

COMPUTER PROGRAMS & SYSTEMS INC

FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 7/31/2002

Address	6600 WALL STREET MOBILE, Alabama 36695
Telephone	251-639-8100
CIK	0001169445
Industry	Business Services
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

COMPUTER PROGRAMS AND SYSTEMS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

7389
(Primary Standard Industrial Classification Code Number)

74-3032373
(I.R.S. Employer Identification Number)

6600 Wall Street
Mobile, Alabama 36695
(251) 639-8100
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Computer Programs and Systems, Inc.
2002 Stock Option Plan
(Full Title of the Plan)

DAVID A. DYE
President and Chief Executive Officer
Computer Programs and Systems, Inc.
6600 Wall Street
Mobile, Alabama 36695
(251) 639-8100

With a Copy to:

GREGORY S. CURRAN
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
Suite 2400
Birmingham, Alabama 35203
(205) 254-1000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$0.001 par value	1,165,333 shares	\$19.88 per share	\$23,166,820.04	\$2,132

- (1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended, this Registration Statement also covers such indeterminate number of additional shares of common stock as may be issued in connection with stock splits, stock dividends or similar transactions.

- (2) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(h) under the Securities Act of 1933, as amended, on the basis of the average of the high and low sales prices of the common stock on July 25, 2002, as reported on the Nasdaq National Market.
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PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the information specified in Part I of Form S-8 will be sent or given to each employee participating in the Computer Programs and Systems, Inc. 2002 Stock Option Plan (the "Plan"), as specified in Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act"). Such documents will not be filed with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424. These documents and the documents incorporated by reference into this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. *Incorporation of Documents by Reference.*

Computer Programs and Systems, Inc. (the "Registrant") hereby incorporates by reference into this Registration Statement the following documents previously filed with the Commission :

(a) The Registrant's prospectus filed on May 21, 2002 pursuant to Rule 424(b) of the Securities Act, in connection with the Registrant's Registration Statement on Form S-1 (File No. 333-84726), which contains audited financial statements for the Registrant's latest fiscal year for which such statements have been filed.

(b) None.

(c) The description of the Registrant's capital stock contained in the Registrant's Registration Statement on Form 8-A filed on May 3, 2002 with the Commission under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (File No. 000-49796).

All documents filed by the Registrant pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, subsequent to the effective date of this Registration Statement, and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents.

Any statement contained herein or in any document to be incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed

document supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

See Item 3(c) above.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Subsection (a) of Section 145 of the General Corporation Law of the State of Delaware (the “DGCL”) empowers a corporation to indemnify any person who by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, was or is a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Subsection (b) of Section 145 empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he acted in any of the capacities set forth in subsection (a) of Section 145, against expenses (including attorneys’ fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

Section 145 further provides that to the extent that a director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in the defense of any claim, issue or matter therein, he is entitled to indemnification against expenses (including attorneys’ fees) actually and reasonably incurred by him in connection therewith. Section 145 also states that any indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 are not exclusive of any other rights to which those seeking indemnification may be entitled, and the section empowers the corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted

against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liabilities under Section 145.

As permitted by the DGCL, the Registrant's Certificate of Incorporation provides that (1) it is required to indemnify its directors and officers to the fullest extent permitted by the DGCL; (2) it is permitted to indemnify its other employees to the extent that it indemnifies its officers and directors; (3) it is required to advance expenses, as incurred, to its directors and officers in connection with a legal proceeding to the fullest extent permitted by the DGCL, subject to certain very limited exceptions; and (4) the rights conferred in its Certificate of Incorporation are not exclusive.

As permitted by the DGCL, the Registrant's Certificate of Incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to the Registrant or its stockholders; (2) for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law; (3) under Section 174 of the DGCL regarding unlawful dividends, stock purchases and redemptions; or (4) for any transaction from which the director derived an improper personal benefit.

The Registrant maintains directors' and officers' liability insurance covering the directors and officers of the Registrant against claims arising out of the performance of their duties as such. The Registrant expects to enter into indemnification agreements with its non-employee directors providing such individuals with rights to indemnification and expense advancement to the fullest extent permitted under the law.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Unless otherwise indicated below as incorporated by reference to another filing of the Registrant with the Commission, each of the following exhibits is filed as part of this Registration Statement:

- 4.1 Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.4 to the Registrant's Registration Statement on Form S-1 (File No. 333-84726) filed March 21, 2002, as amended).
- 4.2 Bylaws of the Registrant (incorporated by reference to Exhibit 3.6 to the Registrant's Registration Statement on Form S-1 (File No. 333-84726) filed March 21, 2002, as amended).
- 4.3 2002 Stock Option Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1 (File No. 333-84726) filed March 21, 2002, as amended).
- 4.4 Form of Non-Qualified Stock Option Agreement (for executive officers) pursuant to the 2002 Stock Option Plan (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1 (File No. 333-84726) filed March 21, 2002, as amended).
- 4.5 Form of Non-Qualified Stock Option Agreement (for employees) pursuant to the 2002 Stock

Option Plan.

- 5.1 Opinion of Maynard, Cooper & Gale, P.C., counsel to the Registrant
- 23.1 Consent of Ernst & Young LLP
- 23.2 Consent of Wilkins Miller, P.C.
- 23.3 Consent of Maynard, Cooper & Gale, P.C. (included in Exhibit 5.1 to this Registration Statement)
- 24.1 Powers of Attorney

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement;

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mobile, State of Alabama, as of the 31st day of July, 2002.

C O M P U T E R P R O G R A M S A N D S Y S T E M S , I N C .

By: /s/ D AVID A. D YE

David A. Dye
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ J O H N M O R R I S S E Y *	Chairman of the Board and Director	July 31, 2002
_____ John Morrissey		
/s/ D AVID A. D YE	President, Chief Executive Officer and Director	July 31, 2002
_____ David A. Dye		
/s/ J. B O Y D D O U G L A S	Executive Vice President, Chief Operating Officer and Director	July 31, 2002
_____ J. Boyd Douglas		
/s/ M. S T E P H E N W A L K E R	Vice President—Finance and Chief Financial Officer	July 31, 2002
_____ M. Stephen Walker		
/s/ D A R R E L L G. W E S T	Controller (principal accounting officer)	July 31, 2002
_____ Darrell G. West		
/s/ D E N N I S P. W I L K I N S *	Director	July 31, 2002
_____ Dennis P. Wilkins		
/s/ M. K E N N Y M U S C A T *	Director	July 31, 2002
_____ M. Kenny Muscat		
/s/ E R N E S T F. L A D D , I I I *	Director	July 31, 2002
_____ Ernest F. Ladd, III		
/s/ W. A U S T I N M U L H E R I N , I I I *	Director	July 31, 2002
_____ W. Austin Mulherin, III		
/s/ W I L L I A M R. S E I F E R T , I I *	Director	July 31, 2002
_____ William R. Seifert, II		

*By: /s/ D AVID A. D YE

David A. Dye
 (Attorney-in-fact)

INDEX TO EXHIBITS

No.	Item
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24.1	Powers of Attorney

COMPUTER PROGRAMS AND SYSTEMS, INC.

2002 STOCK OPTION PLAN

Form of Non-Qualified Stock Option Agreement

Date of Grant:

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement") is entered into as of _____, 200____, by and between _____ ("Optionee") and **COMPUTER PROGRAMS AND SYSTEMS, INC.**, a Delaware corporation (the "Company").

Recitals

- A. The Company has previously adopted the 2002 Stock Option Plan ("Plan");
- B. The Board (as defined in the Plan) has approved the grant of a non-qualified stock option to Optionee pursuant to the Plan;
- C. Optionee desires to accept such option;
- D. Capitalized terms used in this Agreement but not otherwise defined shall have the meanings given to such terms in the Plan.

Agreement

NOW, THEREFORE, in consideration of the foregoing facts and the mutual promises set forth herein, the parties agree as follows:

1. Grant of Option. Subject to the terms and conditions hereinafter set forth, the Company, with the approval and at the direction of the Board, hereby grants to the Optionee, as of the date first written above (the "Date of Grant"), an option to purchase up to _____ shares of Stock (the "Granted Shares") at a price of \$ _____ per share, the Fair Market Value of the Stock on the Date of Grant. Such option is hereinafter referred to as the "Option," and the shares of Stock purchased upon exercise of the Option are hereinafter sometimes referred to as the "Option Shares." The Option is not intended by the parties to be, and shall not be treated as, an incentive stock option (as such term is defined under Section 422 of the Internal Revenue Code of 1986, as amended).

2. Vesting of Option. Subject to such further limitations as are provided herein, the Option shall become exercisable by Optionee with respect to fifty percent (50%) of the Granted Shares on the third anniversary of the Date of Grant and with respect to one hundred percent (100%) of the Granted Shares on the fifth anniversary of the Date of Grant, provided that Optionee is employed by the Company as of such dates.

3. Option Term . The Option shall remain exercisable through and until the seventh anniversary of the Date of Grant (the “Option Term”).

4. Method of Exercise . Subject to Section 2 above and the other terms and conditions of this Agreement, the Option may be exercised in whole or in part by giving written notice of exercise to the Company specifying the number of Option Shares to be purchased, accompanied by payment in full of the purchase price, in cash, by check or such other instrument as may be acceptable to the Board. Payment may also be made by the delivery of a properly executed exercise notice to the Company together with (i) the delivery or presentation of Stock then owned by the Employee for not less than six (6) months or (ii) a copy of irrevocable instructions to a broker to effect the immediate sale of some or all of the Option Shares and to remit promptly to the Company, out of the sale or loan proceeds available on the settlement date, the aggregate exercise price payable for the Option Shares purchased. No Option Shares shall be issued until full payment therefor has been made. Optionee shall have the rights to dividends or other rights of a stockholder with respect to Option Shares subject to the Option when Optionee has given written notice of exercise and has paid in full for such Option Shares.

5. Transferability of Options . The Option shall not be transferable by Optionee other than by will or by the laws of descent and distribution and shall be exercisable, during Optionee’s lifetime, only by Optionee; provided, however, that the Option shall be transferable to members of Optionee’s immediate family (which shall include Optionee’s spouse, children and grandchildren, whether natural or adopted) and to trusts for the benefit of such family members and partnerships or limited liability companies in which such family members are the only partners or members. For purposes of Sections 6, 7 and 8 of this Agreement, a transferred Option may be exercised by the transferee only to the extent that Optionee would have been entitled had the Option not been transferred.

6. Termination of Employment by Reason of Death . If Optionee’s employment with the Company terminates by reason of death, then the Option shall immediately become exercisable in full (notwithstanding Section 2 above), and the Option may thereafter be exercised, in whole or in part, by the legal representative of the estate or by the legatee of Optionee under the will of Optionee, for a period of one (1) year from the date of death or until the expiration of the Option Term, whichever period is the shorter.

7. Termination of Employment by Reason of Disability . If Optionee’s employment with the Company terminates by reason of Disability, then the Option shall immediately become exercisable in full (notwithstanding Section 2 above), and the Option may thereafter be exercised, in whole or in part, for a period of one (1) year from the date of such termination of employment or until the expiration of the Option Term, whichever period is the shorter; and if Optionee dies within such period, any unexercised Option held by Optionee shall thereafter be exercisable, in whole or in part, for the remainder of such period.

8. Termination of Employment by Reason of Retirement . If Optionee’s employment with the Company terminates by reason of Retirement (with Board consent), then the Option may thereafter be exercised for a period of one (1) year from the date of such termination of employment or until the expiration of the Option Term, whichever period is the

shorter, to the extent, but only to the extent, that Optionee could have exercised the Option as of the date of Retirement; and if Optionee dies within such period, any unexercised Option that was exercisable at the time of death shall thereafter be exercisable for the remainder of such period. Notwithstanding anything to the contrary herein, the Board may, in connection with such Retirement, make such adjustments in the terms and conditions of the Option as the Board in its sole discretion determines are equitably warranted under the circumstances, including, without limitation, acceleration of exercise terms.

9. Other Termination of Employment . If Optionee's employment with the Company terminates for any reason, whether voluntarily or involuntarily, other than (a) death, (b) Disability, (c) Retirement or (d) by the Company for Cause, the Option may thereafter be exercised, in whole or in part, for a period of three (3) months following such termination of employment or until the expiration of the Option Term, whichever period is the shorter, to the extent, but only to the extent, that the Option was exercisable as of the date of termination of employment and had not previously been exercised. In the event that Optionee's employment with the Company is terminated by the Company for Cause, the Option shall thereupon terminate.

10. Stock Certificates . All certificates for Option Shares delivered under this Agreement shall be subject to such stock transfer orders and other restrictions as the Board may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed, any applicable Federal or state securities law, and the terms and conditions of this Agreement, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

11. Withholding Taxes.

(a) Optionee shall, no later than the date as of which the value of Option Shares first becomes includable in the gross income of Optionee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Board regarding payment of, any Federal, state or local taxes of any kind required by law to be withheld with respect to the award. The obligations of the Company under this Agreement and the Plan shall be conditioned on such payment or arrangements, and the Company (and, where applicable, its Subsidiaries), shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Optionee.

(b) Subject to applicable laws and regulations regarding transactions in Stock by persons who are deemed insiders, Optionee may elect to have the withholding tax obligations or, if the Board so determines, any additional tax obligation with respect to any Option Shares acquired hereunder satisfied by (i) having the Company withhold Option Shares otherwise deliverable to the participant with respect to the Option or (ii) delivering to the Company shares of unrestricted Stock owned by Optionee.

12. Adjustment of and Changes in Common Stock of the Company . In the event of a reorganization, recapitalization, change of shares, stock split, spin-off, stock dividend,

reclassification, subdivision or combination of shares, merger, consolidation, rights offering, or any other change in the corporate structure or shares of capital stock of the Company, the Board shall make such adjustment, if any, as it deems appropriate in the number and kind of shares of Stock subject to the Option or in the option price; provided, however, that no such adjustment shall give the Optionee any additional benefits under the Option. Upon the Board's determination of any such adjustments, the terms and conditions of the Option and of this Agreement shall automatically, without any further action on the part of any party, be deemed to have been amended to incorporate such adjustments.

13. *Employment Not Affected* . Neither the granting of the Option nor its exercise shall be construed as granting Optionee any right with respect to continuance of employment by the Company. The right of the Company to terminate at will the Optionee's employment with it at any time (whether by dismissal, discharge, retirement or otherwise) is specifically reserved by the Company and acknowledged by Optionee.

14. *Notice* . Any notice to the Company provided for in this Agreement shall be addressed to it in care of its Secretary at its executive offices at 6600 Wall Street, Mobile, Alabama 36695, and any notice to Optionee shall be addressed to Optionee at the current address shown on the payroll records of the Company. Any notice shall be deemed to be duly given if and when properly addressed and posted by registered or certified mail, postage prepaid.

15. *Incorporation of Plan by Reference* . The Option is granted pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and the Option shall in all respects be subject to the terms of the Plan and be interpreted in accordance with the Plan. The Board shall interpret and construe the Plan and this instrument, and its interpretations and determinations shall be conclusive and binding on the parties hereto and any other person claiming an interest hereunder, with respect to any issue arising hereunder or thereunder. Terms used herein not otherwise defined shall have the meaning assigned to them in the Plan.

16. *Governing Law* . The validity, construction, interpretation and effect of this instrument shall exclusively be governed by and determined in accordance with the law of the State of Delaware without regard to principles of conflict of laws.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this Non-Qualified Stock Option Agreement, and Optionee has placed his or her signature hereon, effective as of the Date of Grant.

C O M P U T E R P R O G R A M S A N D S Y S T E M S , I N C .

By: _____

Name: _____

Its: _____

AGREED TO AND ACCEPTED:

By: _____

Optionee

(Print Name)

(Address)

(City) (State) (Zip)

[Letterhead of Maynard, Cooper & Gale, P.C.]

July 31, 2002

Computer Programs and Systems, Inc.
6600 Wall Street
Mobile, Alabama 36695

Re: Registration Statement on Form S-8

Ladies and Gentlemen:

We have acted as counsel to Computer Programs and Systems, Inc., a Delaware corporation ("CPSI"), in connection with the registration on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), of 1,165,333 shares of common stock, \$.001 par value per share, of CPSI (the "Shares") for issuance pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan (the "Plan").

This opinion is being furnished in accordance with the requirements of Item 8 of Form S-8 and Item 601(b)(5)(i) of Regulation S-K.

We have reviewed CPSI's Certificate of Incorporation and Bylaws, the corporate proceedings taken by CPSI in connection with the Registration Statement and the issuance of the Shares, the Plan and other documents and instruments as we have deemed necessary. Based on the foregoing, we are of the opinion that when the Registration Statement has become effective under the Act, and the Shares have been duly issued as contemplated by the Registration Statement and the Plan, the Shares will be legally issued, fully paid and nonassessable.

The foregoing opinion is limited to the Federal laws of the United States and the General Corporation Law of the State of Delaware, and we express no opinion as to the effect of the laws of any other jurisdiction.

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement.

Very truly yours,

M A Y N A R D , C O O P E R & G A L E , P . C .

By: /s/ J. M I C H A E L S A V A G E

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement on Form S-8 pertaining to the Computer Programs and Systems, Inc. 2002 Stock Option Plan of our report dated February 15, 2002 (except for the third paragraph of Note 12, as to which the date is May 6, 2002), with respect to the financial statements and schedule of Computer Programs and Systems, Inc., as of and for the year ended December 31, 2001, included in the Registration Statement on Form S-1 (File No. 333-84726) and related prospectus, filed with the Securities and Exchange Commission.

/s/ E RNST & Y OUNG LLP

Birmingham, Alabama
July 31, 2002

CONSENT OF WILKINS MILLER, P.C., INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement on Form S-8 pertaining to the Computer Programs and Systems, Inc. 2002 Stock Option Plan of our report dated February 16, 2001 (except for the third paragraph of Note 12, as to which the date is May 6, 2002), with respect to the financial statements and schedule of Computer Programs and Systems, Inc., as of and for the year ended December 31, 2000, included in the Registration Statement on Form S-1 (File No. 333-84726) and related prospectus, filed with the Securities and Exchange Commission.

/s/ W ILKINS M ILLER , P.C.

Mobile, Alabama
July 31, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned director of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints John Morrissey, David A. Dye and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/ s / D ENNIS P. W ILKINS

Dennis P. Wilkins
Director

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned director of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints John Morrissey, David A. Dye and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/s/ M. K ENNY M USCAT

M. Kenny Muscat
Director

Date: June 4, 2002

POWER OF ATTORNEY

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IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/ s / E RNEST F. L ADD , III

Ernest F. Ladd, III
Director

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned director of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints John Morrissey, David A. Dye and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/ s / **W. A USTIN M ULHERIN , III**

W. Austin Mulherin, III
Director

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned director of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints John Morrissey, David A. Dye and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/ s / W ILLIAM R. S EIFERT , II

William R. Seifert, II
Director

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned director of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints David A. Dye and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/s/ JOHN MORRISSEY

John Morrissey
Chairman of the Board and Director

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned director and officer of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints John Morrissey and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/ s/ D AVID A. D YE

David A. Dye
President, Chief Executive Officer and
Director

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned director and officer of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints John Morrissey, David A. Dye and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/s/ J. B OYD D OUGLAS

J. Boyd Douglas
Executive Vice President, Chief
Operating Officer and Director

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned officer of Computer Programs and Systems, Inc., a Delaware corporation (the “Company”), constitutes and appoints John Morrissey and David A. Dye, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/s/ M. S TEPHEN W ALKER

M. Stephen Walker
Vice President—Finance and
Chief Financial Officer

Date: June 4, 2002

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned officer of Computer Programs and Systems, Inc., a Delaware corporation (the "Company"), constitutes and appoints John Morrissey, David A. Dye and M. Stephen Walker, and each of them severally, his true and lawful attorneys-in-fact for him and in his name, place and stead, in any and all capacities, to sign the registration statements on Form S-8 to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in connection with the registration of (i) 1,165,333 shares of common stock of the Company to be offered pursuant to the Computer Programs and Systems, Inc. 2002 Stock Option Plan and (ii) 400,000 shares of common stock of the Company to be offered pursuant to the CPSI 401(k) Retirement Plan, and further, to sign any and all amendments and post-effective amendments thereto, and any and all other documents in connection therewith, and to file the same with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have signed this Power of Attorney in the capacity and on the date indicated below.

/ s / D ARRELL G. W EST

Darrell G. West
Controller

Date: June 4, 2002

End of Filing