

COMMUNITY HEALTH SYSTEMS CODE OF CONDUCT

INTRODUCTION

The Code of Conduct (the “Code”) is designed to provide all Community Health Systems, Inc. and its subsidiaries (“CHS” or the “Company”) directors, officers, employees, physicians, contractors, and agents (“colleagues”) with guidance to perform their daily activities in accordance with all federal, state, and local laws, rules, and regulations. This Code of Conduct supersedes the Business Ethics and Standards of Conduct Policy. The Code is an integral component of the Company’s Compliance Program and reflects our commitment to achieve our goals within the framework of the law through a high standard of business ethics and compliance.

The Code encompasses a summary of many topics from the Compliance Manual and other department policy manuals. The Compliance Manual and department policy and procedure manuals provide more specific guidance relating to the topics presented in the Code. It is the obligation of all CHS colleagues to be knowledgeable about and adhere to the policies within these manuals, as well as the Code of Conduct.

The policies incorporated into the Code of Conduct are mandatory and must be followed. Failure to comply with any of the provisions of this Code of Conduct will result in disciplinary action up to and including termination for employees and cancellation of contractual or business relationships with physicians, contractors, and agents. Violations of portions of this Code relating to federal healthcare benefit programs may lead to severe consequences including, but not limited to, civil monetary penalties and/or exclusion from federal healthcare benefit programs for employees, physicians, contractors, agents, or CHS. Questions or concerns regarding interpretation of this Code or any Compliance Manual policy should be addressed to a supervisor, the Facility Compliance Chairperson, the Corporate Compliance Officer, or the Confidential Disclosure Program. In the event a question is not satisfactorily answered, contact the Corporate Compliance Officer or the Confidential Disclosure Program.

STATEMENT OF BELIEFS

CHS believes that each community it serves is different and that the success of each hospital depends upon the actions of each employee, physician, contractor, and agent. CHS has adopted the following Statement of Beliefs that summarizes our commitment to our patients, employees, physicians, and the communities we serve.

- CHS is dedicated to providing personalized, caring, and efficient service to our patients with total satisfaction as our top priority.
- CHS recognizes the value of each employee in providing high quality, personalized care to our patients.
- CHS encourages employee involvement in quality improvement to improve processes on an ongoing basis.
- CHS advocates employee participation in community activities.
- CHS is committed to involving physicians in partnership, both as consumers of service and as providers in ensuring quality care.
- CHS is devoted through services, quality, and innovation to provide continued healthcare leadership in the communities we serve.
- CHS is dedicated to compliance with all federal, state, and local laws, rules, and regulations, including privacy and security of patient health information, coding, billing, and documentation guidelines, and financial arrangements.

THE ROLE OF MANAGEMENT

Though all CHS colleagues are required to follow the Code of Conduct, all managers, directors, supervisors, board members, and corporate staff are expected to set the example by conducting their business affairs consistent with the highest ethical and legal standards. Managers must ensure their staff has the tools to perform assigned tasks according to applicable laws, rules, regulations, and policies. In addition, the Board of Directors of CHS has established the Management Compliance Committee (the “Committee”). The Committee is responsible for the adoption, amendment, and ultimate enforcement of the Compliance Program. The standing members of this committee are:

Wayne T. Smith, Chairman, President and Chief Executive Officer
W. Larry Cash, Executive Vice President and Chief Financial Officer
Rachel A. Seifert, Senior Vice President and General Counsel
Martin G. Schweinhart, Senior Vice President, Operations
Andrea Bosshart, Assistant Vice President, Corporate Compliance Officer

Other members of the senior management team are consulted for their advice and recommendations on particular functions or areas of expertise, including particularly the Senior Vice President, Quality and Resource Management, the Group Vice Presidents, and their respective staffs.

The Corporate Compliance Officer for CHS is Andrea Bosshart. The functions of the Corporate Compliance Officer include:

- Overseeing and monitoring the implementation of the Compliance Program.
- Reporting on a regular basis to the Compliance Committees on the progress of implementation, and assisting these committees in establishing methods to improve CHS facility efficiency and quality of services, and to reduce the company's vulnerability to fraud, abuse and waste.
- Periodically revising the program in light of changes in the needs of the organization, and in the law and policies and procedures of government and private payer health plans.
- Developing, coordinating, and participating in a multifaceted educational and training program that focuses on the elements of the compliance program, meeting federal requirements, and seeks to ensure that all appropriate employees and management are knowledgeable of, and comply with, pertinent federal and state laws and regulations.
- Seeking to ensure that independent contractors and agents who furnish medical services to the facilities are aware of the requirements of the Compliance Program.
- Coordinating personnel issues with appropriate human resources officers to determine that employees, medical staff and independent contractors have not been sanctioned such that their continued association with CHS would be detrimental to the organization or unlawful.
- Assisting CHS's financial officers in coordinating internal review and monitoring activities, including periodic reviews of facilities.
- Independently investigating and acting on matters related to compliance, including the flexibility to design and coordinate internal investigations (e.g., responding to reports of problems or suspected violations) and any resulting corrective action with all facilities, departments, providers and sub-providers, agents and, if appropriate, independent contractors.
- Developing policies and programs that encourage managers and employees to report suspected fraud and other improprieties without fear of retaliation.
- Preparing and submitting (after obtaining any appropriate committee approvals) all periodic reports required under the Compliance Program to the Management Compliance Committee, the Board Compliance Committee, and the government under any corporate integrity agreements or compliance reporting requirements for settlement agreements.

THE ROLE OF THE INDIVIDUAL

Every CHS colleague is required to follow the Code of Conduct. Each individual is expected to perform his/her daily activities with the highest standards of ethics and compliance. All CHS colleagues are required to notify the Facility Compliance Chairperson (CFO), the Corporate Compliance Officer or the Confidential Disclosure Program of any violations of law, the Code of Conduct, or Compliance Policy.

Grievance Resolution

If an individual is concerned about a personnel action that does not involve any violation of law, the Code of Conduct, or Compliance Policy, he/she may file a grievance at the CHS entity where he/she is employed. The facility Human Resources Department can provide a grievance resolution form and assistance in preparing and presenting a grievance. Information regarding employee grievances is held in strict confidence. Refer to an Employee Handbook or to the Human Resources Department for more information.

CODE OF CONDUCT IN THE WORKPLACE

Equal Employment Opportunity

CHS values the talents and skill sets of each colleague and applicant. CHS is determined to provide an equal opportunity environment and to comply with all laws, regulations, and policies regarding personnel actions. It is the policy of CHS to provide equal opportunity without regard to race, religion, color, national origin, age, gender, disability, marital status, veteran status, or any other characteristics protected by federal, state, or local laws.

No one should discriminate against another person with a disability regarding terms or conditions of employment. The Company will make reasonable accommodations for the disability or other special needs of an employee when conditions permit.

Harassment and Violence

Every CHS colleague has a right to a work environment free of harassment or discrimination because of gender, race, ethnicity, religion, creed, or national origin. This can be accomplished if all colleagues treat each other with courtesy, fairness, and respect for the other person. CHS will not tolerate any sexual, racial, ethnic, religious, or other forms of harassment of its colleagues or applicants. The Company will take action to fairly and objectively address any complaints of harassment or inappropriate behavior. If you experience or witness such behavior, contact the Facility Compliance Chairperson, the Corporate Compliance Officer, or the Confidential Disclosure Program.

Workplace violence, such as stalking, robbery, assault (verbal or physical), battery, vandalism, and other crimes committed by current or former employees or their associates is not acceptable and will not be tolerated. Colleagues must not bring firearms, explosive devices, or other weapons or dangerous materials onto any Company property. Colleagues who witness any form of violence or harassment are required to report the conduct to the Facility Compliance Chairperson, the Corporate Compliance Officer, or the Confidential Disclosure Program.

Conflicts of Interest

Employees should not have any personal interests or outside activities that are incompatible, or appear to be incompatible, with the loyalty and responsibility owed to the Company. Employees must avoid

any outside financial interest that might influence decisions or actions in the performance of their duties for the Company. Such interests might include:

- A personal or family interest in an enterprise that has business relations with the Company or a facility. This restriction does not apply to minimal holdings of the stock or other securities of a corporation whose shares are publicly traded and which may incidentally do business with the Company.
- An investment in another business that competes with the Company or a facility.

Any financial interest that appears to be in violation of the Code must be disclosed immediately to the Corporate Compliance Officer or the Corporate Vice President of Human Resources. CHS may require divestiture of such interest if it deems the financial interest to be in conflict with the company's best interests.

Relationships with Vendors and Suppliers

All employees are expected to maintain impartial relationships with the Company's vendors and suppliers. Employees must be motivated solely to acquire goods and services and to make other transactions on terms most favorable to the Company. Care must be exercised to avoid even the appearance of favoritism on behalf of a vendor or supplier due to personal relationships. In addition, employees may not have a substantial interest in any vendor or supplier. An employee must disclose to his/her supervisor if he/she or a member of his/her immediate family has or acquires by gift, inheritance, or otherwise, a substantial interest in a vendor or supplier's business.

When conducting business with vendors or suppliers, CHS expects employees to make decisions that are in the best interest of the Company. Employees or their families may not accept any gifts (except those of nominal value), special discounts or loans (other than from established banking or financial institutions), excessive entertainment, or substantial favors from any organization or individual that conducts or is seeking to conduct business with the Company. Reasonable judgment should be used in the determination of "excessive or substantial," and acceptance made only with the approval of a supervisor. Questions should be directed to the Corporate Compliance Officer.

Employees or their families should not offer or accept kickbacks, rebates, or anything of value to or from any representative of a vendor, supplier, customer, potential customer, patient, physician, financial institution, or similar entity. Such practices are unethical and in many cases illegal.

Professional Licenses, Certifications, and Credentials

Colleagues who are required to maintain professional licenses, certifications, or credentials must maintain these items in a current and up-to-date status while complying with all pertinent federal, state, or local requirements governing their field of expertise. CHS will require proof of current professional licenses, certifications, or credentials. No colleague requiring a professional license, certification, or credential will be allowed to perform their job duties or contracted assignments until such time he/she meets this requirement.

Substance Abuse and Controlled Substances

The use of intoxicating, addictive, or illegal drugs while on the job or on CHS premises is prohibited. Use of such substances off the job or off CHS premises may also be the subject of disciplinary action if such use impairs the colleague's job performance or endangers the health and safety of other colleagues. All potential employees are subject to a pre-employment drug screen. CHS will conduct random and periodic drug screens of employees. CHS may conduct a drug screen if there is reasonable cause to believe an employee is under the influence of alcohol or drugs.

At times, colleagues may need to take prescription drugs that could impair their job performance. It is important for them to notify a supervisor if their medication could adversely affect their job performance.

Use of Company Assets

The assets of the Company are to be used solely for the benefit of CHS. Each employee is responsible for assuring that Company assets are used only for valid purposes. The assets of CHS include, but are not limited to, our physical plants, personnel, equipment, corporate funds, drugs, medical supplies, office supplies, business strategies, financial data, and other information about the Company's business. These assets will not be used to provide personal gain for employees or others. Improper use or removal of Company assets is a violation of the Code of Conduct and possibly a violation of the law.

Employees may not transfer any of the assets of CHS to other people except in the ordinary course of business. Occasionally, some assets of the Company deemed no longer needed in the business may be sold to employees. Such sales must be properly approved, documented, and signed by appropriate supervisory personnel other than the employee.

Outside Employment

Management staff and department heads may not be employed by any other competing healthcare entity while employed by CHS.

During nonworking (personal) times, nonexempt and hourly employees may work for other healthcare entities provided it does not interfere with their job performance with the Company and they are not rendering any service that is normally performed by CHS personnel.

Health, Safety, and the Environment

CHS is committed to providing a safe and healthy workplace for all colleagues, customers, patients, and visitors. CHS is equally committed to minimizing any negative impact upon the environment. These commitments can be achieved through the awareness and cooperation of all colleagues.

Each colleague is responsible for abiding by safe operating procedures, guarding his/her own health along with his/her coworkers, utilizing pollution control systems, and following safe and sanitary procedures for the disposition of industrial and hazardous waste materials. Colleagues are encouraged to report to a supervisor, department head, the Facility Compliance Chairperson, the Corporate Compliance Officer, or the Confidential Disclosure Program any condition they perceive to be unsafe, unhealthy, or hazardous to the environment.

Inside Information and Securities Trading

Inside information, such as acquisition plans, financial data (before it is publicly released), marketing plans, or other business material is nonpublic information. At times, colleagues may become aware of inside information during the normal course of business at CHS, but the use of inside information for personal gain is strictly prohibited and possibly against the law. In addition, disclosing inside information to colleagues, relatives, or friends in an effort to influence their decision to buy, sell, or hold the Company's or any other company's securities or stock options is strictly prohibited. Inside information should only be shared with people inside the Company whose jobs require the information. A detailed "Statement of Company Policy – Securities Trades by Company Personnel" is available for review on the Intranet (Legal Department) Web page.

Colleagues may not engage in any illegal or improper acts to acquire a competitor's trade secrets, customer lists, information about Company facilities, technical developments, or operations. In addition, a competitor's employees shall not be hired for the purpose of obtaining confidential information. Competitor's personnel, customers, or suppliers must not be urged or coerced to disclose confidential information, nor shall such information be sought from competitor's employees subsequently hired by CHS.

Government or Union Officials

Employees will not offer any government employee, union official, or their representatives any meals, entertainment, or gifts that would cause the recipient to be in violation of applicable law, regulation, or policy.

THE CODE OF CONDUCT AND OUR CUSTOMERS

Patients

Confidentiality of Patient Information

When a patient enters a CHS facility, a large amount of personal, medical, and insurance data is collected and used to satisfy varying information needs including the ability to make decisions about a patient's care. CHS considers patient information highly confidential. All CHS facilities have specific policies describing patient confidentiality and release of information rules that conform to federal, state, and local laws governing the release or disclosure of health information.

CHS colleagues must never disclose or release confidential patient information in a manner that violates the privacy rights of a patient. Patient information may only be discussed or released in accordance with release of information laws that normally require the express written consent of the patient. CHS colleagues should not have access to or use any patient information unless it is necessary to perform his/her job.

In some circumstances, a patient's written consent for release of information is not required. For example, patient information can be requested from another healthcare institution or physician without the patient's consent in a medical emergency. In this situation, specific documentation rules apply to this type of request including the reason for the request, the name of the requester, and documentation of the request in the medical record. In addition, some federal, state, and local agencies may require hospitals to release information without the patient's written consent under such circumstances as a court order, a search warrant, a subpoena duces tecum, situations of suspected child abuse, various registries, and federal healthcare programs.

Emergency Medical Treatment

CHS hospitals must comply with the Emergency Medical Treatment and Active Labor Act ("EMTALA") when providing emergency medical care. All persons entering a CHS hospital's emergency department and requesting a medical examination will receive a medical screening examination to determine if an emergency medical condition exists. If an emergency medical condition exists, the patient will be provided with medical treatment to stabilize the condition and/or an appropriate transfer to another facility. Medical screening will not be delayed to inquire about an individual's ability to pay including obtaining or verifying insurance information or advising the patient or his/her financial responsibility for payment of services rendered if he/she receives treatment.

Patient Rights and Responsibilities

All patients have a right to considerate, respectful, and appropriate healthcare. Patients have a right to healthcare at all CHS facilities without regard to gender, race, ethnicity, cultural, or religious background or the source of payment for care.

Upon admission, each patient will receive a written copy of the patients' rights and responsibilities. Patients' rights include, but are not limited to, the right to:

- Know the risks, benefits, and alternatives to proposed treatments or procedures.
- Information about the physicians or other clinicians that will be providing the patient's care or treatment.
- Receive information in easy to understand terms that will allow for an informed consent or refusal of the treatment or procedure.
- Privacy regarding their medical care.
- Participate in the plan of care.
- Formulate advanced directives and to have staff and practitioners comply with those directives.
- Reasonable responses to reasonable requests for service.
- Leave the hospital against the advice of the physician.
- Examine and receive an explanation of the bill for services regardless of the source of payment.
- Select providers of goods and services after discharge.
- Receive a Notice of Privacy Practices.
- Request privacy protection.
- Access protected health information.
- Amend protected health information.
- Request an accounting of disclosures of protected health information.

All patients' rights also apply to persons who may have legal guardianship or responsibility for the healthcare decisions on behalf of the patient.

The care of the patient depends, in part, on the patient. Therefore, in addition to having certain rights, patients also have responsibilities. A patient must provide accurate and complete information concerning the present complaint(s), past illnesses or hospitalizations, and any other matters concerning their health. The patient should identify to the caregiver if he/she does not completely understand his/her plan of care and what is expected. A patient is responsible for following the caregiver's instructions. Should any patient refuse treatment or neglect to follow the caregiver's instructions, that patient will be responsible for his/her actions. Every patient is responsible for following all hospital policies and procedures while being considerate of the rights of other patients, hospital personnel, and hospital property.

Physicians

Financial Arrangements

CHS has established policies regarding the financial relationships between CHS facilities and their physicians, and any other referral sources. All agreements for the payment or receipt of money, goods,

services, or anything of value with physicians must be in writing pursuant to the federal law commonly known as Stark II and the safe harbors to the federal Anti-Kickback Statute. All facilities are prohibited from entering side agreement(s) with physicians. Before accepting physician agreements, they must be approved by both the appropriate Group Vice President and the Corporate Legal Department. These approvals must be obtained even if the agreement complies with the Compliance Manual policies. Issuance of payment to physicians under agreements must be supported by all required documentation, e.g., certification of hours of service or submission of executed agreement with request for payment.

Referrals

CHS will not pay for referrals nor will it accept payment for referrals made to other entities. All payments made to physicians and/or other entities must be pursuant to current written agreements and must be at fair market value for actual services performed. CHS will not consider the value or volume of referrals, or other business generated between parties.

Third Party Payers

Coding and Billing

All individuals responsible for coding and billing for services will adhere to all official coding and billing guidelines, rules, regulations, statutes, and laws. Please refer to the Coding Compliance Policy in the Compliance Manual for further information. Colleagues of CHS are prohibited from knowingly causing or permitting false or fraudulent claims. Furthermore, all CHS colleagues shall not engage in any intentional deception or misrepresentation intended to influence any entitlement or payment under any federal healthcare benefit program. Claims must only reflect actual services ordered, documented, and performed. Coding of diagnoses and procedures will be in accordance with CMS recognized coding guidelines, such as the *AHA Coding Clinic*.

CHS will utilize auditing and monitoring systems, and procedures to verify the accuracy and validity of coded data and claims regardless of the source of payment.

Cost Reports

CHS receives reimbursement under government healthcare programs that require certain reports on the costs of operation. The Company will comply with all federal, state, and local laws, rules, and regulations relating to all cost reports. CHS will utilize acceptable practices to determine allowable costs and to claim reimbursement for the costs of services provided to program beneficiaries. Questions regarding the completion and/or settlement of a cost report must be directed to the Corporate Revenue Management Department.

ACCREDITING BODIES AND REGULATORY COMPLIANCE

CHS seeks accreditation from various agencies and accrediting bodies, and mandates that all standards required by those accrediting bodies are followed. All colleagues should relate with accrediting agencies and bodies in a forthright manner. No action, either directly or indirectly, will be taken to mislead a surveyor or survey team.

CHS operates in many states where services may be provided only pursuant to federal, state, and local laws, rules, and regulations. These laws and regulations may include, but are not limited to, certificates of need, licenses, permits, certifications, access to treatment, consent to treatment, medical record maintenance, release of information and confidentiality, patient rights, advance directives, medical staff membership and privileges, organ donors, and Medicare and Medicaid regulations.

CHS facilities and colleagues must comply with all applicable federal, state, and local laws, rules, and regulations. Any colleague who witnesses or suspects any violations of any law or regulation must immediately report said violation or suspected violation to a supervisor, the Facility Compliance Chairperson, the Corporate Compliance Officer, or the Confidential Disclosure Program.

During a government inspection, CHS colleagues must not destroy, conceal, or alter any documents. Furthermore, CHS colleagues must not lie or make misleading comments to a government inspector. CHS colleagues must not obstruct others from providing accurate information to the government inspector, nor mislead nor delay the communication of information or provision of records relating to an inspector's requests.

Facilities must notify the Senior Vice President, Quality and Resource Management, in the event of a visit by an inspection or survey team at 615-376-3464. Upon presentation of a law enforcement official, notify the Senior Vice President, General Counsel at 615-377-4491.

FINANCIAL, BUSINESS AND MEDICAL INFORMATION, AND INFORMATION SYSTEMS

Financial Reporting and Records

As a public company, our integrity and reputation depend upon the accuracy and completeness of our financial statements. All accounts and financial records must be maintained strictly in accordance with the CHS Financial Policies and Procedures Manual, as amended. Colleagues must always keep in mind that each bookkeeping and financial entry will ultimately be incorporated into our consolidated financial statements. Our financial statements are certified by our officers as being true and correct and not misleading and are presented to the public and the federal government. All personnel who make bookkeeping and financial entries, prepare financial reports and statements, and disperse assets (especially cash) have special ethical obligations as you perform your duties. When you sign your annual acknowledgement of the CHS Code of Conduct, you are certifying adherence with the following principles:

To the best of my knowledge and ability:

1. I act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. I provide constituents with information that is accurate, complete, objective, relevant, timely and understandable.

3. I comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
4. I act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing my independent judgment to be subordinated.
5. I respect the confidentiality of information acquired in the course of my work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of my work is not used for personal advantage.
6. I share knowledge and maintain skills important and relevant to my constituents' needs.
7. I proactively promote ethical behavior as a responsible partner among peers in my work environment.
8. I achieve responsible use of and control over all assets and resources employed or entrusted to me.

Confidential Information

Confidential information acquired during the course of employment or contract with CHS is not to be discussed with anyone outside the Company and only discussed within the Company on a need to know basis. Except with proper written authorization by the Company or where required by law, colleagues may not use or disclose to others, any trade secrets or confidential technology, proprietary information, customer lists, or any other knowledge gained as a result of his/her employment. Upon termination, a colleague is prohibited from taking, retaining, copying, or directing any other person to take, retain, or copy any papers, data, clients lists, books, records, files, or any other type of documentation or confidential information belonging to the Company without prior written permission.

Electronic Media, Records, and Documents

Many different types of media are used by the Company to create, store, maintain, and communicate information. Electronic media such as telephones, other communications systems, e-mail, Internet access, and voice mail are provided by CHS to its colleagues for business use. Since these electronic media are the property of CHS, colleagues should assume these communications are not private and may be monitored. Any patient and/or confidential information must not be conveyed by any media sources unless appropriate security measures are in place. Colleagues must not use the Company's electronic media to distribute or transmit any threatening, malicious, false, or obscene materials.

CHS e-mail and Internet facilities and access shall be used only by authorized users in the performance of their assigned job duties. Responsible, incidental personal use is acceptable, provided that it does not (a) interfere with the colleague's (or another colleague's) performance of job duties, (b) use the resources in a manner that limits or impedes their use of access for legitimate business purposes, or (c) violate this or any other CHS or facility policy.

Retention, and Disposal of Documents and Records

Legal and regulatory practice requires the retention of certain records for various periods of time particularly in the following areas: health information, patient accounting, tax, personnel, health and safety, environment, contract, and corporate office. In addition, no records or files may be destroyed when there is pending or imminent litigation, government investigation, or an audit; relevant records must not be destroyed until the matter is closed. Destruction of records and/or files to avoid disclosure in a legal proceeding may constitute a criminal offense. Employees should consult the Company's various record retention policies before any records and/or files are destroyed. All medical and business records must be retained in accordance with the laws in the state in which the CHS facility is located.

COMMUNITY SERVICE

The Company encourages colleagues to participate in community service projects. The service project must not create a conflict of interest with the Company nor reduce the colleague's work performance.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

CHS supports employee participation in civic affairs and political activities. These affairs and activities must not create a conflict of interest with the Company nor reduce the employee's work performance. Employees must recognize that involvement and participation in political activities is on an individual basis, on their own time, and at their own expense. When employees speak on public issues, they must make it clear to the audience that their comments are their own personal viewpoints.

No employee is authorized to contribute, directly or indirectly, any assets of the Company, including the work time of any employee, to any political office holder, party or campaign of any candidate for federal, state, or local office without following the appropriate corporate approval process, which includes the prior written approval by the Senior Vice President, General Counsel.

THE CORPORATE COMPLIANCE PROGRAM

Program Structure

The Compliance Program has been developed and adopted in furtherance of the understanding and commitment of the management of CHS that all activities of CHS and its employees and those acting on behalf of CHS shall be conducted in a legal and ethical manner. Although aspects of the Compliance Program focus on various legal areas, the primary focus of the Compliance Program is to ensure that internal policies and controls, training and education, and auditing and monitoring are in place to help prevent and detect fraud, abuse, and waste in government health care programs.

CHS is committed to the development and implementation of an effective and voluntary compliance program that meets or exceeds the requirements and expectations of government regulators, and industry norms and standards.

CHS is committed to creating and maintaining an organizational culture that promotes prevention, detection, and resolution of instances of conduct that do not conform to federal, state, or local laws, rules, and regulations; federal health care benefit program requirements; or the CHS Code of Conduct.

The structure of the Corporate Compliance Program is guided and approved by the CHS Management Compliance Committee. There is also a Corporate Compliance Officer, a Corporate Compliance Work Group, Facility Compliance Committees, and Facility Compliance Chairpersons. Additional elements of the ongoing Compliance Program include:

- Maintenance of the written CHS Code of Conduct and Compliance Manual.
- Publication and distribution of the Code of Conduct Handbook.
- Analysis of standard auditing and monitoring functions.
- Generation of reports describing the findings of standard audits.
- Use of standard audit results to determine targets for improvement and education.
- Preparation and implementation of system-wide policies, procedures, and tools to comply with federal, state and local laws, statutes, and regulations (e.g., HIPAA, PPS).
- Performance of new hospital acquisition compliance assessments.
- Continuation of the compliance training and education program.
- Enhancement of the Confidential Disclosure Program and Hotline.
- Investigation of reports received through the Confidential Disclosure Program and Hotline.
- Assessment of CHS facilities and of the Compliance Program.
- Periodic reports to the CHS Board of Directors Audit and Compliance Committee (Board Compliance Committee).

The Corporate Compliance Officer for the CHS Compliance Program is Andrea Bosshart, Assistant Vice President, Compliance.

Reporting Questions or Concerns

Questions or concerns about potential compliance violations may be addressed to any of the following:

- Your supervisor or department head.
- Any supervisor or department head.
- The Facility Compliance Chairperson.
- The Corporate Compliance Officer at 1-615-377-4500.
- The Confidential Disclosure Program Hotline at 1-800-495-9510.

If a colleague feels the question or concern is not resolved appropriately, the colleague should report the matter immediately to the Corporate Compliance Officer or the Confidential Disclosure Program.

Reporting Violations

Violations and unresolved suspected violations of any laws, rules, regulations, and/or the Code of Conduct must be reported to the Corporate Compliance Officer or the Confidential Disclosure Program.

Failure to report a known violation of the law, Code of Conduct, or any Compliance Policy could subject an individual to disciplinary action. Any colleague who attempts to divert or discourage reporting shall be subjected to severe discipline, up to and including discharge.

Confidential Disclosure Program

CHS has established a Confidential Disclosure Program for all colleagues and other individuals of all subsidiaries and affiliates of CHS to report known or suspected conduct or activities by any person engaged in the performance of duties for the Company that violates the Code of Conduct, any Compliance Manual Policy, or any federal, state, or local laws, rules, and regulations. This program may also be used for individuals who are uncertain whether an action violates the Code and would like to communicate with the Company on a confidential basis.

An individual reporting known or suspected improper conduct is not required to identify himself/herself. Anonymous calls and communications will be investigated and acted upon in the same manner as calls where the caller or writer reveals his/her identity. No effort will be made to determine the identity of an individual making an anonymous report unless the individual admits to engaging in improper conduct. Individuals are encouraged to describe the conduct or incident in sufficient detail to enable the Company to investigate the matter.

Confidential Disclosure Program Hotline: 1-800-495-9510

**Address: Corporate Compliance Officer
Community Health Systems, Inc.
P.O. Box 217
Brentwood, TN 37024-0217**

There will be no retribution or retaliation against any person for reporting suspected violations of the Code, law, or policy. Any supervisor who takes retaliatory action against a colleague for reporting a compliance concern will be subject to severe discipline, up to and including discharge.

Investigation of Violations

Prompt, appropriate, confidential investigations into all Program calls, letters, and other forms of communication, both direct and indirect, including reports of site visits conducted by Work Group members and their staffs will be made. The Corporate Compliance Officer will coordinate any findings from the investigations and recommend corrective and/or disciplinary actions.

Corrective Action

Once a reported violation is substantiated through the investigation process, CHS will initiate corrective action. When appropriate, CHS will return any overpayment amounts, notifying the correct governmental agency of the overpayment situation. Corrective action will be taken promptly to prevent similar occurrences at any CHS facility or affiliate.

Discipline

Common sense, good business judgment, and ethical behavior are expected from each CHS employee. Violations of the Code of Conduct or Company policies will be subject to the Company's normal disciplinary procedures. CHS endorses a progressive approach to employee discipline, although occasionally the conduct or infraction may be of such a serious nature that it mandates an exception to the progressive discipline approach. Such cases may require immediate action, including termination. In general, the following approach to discipline is followed:

- Verbal warning.
- Written warning.
- Suspension.
- Termination.

ACKNOWLEDGMENT

The Code of Conduct is a mandatory policy of the Company. All colleagues will sign a form indicating they have received a copy of the Code, have read it, and understand it. In addition, all colleagues will reaffirm these actions on an annual basis.

Compliance with the Code of Conduct and other policies will be considered in annual employee evaluations and in decisions regarding promotion and compensation for all CHS employees.

The Code of Conduct is a unilateral statement of policy by CHS. Nothing in this Code is intended to create enforceable employee contract rights.

Adopted by the Board of Directors of Community Health Systems, Inc., on December 10, 2003.
Revision adopted on December 9, 2003.