

## **Quality and Compliance Committee Charter**

The Board of Directors (the "Board") of Universal Health Services, Inc. (the "Company") has established the Quality and Compliance Committee (the "Committee") for the purpose of assisting the Board in fulfilling its oversight responsibilities concerning review of the Company's policies and procedures relating to healthcare-related regulatory and compliance issues and the delivery of quality medical care to patients.

### Organization of Committee

The Committee shall consist of at least three members of the Board, at least two of whom shall satisfy the applicable independence requirements under the listing standards of the New York Stock Exchange and any other regulatory requirements ("independent directors"). Committee members shall be designated by resolution adopted by a majority of the whole Board and may be removed by the Board in its discretion. The Board may appoint additional or replacement members of the Committee from time to time.

The Board shall appoint one member of the Committee to act as Chairperson of the Committee. The Chairperson of the Committee must be an independent director. The Chairperson will preside at each meeting of the Committee. The Chairperson of the Committee, in consultation with the other members of the Committee, shall set the frequency of each meeting (but no less than quarterly during the initial term) and the agenda of items to be addressed at each meeting. Minutes shall be prepared for each meeting of the Committee, which minutes shall be submitted to the Committee for approval at a later meeting. The minutes of all meetings of the Committee, as so approved, shall be sent to the Secretary of the Company for filing in the official minute books of the Company. The Committee shall report regularly to the Board on its activities, and make recommendations to the Board as appropriate.

### Duties and Responsibilities

The Committee shall have the direct responsibility and authority of the Board to perform the following duties:

1. Oversee the information, policies, procedures and reporting systems the Company and its subsidiaries have in place to provide reasonable assurance that: (1) the operations of the Company and its subsidiaries comply with all federal and state laws and regulations applicable to healthcare providers; and (2) the Company and its subsidiaries deliver quality medical care to patients and promote patient safety;
2. Review and approve those aspects of the Company's compliance program that are intended to foster compliance with all federal and state laws and regulations applicable to healthcare

providers; and receive periodic reports as to the Company's efforts to educate its employees concerning and promote adherence by employees to such laws and regulations;

3. Review, as appropriate, information relating to Company quality, clinical risk, patient safety and performance improvement. The Committee shall receive reports (orally or in writing), at least on a quarterly basis, from the Company's Chief Compliance Officer (or his or her designee) regarding:
  - any federal or state government criminal, regulatory, or civil actions, or threatened actions against the Company that raise material and substantiated concerns that a facility or facilities is not complying with applicable laws or regulations related to reimbursement, patient safety, or the quality of patient care; and
  - any subpoenas, inspection demands, search warrants, or similar requests to the Company from the United States Department of Justice, the United States Department of Health or Human Services, or any State Attorney General, that raise material and substantiated concerns that a facility or is not complying with applicable laws or regulations related to reimbursement, patient safety, or the quality of patient care;
  - any internal or external complaints (including but not limited to qui tam actions of which the company is aware) that raise material and substantiated concerns that a facility or facilities is not complying with applicable laws or regulations related to reimbursement, patient safety, or the quality of patient care.
4. On an annual basis, the Committee shall also review publicly available data provided to the Company by Centers for Medicare & Medicaid Services (CMS) or its contractor, to the extent such reports are available, that states Behavioral Health Division facilities' inpatient (i) average length of stay, (ii) percentage of discharges with comorbidity diagnoses on the claim, (iii) percentage of claims submitted for outlier payment, (iv) percentage of claims with no secondary diagnosis, (v) proportion of admissions readmitted to the same or another inpatient psychiatric facility within 3-5 days, and (vi) proportion of admissions readmitted to the same or another inpatient psychiatric facility within 30 days, and that compares such facility data to national data for industry as a whole and identifies instances where any Behavioral Health Division facility's data is (depending on the metric) greater than the 80th percentile or below the 20th percentile nationwide;
5. The Committee shall review all Reports of the Independent External Quality Monitor for the Company's Behavioral Health Facilities.
6. Review the disclosure in the Company's annual proxy statement regarding the operations of the Committee;
7. The Committee, through its Chairperson or his or her designee, shall report, at least annually, to the Board on the actions taken and findings made by the Committee concerning compliance with applicable laws or regulations related to reimbursement, patient safety, or the quality of patient care; and
8. Take such other actions and perform such services as may be referred to it from time to time by the Board, including the conduct of special reviews as it may deem necessary or appropriate to fulfill its responsibilities.

### Subcommittees

The Committee shall have the authority to establish one or more subcommittees which shall have the responsibilities and consist of those members of the Committee (but not less than two) as the Committee may determine from time to time, when appropriate and consistent with applicable law.

### Committee Resources

The Committee shall have the authority, in its sole discretion, to select, retain (or obtain the advice of) and terminate consultants or other advisors to assist with its compliance oversight responsibilities or concerning quality of patient care and patient safety matters.

The Committee may also receive in-person reports (including by remote appearance), at times and frequency of its choosing, from the Company's internal or external counsel, President, Chief Clinical Officer, Chief Medical Officer of the Behavioral Health and/or Acute Care Divisions, or their designees. The Committee may request any officer or employee of the Company or any subsidiary thereof, or any representative of outside legal, accounting or other advisors, to attend a meeting of the Committee.

The Committee shall have the authority to: require management to conduct audits on healthcare related compliance, regulatory, and/or legal concerns and, where appropriate, direct management to provide the results of such audits directly to the Committee or full Board; and commission such other studies, analyses, reviews, or surveys it deems appropriate to ensure the Company's compliance with healthcare related regulatory requirements, as well as to evaluate the quality of the personnel, committees and entities providing healthcare related compliance and regulatory services to the Company; request to meet privately with any officer or employee of the Company.

### Amendment

This Charter may be amended from time to time by the Board or an appropriate committee thereof, and any amendment must be reported and disclosed as required by and in accordance with applicable laws, rules and regulations.

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