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## Community Health Systems, Inc. Q2 2008 Earnings Call

### Question-and-Answer Session

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Thank you. [Operator Instructions]. Your first question is from the line of Darren Lehrich with Deutsche Bank.

**Darren Lehrich - Deutsche Bank**

Thanks, good morning everyone. A couple of things here. I wanted to start off with the pricing topic, and I guess making the adjustments for the discounts here, your revenue per adjusted admission would be closer to about 3.5%, which still lags the pricing that we've seen thus far. Can you just talk a little bit more about what you're seeing relative to surgery, whether you're having any issues with specialty, physician retention? And maybe, if you could just comment a little bit on Medicare Advantage mix and how that's impacting your pricing as well? Just want to get a little bit more visibility into your pricing going forward?

**Wayne T. Smith - Chairman, President and Chief Executive Officer**

Let me just comment on surgery and surgery is relatively flat from the first quarter and there is nothing systemic there. We're not having any issues anywhere. We've had a little more competition in a couple of places, but I don't think that's the major issue. When you do the math on this, this is very few surgeries down per facility. So it's enough that it could be vacations and other kinds of things. None of that is too problematic for us. But as we talked about early on when we did this acquisition, we knew there were opportunities in surgery for surgery growth. So that's another reason that we increased our numbers of physicians for physician recruiting because we have found that there is a lot of opportunity for us kind of going forward in terms of surgery opportunities.

**W. Larry Cash - Executive Vice President and Chief Financial Officer**

Yes Darren, one thing that's happened is we've had pretty good growth with ER admissions, which generally are a little bit less acuity business. So while we have got very good admissions growth, it is a little bit less acuity, our patient days are down slightly. And I think our length of stay was down about 5%, two-tenths of a day. The other is our Medicare case mix has decreased about 1%. There is no one particular area that's affecting that. It was pretty much throughout our divisions. We are doing a little bit more internal work, efforts in trying to look for opportunities with MS DRGs and hopefully, we'll find some opportunities to improve that. We are taking a little bit of a reduction for that as anticipated.

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