,862,809	6,094,084	2,791,912	33,384,855	32,818,006	230,143,094	363,094,760
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					\$58,161,964	\$6,150,120	\$2,832,106	\$33,865,483	\$33,424,730	\$234,397,885	\$368,832,288
<b>OTHER COMPONENTS</b>											
21.	Clinics								\$5,511,948	\$38,653,686	\$44,165,634
22.	Other						33,434	399,798	1,028,754	7,214,355	8,676,341
23.											0
24.											0
25.											0
26.											0
27.											0
28.											0
29.											0
30.											0
31.											0
32.											0
33.											0
34.											0
35.											0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					\$0	\$0	\$33,434	\$399,798	\$6,540,702	\$45,868,041	\$52,841,975
<b>GRAND TOTAL</b>					\$58,161,964	\$6,150,120	\$2,865,540	\$34,265,281	\$39,965,432	\$280,265,926	\$421,674,263

Provider Name				Fiscal Period				Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.				JANUARY 1, 2012 THROUGH DECEMBER 31, 2012				N/A		34
Report References				Explanation of Audit Adjustments				As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Work Sheet	Part							
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
1	8	B		4.00	8	New Cap. Related-Buildings & Fixtures		\$5,887,011	(\$295,161)	\$5,591,850 *
	8	B		5.00	8	New Cap. Related-Movable Equipment		34,078,421	(1,334,826)	32,743,595 *
	8	B		4.00	6	New Cap. Related-Buildings & Fixtures		1,259,291	295,161	1,554,452
	8	B		5.00	6	New Cap. Related-Movable Equipment		6,277,412	1,334,826	7,612,238 *
	7	E		20.00	10	All Other Health Care Facilities		57,862,809	1,629,987	59,492,796 *
						To directly allocate depreciation expenses related to home office departments including Dept. of Medical Affairs, Physicians Business Services, Home Care, Physician Practice Support, Medical Staff Development, Hospitalist Services, and Physician Support. These departments don't support inpatient facilities in California. 42 CFR 413.24 CMS Pub. 15-1, Sections 2302.4A, 2304, and 2307A				
2	8	B		5.00	8	New Cap. Related-Movable Equipment	*	\$32,743,595	(\$22,692)	\$32,720,903 *
	8	B		5.00	6	New Cap. Related-Movable Equipment	*	7,612,238	22,692	7,634,930 *
	7	E		20.00	10	All Other Health Care Facilities	*	59,492,796	22,692	59,515,488 *
						To directly allocate depreciation expenses related to facility at Triad depreciation due to insufficient documentation of the time spent on patient care related activities. 42 CFR 413.20, 413.24, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, 2304, and 2313.2(E)				
3	8	B		5.00	8	New Cap. Related-Movable Equipment	*	\$32,720,903	(\$17,567)	\$32,703,336 *
	8	B		5.00	6	New Cap. Related-Movable Equipment	*	7,634,930	17,567	7,652,497
	7	E		20.00	10	All Other Health Care Facilities	*	59,515,488	17,567	59,533,055
						To directly allocate depreciation expenses related to facility at Plano, TX depreciation due to insufficient documentation of the time spent on patient care related activities. 42 CFR 413.20, 413.24, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, 2304, and 2313.2(E)				

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
4	8	B		12.00	8	Salaries & Wages of Others	\$156,005,789	(\$473,338)	\$155,532,451	*
	8	B		13.00	8	Payroll Taxes	10,320,752	(35,308)	10,285,444	*
	8	B		15.00	8	Employee Benefits-Nonpayroll Related	4,387,506	(26,655)	4,360,851	*
	8	B		20.00	8	Communications	3,977,829	(615)	3,977,214	*
	8	B		21.00	8	Travel & Entertainment	2,847,488	(13,142)	2,834,346	*
	8	B		23.00	8	Cleaning Office & Admin Supplies	578,212	(423)	577,789	*
	8	B		24.00	8	Minor Equipment Expensed	125,378	(468)	124,910	*
	8	B		26.00	8	Dues & Subscriptions	741,614	(750)	740,864	*
	8	B		31.00	8	Contract Labor/Purchased Services	26,512,159	(3,086)	26,509,073	*
	8	B		32.00	8	Printing/Shipping//Other Expenses	2,893,131	(13,105)	2,880,026	*
	8	B		12.00	6	Salaries & Wages of Others	0	473,338	473,338	*
	8	B		13.00	6	Payroll Taxes	0	35,308	35,308	*
	8	B		15.00	6	Employee Benefits-Nonpayroll Related	0	26,655	26,655	*
	8	B		20.00	6	Communications	0	615	615	*
	8	B		21.00	6	Travel & Entertainment	0	13,142	13,142	*
	8	B		23.00	6	Cleaning Office & Admin Supplies	0	423	423	*
	8	B		24.00	6	Minor Equipment Expensed	0	468	468	*
	8	B		26.00	6	Dues & Subscriptions	0	750	750	*
	8	B		31.00	6	Contract Labor/Purchased Services	0	3,086	3,086	*
	8	B		32.00	6	Printing/Shipping//Other Expenses	0	13,105	13,105	*
	7-1	E-1		20.00	36	All Other Health Care Facilities	6,094,084	566,890	6,660,974	*
To reclassify Hospitalist Services to due to insufficient documentation showing a relationship to patient care in California facilities in conjunction with adjustment 29. 42 CFR 413.20, 413.24, 431.107, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, and 2304 W&I Code 14124.2(b)										

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
5	8	B		12.00	8	Salaries & Wages of Others	*	\$155,532,451	(\$694,721)	\$154,837,730 *
	8	B		13.00	8	Payroll Taxes	*	10,285,444	(30,668)	10,254,776 *
	8	B		15.00	8	Employee Benefits-Nonpayroll Related	*	4,360,851	(5,203)	4,355,648 *
	8	B		17.00	8	Legal Fees	*	1,702,462	(3,954)	1,698,508 *
	8	B		20.00	8	Communications	*	3,977,214	(2,324)	3,974,890 *
	8	B		21.00	8	Travel & Entertainment	*	2,834,346	(28,396)	2,805,950 *
	8	B		23.00	8	Cleaning Office & Admin Supplies	*	577,789	(6,826)	570,963 *
	8	B		24.00	8	Minor Equipment Expensed	*	124,910	(1,057)	123,853 *
	8	B		26.00	8	Dues & Subscriptions	*	740,864	(12,572)	728,292 *
	8	B		31.00	8	Contract Labor/Purchased Services	*	26,509,073	(312,278)	26,196,795 *
	8	B		32.00	8	Printing/Shipping//Other Expenses	*	2,880,026	(93,056)	2,786,970 *
	8	B		12.00	6	Salaries & Wages of Others	*	473,338	694,721	1,168,059 *
	8	B		13.00	6	Payroll Taxes	*	35,308	30,668	65,976 *
	8	B		15.00	6	Employee Benefits-Nonpayroll Related	*	26,655	5,203	31,858 *
	8	B		17.00	6	Legal Fees	*	0	3,954	3,954 *
	8	B		20.00	6	Communications	*	615	2,324	2,939 *
	8	B		21.00	6	Travel & Entertainment	*	13,142	28,396	41,538 *
	8	B		23.00	6	Cleaning Office & Admin Supplies	*	423	6,826	7,249 *
	8	B		24.00	6	Minor Equipment Expensed	*	468	1,057	1,525 *
	8	B		26.00	6	Dues & Subscriptions	*	750	12,572	13,322 *
	8	B		31.00	6	Contract Labor/Purchased Services	*	3,086	312,278	315,364 *
	8	B		32.00	6	Printing/Shipping//Other Expenses	*	13,105	93,056	106,161 *
	7-1	E-1		20.00	36	All Other Health Care Facilities	*	6,660,974	1,191,055	7,852,029 *
							To reclassify Department of Medical Affairs to due to insufficient documentation showing a relationship to patient care in California facilities in conjunction with adjustment 30. 42 CFR 413.20, 413.24, 431.107, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, and 2304 / W&I Code 14124.2(b)			

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
6	8	B		29.00	8	Taxes/Licenses Non-Capital Related	\$7,072,809	(\$6,637,001)	\$435,808	
	8	B		29.00	6	Taxes/Licenses Non-Capital Related	0	6,637,001	6,637,001	
	7-1	E-1		20.00	36	All Other Facilities	* 7,852,029	6,637,001	14,489,030 *	
To adjust reported Franchise Taxes to directly assign fees to the using entities in conjunction with adjustment 33. 42 CFR 413.24 CMS Pub. 15-1, Sections 2302.4A, 2304, and 2307A										
7	8	B		12.00	8	Salaries & Wages of Others	* \$154,837,730	(\$970,950)	\$153,866,780 *	
	8	B		13.00	8	Payroll Taxes	* 10,254,776	(28,849)	10,225,927 *	
	8	B		15.00	8	Employee Benefits-Nonpayroll Related	* 4,355,648	(2,161)	4,353,487 *	
	8	B		20.00	8	Communications	* 3,974,890	(4,598)	3,970,292 *	
	8	B		21.00	8	Travel & Entertainment	* 2,805,950	(9,838)	2,796,112 *	
	8	B		23.00	8	Cleaning Office & Admin Support	* 570,963	(600)	570,363 *	
	8	B		24.00	8	Minor Equipment Expensed	* 123,853	(272)	123,581 *	
	8	B		26.00	8	Dues & Subscriptions	* 728,292	(1,699)	726,593 *	
	8	B		31.00	8	Contract Labor/Purchased Services	* 26,196,795	(18,825)	26,177,970 *	
	8	B		32.00	8	Printing/Shipping//Other Expenses	* 2,786,970	(900)	2,786,070 *	
	8	B		12.00	6	Salaries & Wages of Others	* 1,168,059	970,950	2,139,009 *	
	8	B		13.00	6	Payroll Taxes	* 65,976	28,849	94,825 *	
	8	B		15.00	6	Employee Benefits-Nonpayroll Related	* 31,858	2,161	34,019 *	
	8	B		20.00	6	Communications	* 2,939	4,598	7,537 *	
	8	B		21.00	6	Travel & Entertainment	* 41,538	9,838	51,376 *	
	8	B		23.00	6	Cleaning Office & Admin Support	* 7,249	600	7,849 *	
	8	B		24.00	6	Minor Equipment Expensed	* 1,525	272	1,797 *	
	8	B		26.00	6	Dues & Subscriptions	* 13,322	1,699	15,021 *	
	8	B		31.00	6	Contract Labor/Purchased Services	* 315,364	18,825	334,189 *	
	8	B		32.00	6	Printing/Shipping//Other Expenses	* 106,161	900	107,061 *	
	7-1	E-1		20.00	36	All Other Health Care Facilities	* 14,489,030	1,038,692	15,527,722 *	
To reclassify Physicians Business Services due to insufficient documentation showing a relationship to patient care in California facilities in conjunction with adjustment 31. 42 CFR 413.20, 413.24, 431.107, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, and 2304 / W&I Code 14124.2(b)										

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
8	8	B		12.00	8	Salaries & Wages of Others	*	\$153,866,780	(\$993,213)	\$152,873,567 *
	8	B		13.00	8	Payroll Taxes	*	10,225,927	(63,497)	10,162,430
	8	B		15.00	8	Employee Benefits-Nonpayroll Related	*	4,353,487	(17,732)	4,335,755 *
	8	B		17.00	8	Legal Fees	*	1,698,508	(766)	1,697,742 *
	8	B		20.00	8	Communications	*	3,970,292	(3,789)	3,966,503
	8	B		21.00	8	Travel & Entertainment	*	2,796,112	(3,283)	2,792,829 *
	8	B		23.00	8	Cleaning Office & Admin Supplies	*	570,363	(6,129)	564,234
	8	B		24.00	8	Minor Equipment Expensed	*	123,581	(2,095)	121,486
	8	B		26.00	8	Dues & Subscriptions	*	726,593	(2,481)	724,112 *
	8	B		31.00	8	Contract Labor/Purchased Services	*	26,177,970	(24,632)	26,153,338 *
	8	B		32.00	8	Printing/Shipping//Other Expenses	*	2,786,070	(3,353)	2,782,717 *
	8	B		12.00	6	Salaries & Wages of Others	*	2,139,009	993,213	3,132,222
	8	B		13.00	6	Payroll Taxes	*	94,825	63,497	158,322
	8	B		15.00	6	Employee Benefits-Nonpayroll Related	*	34,019	17,732	51,751
	8	B		17.00	6	Legal Fees	*	3,954	766	4,720
	8	B		20.00	6	Communications	*	7,537	3,789	11,326
	8	B		21.00	6	Travel & Entertainment	*	51,376	3,283	54,659
	8	B		23.00	6	Cleaning Office & Admin Supplies	*	7,849	6,129	13,978
	8	B		24.00	6	Minor Equipment Expensed	*	1,797	2,095	3,892
	8	B		26.00	6	Dues & Subscriptions	*	15,021	2,481	17,502
	8	B		31.00	6	Contract Labor/Purchased Services	*	334,189	24,632	358,821
	8	B		32.00	6	Printing/Shipping//Other Expenses	*	107,061	3,353	110,414
	7-1	E-1		20.00	36	All Other Health Care Facilities	*	15,527,722	1,120,969	16,648,691
To reclassify Physician Practice Support due to insufficient documentation showing a relationship to patient care in California facilities in conjunction with adjustment 32. 42 CFR 413.20, 413.24, 431.107, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, and 2304 / W&I Code 14124.2(b)										

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>											
9	8	B			4.00	8	New Cap. Related-Buildings & Fixtures	*	\$5,591,850	(\$763,513)	\$4,828,337 *
	8	B			5.00	8	New Cap. Related-Movable Equipment	*	32,703,336	(3,452,883)	29,250,453 *
							To eliminate depreciation expense related to departments that are either non-allowable or for which there is insufficient documentation to support their relationship to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.2, 2102.3, 2300, and 2304				
10	8	B			4.01	6	Interest Expense		\$50,625,261	(\$299,155)	\$50,326,106
	7	E			1.41	4.01	Watsonville Community Health - Concurrent		147,331	(147,331)	0
	7	E			1.42	4.01	Watsonville Community Health - Nonconcurrent		105,236	(105,236)	0
	7	E			1.45	4.01	Fallbrook Hospital - Concurrent		23,294	(23,294)	0
	7	E			1.46	4.01	Fallbrook Hospital - Nonconcurrent		23,294	(23,294)	0
							To eliminate directly allocated interest expense due to lack of documentation that the borrowing was necessary, proper, reasonable and related to patient care. 42 CFR 413.20, 413.24, and 413.153 CMS Pub. 15-1, Sections 202.1, 202.2, 2300, and 2304				
11	8	B			5.00	8	New Cap. Related-Movable Equipment	*	\$29,250,453		
							To adjust for a change in useful life to agree with the American Hospital Association Guidelines. 42 CFR 413.20, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17, 104.18, 122, 2300, and 2302.4				
12							To adjust for a change in useful life to agree with the American Hospital Association Guidelines. 42 CFR 413.20, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17, 104.18, 122, 2300, and 2302.4			(124,761)	\$29,007,422 *

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
13	8	B			5.00	8	New Cap. Related-Movable Equipment	*	\$29,007,422	
							To eliminate Home Health depreciation due to insufficient documentation of the time spent on patient care related activities. 42 CFR 413.20, 413.24, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, 2304, and 2313.2(E)			(\$38,665)
14							To eliminate capital interest depreciation expense due to insufficient documentation demonstrating that it was necessary, proper, reasonable, and related to patient care. 42 CFR 413.20, 413.24, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, 2304, and 2313.2(E)			<u>(268,882)</u> (\$307,547)
										\$28,699,875
15	8	B			12.00	8	Salaries & Wages of Others	*	\$152,873,567	(\$1,774,736)
							To adjust the reported expenses to reflect the appropriate non-allowable in house legal counsel percentage of 70%. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			\$151,098,831
16	8	B			15.00	8	Employee Benefits-Nonpayroll Related	*	\$4,335,755	(\$29,621)
							To adjust the reported expenses to reflect the appropriate non-allowable in house legal counsel percentage of 70%. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			\$4,306,134
17	8	B			17.00	8	Legal Fees	*	\$1,697,742	(\$256,120)
							To eliminate Legal Fees expense due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)			\$1,441,622
18	8	B			21.00	8	Travel & Entertainment	*	\$2,792,829	(\$12,253)
							To adjust the reported expenses to reflect the appropriate non-allowable in house legal counsel percentage of 70%. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			\$2,780,576

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<b>ADJUSTMENTS TO REPORTED COSTS</b>											
19	8	B			26.00	8	Dues & Subscriptions To eliminate Dues & Subscriptions expense due to lack of documentation. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2138.3	*	\$724,112	(\$380,142)	\$343,970
20	8	B			30.00	6	Interest Expense		\$2,094,623	(\$56,036)	\$2,038,587
	7-1	E-1			1.41	30	Watsonville Community Health - Concurrent		27,922	(27,922)	0
	7-1	E-1			1.42	30	Watsonville Community Health - Nonconcurrent		19,944	(19,944)	0
	7-1	E-1			1.45	30	Fallbrook Hospital - Concurrent		4,085	(4,085)	0
	7-1	E-1			1.46	30	Fallbrook Hospital - Nonconcurrent To eliminate directly allocated interest expense due to lack of documentation that the borrowing was necessary, proper, reasonable and related to patient care. 42 CFR 413.20, 413.24, and 413.153 CMS Pub. 15-1, Sections 202.1, 202.2, 2300, and 2304		4,085	(4,085)	0
21	8	B			30.00	8	Interest Expense To eliminate pooled interest expense due to lack of documentation that the borrowing was necessary, proper, reasonable and related to patient care. 42 CFR 413.20, 413.24, and 413.153 CMS Pub. 15-1, Sections 202.1, 202.2, 2300, and 2304		\$4,742,829	(\$4,742,829)	\$0
22	8	B			31.00	8	Contract Labor/Purchased Services To adjust the reported expenses to reflect the appropriate non-allowable in house legal counsel percentage of 70%. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	*	\$26,153,338	(\$222,677)	\$25,930,661
23	8	B			32.00	8	Printing/Shipping/Other Expenses To adjust the reported expenses to reflect the appropriate non-allowable in house legal counsel percentage of 70%. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	*	\$2,782,717	(\$26,269)	\$2,756,448

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		34
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>												
24	8	B			35.00	7	Pasi Capital Allocation To eliminate Legal Fees expense due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)	\$34,265,281	(\$81,859)	\$34,183,422		
25	8	B			35.04	8	Triad Hospital, Inc. To eliminate expenses from Triad Hospitals, Inc. due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$1,241	(\$1,241)	\$0		
26	8	B			35.06	8	CHS Issuer-Franklin To eliminate expenses from CHS-Issuer due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$579,865	(\$579,865)	\$0		

Provider Name							Fiscal Period	Provider NPI		Adjustments	
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<b><u>ADJUSTMENTS TO REPORTED STATISTICS</u></b>											
27	4	G	II		1.41	1	Watsonville Community Health - Concurrent (Total Costs)	58,869,732	2,873,271	61,743,003	
	4	G	II		1.42	1	Watsonville Community Health - Nonconcurrent	42,049,808	2,052,336	44,102,144	
	4	G	II		1.43	1	Barstow Community Health - Concurrent	3,382,284	(338,371)	3,043,913	
	4	G	II		1.44	1	Barstow Community Health - Nonconcurrent	37,205,129	(2,621,482)	34,583,647	
	4	G	II		1.45	1	Fallbrook Hospital - Concurrent	19,013,103	633,866	19,646,969	
	4	G	II		1.46	1	Fallbrook Hospital - Nonconcurrent	19,013,103	633,866	19,646,969	
	4	G	II		20.00	1	All Other Health Care Facilities	9,710,521,599	278,402,147	9,988,923,746 *	
							To reconcile the reported total cost pooled statistic to agree with the provider's records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2150.3(D), 2300, 2304, and 2306 CMS Pub. 15-2, Section 3902				
28	4	G	II		20.00	1	All Other Health Care Facilities (Total Costs)	* 9,988,923,746			
							To include directly assigned depreciation cost in total cost statistic in conjunction with adjustments 1,2,13. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306			1,691,344	
29								To include Hospitalist Services expense in total cost statistic in conjunction with adjustment 4. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306			566,890
30								To include Department of Medical Affairs expense in total cost statistic in conjunction with adjustment 5. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306			<u>1,191,055</u> 3,449,289
										9,992,373,035 *	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HEALTH SYSTEMS, INC.							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	N/A		34
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<b><u>ADJUSTMENTS TO REPORTED STATISTICS</u></b>										
31	4	G	II		20.00	1	All Other Health Care Facilities (Total Costs)	* 9,992,373,035		
							To include Physicians Business Services expense in total cost statistic in conjunction with adjustment 7. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306		1,038,692	
32							To include Physician Practice Support expense in total cost statistic in conjunction with adjustment 8. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306		1,120,969	
33							To include Franchise Taxes & Licenses Expense in total cost statistic in conjunction with adjustment 6. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306		<u>6,637,001</u>	10,001,169,697
									8,796,662	
34	4	G	I		4.00	1	Total - Total Costs To summarize the total costs statistic in conjunction with adjustments 27 - 33. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306	11,825,388,036	293,881,584	12,119,269,620

\*Balance carried forward from prior/to subsequent adjustments