



Universal Health Services, Inc.

Southwest Healthcare System Regulatory Update

May 17, 2010

KING OF PRUSSIA, Pa., May 17, 2010 /PRNewswire via COMTEX/ --Universal Health Services, Inc. (NYSE: UHS) announced today an update to the previously disclosed regulatory matter related to Southwest Healthcare System ("SWHCS").

As previously disclosed on April 20, 2010, we received notification from the Centers for Medicare and Medicaid Services ("CMS") that it intended to effectuate the termination of SWHCS's Medicare provider agreement effective June 1, 2010. At that time, SWHCS commenced discussions with officials from CMS regarding an agreement in an effort to remedy the provider agreement termination action.

We have entered into an agreement with CMS which will abate the termination action scheduled for June 1, 2010. The agreement is one year in duration and requires SWHCS to engage independent experts in various disciplines to analyze and develop implementation plans for SWHCS to meet the Medicare conditions of participation. At the conclusion of the agreement, CMS will conduct a full certification survey to determine if SWHCS has achieved substantial compliance with the Medicare conditions of participation. During the term of the agreement, SWHCS will remain eligible to receive reimbursements from Medicare for services rendered to Medicare beneficiaries.

As also disclosed on April 20, 2010, we received notification from the California Department of Public Health ("CDPH") indicating that they planned to initiate a process to revoke SWHCS's hospital license. SWHCS has recently received the formal document initiating the revocation action. We plan to appeal CDPH's action and SWHCS will remain operational pending the appeal. CDPH has previously indicated its willingness to rescind this revocation should SWHCS demonstrate its ability to meet all state licensing requirements. We intend to pursue a resolution of this action with CDPH consistent with the agreement reached with CMS, however, there can be no assurance we will be able to do so. Failure to resolve this matter could have a material adverse effect on us.

Universal Health Services, Inc. is one of the nation's largest hospital companies, operating acute care and behavioral health hospitals and ambulatory centers nationwide and in Puerto Rico. It acts as the advisor to Universal Health Realty Income Trust, a real estate investment trust (NYSE: UHT). For additional information on the Company, visit our web site: <http://www.uhsinc.com>.

This press release contains forward-looking statements based on current management expectations. Many of the factors related to these issues are beyond our ability to control or predict. These statements are subject to risks and uncertainties. Readers should not place undue reliance on such forward-looking statements which reflect management's view only as of the date hereof. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE Universal Health Services, Inc.