

COMMUNITY HEALTH SYSTEMS INC
 Form 4
 March 17, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)
 03/15/2006

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

BRENTWOOD, TN 37027

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

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

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				Code	V	Amount				(A) or (D)	Price
Common Stock	03/15/2006	03/15/2006	M			42,700	A	\$ 13	626,771	D	
Common Stock	03/15/2006	03/15/2006	S			42,700	D	\$ 39	584,071	D	
Common Stock	03/16/2006	03/16/2006	M			7,300	A	\$ 13	591,371	D	
Common Stock	03/16/2006	03/16/2006	S			7,300	D	\$ 38.4529 <u>(1)</u>	584,071	D	
									2,000	I	Spouse

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Common
Stock

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

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SEC 1474
(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
						Date Exercisable	Expiration Date		
Stock Options (Right to Buy)	\$ 13	03/15/2006	03/15/2006	M	42,700	06/08/2001	06/08/2010	Common Stock	42,700
Stock Options (Right to Buy)	\$ 13	03/16/2006	03/16/2006	M	7,300	06/08/2001	06/08/2010	Common Stock	7,300
Performance Based Restricted Shares	\$ 0					(2)	(2)	Common Stock	0
Stock Options (Right to Buy)	\$ 20.3					05/22/2004	05/22/2013	Common Stock	0
Stock Options (Right to Buy)	\$ 32.37					02/28/2006	02/28/2013	Common Stock	0
Stock Options (Right to Buy)	\$ 38.3					03/01/2007	03/01/2014	Common Stock	0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH WAYNE T 7100 COMMERCE WAY SUITE 100 BRENTWOOD, TN 37027	X		Chairman, President & CEO	

Signatures

Rachel A. Seifert, Attorney in Fact for Wayne T. Smith
 03/17/2006

__Signature of Reporting Person
Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares were sold in a series of transactions at an average sales price of \$38.4529.
- Each performance based restricted share represents a contingent right to receive one share of CYH common stock. There are two elements to the lapsing of the restriction; first, the Company must achieve specified targeted amount of earnings per share from continuing operations, and if the performance objective is met, the vesting restrictions will lapse in 1/3 increments on the first, second and third anniversary of the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.