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Community Health Systems, Inc., Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Our first question comes from the line of Ralph Giacobbe of Credit Suisse. Your line is open sir.

Ralph Giacobbe - Credit Suisse

Great, thanks. I just want to clarify when you talked about, you said you got the \$145 million in synergies from Triad, did you also say you expected another \$100 million improvement in synergy, is that right?

Larry Cash

That's correct. That \$100 million is to the company, of which most of that is related to Triad that we wanted to quantify some improvements we can make on a consolidated company.

Ralph Giacobbe - Credit Suisse

So \$100 million consolidated for the company and you haven't released that before that, have you?

Larry Cash

Now we have not.

Ralph Giacobbe - Credit Suisse

That's okay. All right, that's helpful. And then in terms of your bad debt guidance, is there anyway for you to either from the low-end to the high-end, or maybe just the midpoint, talk about what the unemployment rate assumed would be?

Wayne Smith

Well the unemployment rate had moved up from 4.8% to 6.8% at the end of December. It looked like we had not a lot of hospitals that have gone on above 10%, they were below 10% in the year like we have had 8% or 9% in most of those are smaller hospitals, but it has moved up. So what we had originally anticipated was over 100 basis points increase in the unemployment rate, but part of it was 20 to 30 basis points increase in same-store self-pay admissions likewise bad debt.

So we have taken that information into other project. We give a broader range, because of that was moved up, we increased to 10 basis points, because it moved up little faster and we would anticipate, when we put the guidance out in October, 2005.

Ralph Giacobbe - Credit Suisse

Okay.

Wayne Smith

Just quickly on bad debt in general, it seems to me that as you kind of look at where we are today and what is happening, the uninsured population is down about a million people because about a million of those in illegal immigrants have gone back across border because of the lack of work in the US.

I suspect that trend will continue, we just have a stimulus package, which really is support for the Medicaid programs across the country. I don't think that will -- may or may not increase the eligibility, but it certainly will support the current programs that you will not have people that might be disembroiled for whatever kinds of reasons.

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