

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15 (d)
of the Securities Exchange Act of 1934

Date of Report: September 15, 1995

UNIVERSAL HEALTH SERVICES, INC.

(Exact name of Registrant as specified in its charter)

Delaware	0-10454	23-2077891
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(State of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

367 South Gulph Road, King of Prussia, Pennsylvania	19406
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(Address of principal executive offices)	Zip Code)

Registrant's telephone number, including area code: 610-768-3300

Item 2. Acquisition of Assets

(a) On August 31, 1995, the Company acquired substantially all of the assets and operations of Manatee Memorial Hospital ("Manatee"), a 512-bed acute care hospital located in Brandenton, Florida from Baptist Hospitals and Health Systems, Inc. and affiliates ("BHHS") for approximately \$139 million in cash. The sources of the cash payment were proceeds from the Company's recent sale of \$135 million principal amount of 8 3/4% Senior Notes due 2005 and borrowings under the Company's revolving credit facility with Morgan Guaranty Trust Company of New York, as agent. The assets acquired include the real and personal property, working capital and intangible assets of Manatee.

(b) The assets acquired consisted substantially of all the assets owned by BHHS and used to operate Manatee. The Company intends to continue to operate Manatee.

Item 7. Financial Statements and Exhibits

- (a) The audited financial statements of Manatee Hospitals and Health Systems, Inc. ("Manatee") as of and for the years ended August 31, 1994 and 1993 are incorporated by reference to pages F-31 to F-45 of the Company's Registration Statement on Form S-3, File No. 33-60287, declared effective on July 18, 1995. The consent of Ernst & Young LLP to use their Report of Independent Certified Public Accountants on the financial statements of Manatee will be filed by amendment to this Form 8-K as soon as practicable.

The unaudited interim combined financial statements of Manatee included herein include all adjustments, consisting only of normal recurring accruals, which the Company considers necessary for a fair presentation of the financial position of Manatee as of June 30, 1995 and the results of operations for the ten month periods ended June 30, 1994 and 1995, as presented in the accompanying unaudited interim combined financial statements.

- (b) BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

The accompanying pro forma financial statements of the Company reflect the Company's recent acquisition of Manatee Memorial Hospital as described in Item 2 hereof. In addition, such financial statements also reflect (i) the Company's recent sale of \$135 million principal amount of 8 3/4% senior notes due 2005, which closed on August 4, 1995 and (ii) the acquisition of Aiken Regional Medical Centers ("Aiken"), a 225-bed medical complex located in Aiken, South Carolina. Aiken was acquired by the Company on July 7, 1995 from a subsidiary of Columbia/HCA Healthcare Corporation ("Columbia") in exchange for approximately \$44 million in cash and the operations and fixed assets of Westlake Medical Center ("Westlake") and Dallas Family Hospital. Coincident with the Aiken transaction, the Company acquired the property of Westlake, which it leased from Universal Health Realty Income Trust ("UHT"), in exchange for other property consisting of additional real estate assets owned by the Company but related to three acute care facilities owned by UHT and operated by the Company, which were transferred to and leased back from UHT. These additional real estate assets represent major additions and expansions made to the facilities since the purchase of the properties from the Company in 1986. The Westlake property was then transferred to Columbia. In addition to the Westlake property, the real and personal property of Dallas Family Hospital, and certain working capital accounts of both facilities, excluding accounts receivable, were acquired by Columbia.

The Pro Forma Consolidated Statements of Income were prepared as if the transactions occurred as of the beginning of the period presented. The Pro Forma Condensed Consolidated Balance Sheet was prepared as if the transactions occurred on June 30, 1995. These pro forma financial statements should be read in connection with the historical financial statements and notes thereto incorporated by reference in this Form 8-K.

The pro forma financial information is unaudited and is not necessarily indicative of the consolidated results which actually would have occurred if the transactions had been consummated at the beginning of the periods presented, nor does it purport to present the future financial position and results of operations for future periods.

1. The Pro Forma Condensed Consolidated Balance Sheet as of June 30, 1995 for Universal Health Services, Inc. and Subsidiaries is included herein.
2. The Pro Forma Condensed Consolidated Income Statement for the year ended December 31, 1994 for Universal Health Services, Inc. and Subsidiaries is incorporated by reference to page S-4 of the Company's Registration Statement on Form S-3, File No. 33- 60287, declared effective on July 18, 1995.
3. The Pro Forma Condensed Consolidated Income Statement for the Six Months Ended June 30, 1995 for Universal Health Services, Inc. and Subsidiaries is included herein.

MANATEE HOSPITALS AND HEALTH SYSTEMS, INC.
 COMBINED BALANCE SHEET
 AS OF JUNE 30, 1995
 (unaudited)
 (amounts in thousands)

Current assets:	
Cash and cash equivalents	\$2,492
Short term investments	11,819
Accounts receivable	19,731
Inventories	2,556
Prepaid expenses and other assets	320
Current portion of assets whose use is limited	3,835

Total current assets	40,753

Assets whose use is limited, less current portion	11,495
Property, plant and equipment:	
Land and land improvements	4,604
Leasehold improvements	107
Buildings	57,148
Equipment	29,719
Less allowances for depreciation	(36,783)

	54,795
Construction in progress	876

	55,671
Due from affiliated organizations	25,975
Other assets:	
Debt issue costs	2,249
Acquisition costs	1,252
Other	853

	4,354

TOTAL ASSETS	\$138,248
	=====
Current liabilities:	
Accounts payable and accrued expenses	\$4,206
Accrued employee compensation and related liabilities	6,466
Accrued interest payable	4,080
Estimated third party settlements	2,726
Other current liabilities	2,383
Current portion of long term debt	1,727

Total current liabilities	21,588

Other liabilities	459
Long term debt, less current portion and escrowed funds	80,990
Fund balance	35,211

TOTAL LIABILITIES AND FUND BALANCE	\$138,248
	=====

MANATEE HOSPITALS AND HEALTH SYSTEMS, INC.
 COMBINED STATEMENTS OF REVENUES AND EXPENSES
 FOR THE TEN MONTHS ENDED JUNE 30, 1995 & 1994
 (unaudited)
 (amounts in thousands)

	Ten months ended June 30,	
	1995	1994
	-----	-----
Net patient service revenue	\$102,453	\$97,007
Other revenue	2,492	1,952
	-----	-----
TOTAL REVENUE	104,945	98,959
 EXPENSES:		
Salaries and wages	33,219	32,324
Employee benefits	9,159	8,682
Supplies and other	35,389	33,410
Provision for doubtful accounts	7,464	7,474
Depreciation and amortization	4,832	4,748
Interest	8,016	6,352
	-----	-----
TOTAL EXPENSES	98,079	92,990
	-----	-----
Income from operations before allocated costs	6,866	5,969
Allocated costs	(1,199)	(1,156)
	-----	-----
Income from operations	5,667	4,813
Nonoperating gains	796	449
	-----	-----
EXCESS REVENUE OVER EXPENSES	\$6,463	\$5,262
	=====	=====

MANATEE HOSPITALS AND HEALTH SYSTEMS, INC.
 COMBINED STATEMENTS OF CASH FLOWS
 FOR THE TEN MONTHS ENDED JUNE 30, 1995 & 1994
 (unaudited)
 (amounts in thousands)

	Ten months ended June 30,	
	1995	1994
OPERATING ACTIVITIES AND NONOPERATING GAINS		
Excess of revenue over expenses	\$6,463	\$5,262
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities and nonoperating gains:		
Depreciation and amortization	4,832	4,748
Change in current assets and current liabilities, exclusive of cash and cash equivalents and current portions of noncurrent assets and liabilities	(2,007)	3,669
Increase (decrease) in other liabilities	(227)	142
	9,061	13,821
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(2,646)	(4,899)
Increase in short term investments	(1,514)	(4,717)
Decrease in assets whose use is limited	1,082	2,888
Decrease in other assets	45	79
Restricted expenditures	(3)	(103)
	(3,036)	(6,752)
FINANCING ACTIVITIES		
Transfer to Foundation	(200)	---
Payments to affiliated organizations	(9,049)	(4,829)
Repayment of long-term debt	(1,187)	(2,976)
	(10,436)	(7,805)
Decrease in cash and cash equivalents	(4,411)	(736)
Cash and cash equivalents at beginning of period	6,903	4,989
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$2,492	\$4,253

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

JUNE 30, 1995

(Unaudited)

(In Thousands)

	THE COMPANY HISTORICAL	ACQUISITIONS AND DIVESTITURES (A)	PRO FORMA ADJUSTMENTS	THE COMPANY PRO FORMA
	-----	-----	-----	-----
ASSETS				
Current Assets:				
Cash and cash equivalents	\$3,809	---	---	\$3,809
Accounts receivable, net	71,233	19,650	---	90,883
Other current assets	19,992	4,345	---	24,337
Deferred income taxes	14,428	---	---	14,428
	-----	-----	-----	-----
TOTAL CURRENT ASSETS	109,462	23,995	---	133,457
	-----	-----	-----	-----
Property and equipment, net	347,555	56,852	4,516 B.	408,923
Other Assets:				
Excess of cost over fair value of assets acquired	37,170	---	104,223 C.	141,393
Deferred income taxes	12,687	---	---	12,687
Deferred charges and other	32,752	1,014	8,478 D.	42,244
	-----	-----	-----	-----
TOTAL ASSETS	\$539,626	\$81,861	\$117,217	\$738,704
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current maturities of debt	\$7,568	(\$190)	---	\$7,378
Accounts payable and accrued expenses	104,402	9,649	---	114,051
Federal and state taxes	2,770	---	3,000 E.	5,770
	-----	-----	-----	-----
TOTAL CURRENT LIABILITIES	114,740	9,459	3,000	127,199
	-----	-----	-----	-----
Other non-current liabilities	75,428	459	(3,000) E.	72,887
Long-term debt, net of current maturities	66,820	(1,968)	191,128 F.	255,980
Common stockholders' equity	282,638	73,911	(73,911)	282,638
	-----	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$539,626	\$81,861	\$117,217	\$738,704
	=====	=====	=====	=====

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE SIX MONTHS ENDED JUNE 30, 1995
 (Unaudited)
 (In Thousands, except Per Share Data)

	THE COMPANY HISTORICAL	ACQUISITIONS AND DIVESTITURES (a)	PRO FORMA ADJUSTMENTS	THE COMPANY PRO FORMA
	-----	-----	-----	-----
Net revenues	\$434,880	\$83,712	(\$750) b. (862) c. (1,100) d.	\$515,880
Operating Charges:				
Operating expenses	168,561	37,287	(1,100) d. 500 e. (2,042) f.	203,206
Salaries and wages	155,638	21,256	---	176,894
Provision for doubtful accounts	33,242	8,525	---	41,767
Depreciation and amortization	23,058	2,956	3,249 g.	29,263
Lease and rental expense	17,548	(718)	1,193 h.	18,023
Interest expense, net	3,041	5,467	2,706 i.	11,214
Total expenses	401,088	74,773	4,506	480,367
Income before income taxes	33,792	8,939	(7,218)	35,513
Provision for income taxes	12,396	2,172	(1,513) j.	13,055
Net income	\$21,396	\$6,767	(\$5,705)	\$22,458
	=====	=====	=====	=====
Earnings per common and common equivalent share:	\$1.53			\$1.61
	=====			=====
Weighted average number of common shares and equivalents:	13,977,000			13,977,000
	=====			=====

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

NOTES AND MANAGEMENT'S ASSUMPTIONS TO UNAUDITED PRO FORMA
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET:

(A) To reflect the historical cost basis of the assets acquired and the liabilities assumed in the Aiken and Manatee transactions, net of assets and liabilities divested as part of the Aiken transaction.

	THE MANATEE TRANSACTION		THE AIKEN TRANSACTION		UHS ASSETS/ LIABILITIES DIVESTED	NET ACQUISITIONS/ DIVESTITURES
	MANATEE HISTORICAL	ASSETS AND LIABILITIES NOT ACQUIRED	AIKEN HISTORICAL	ASSETS AND LIABILITIES NOT ACQUIRED		
ASSETS						
Current Assets:						
Cash and cash equivalents	\$14,311	(\$14,311)	\$1,491	(\$1,491)	---	---
Accounts receivable, net	19,731	---	15,966	(15,966)	(81)	19,650
Other current assets	6,711	(3,835)	2,568	---	(1,099)	4,345
Deferred income taxes	---	---	---	---	---	---
TOTAL CURRENT ASSETS	40,753	(18,146)	20,025	(17,457)	(1,180)	23,995
Property and equipment, net	55,671	---	41,583	---	(40,402)	56,852
Other Assets:						
Excess of cost over fair value of assets acquired	---	---	7,888	(7,888)	---	---
Deferred income taxes	---	---	---	---	---	---
Deferred charges and other	41,824	(40,971)	2,222	(2,029)	(32)	1,014
TOTAL ASSETS	\$138,248	(\$59,117)	\$71,718	(\$27,374)	(\$41,614)	\$81,861
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current maturities of debt	\$1,727	(\$1,727)	---	---	(\$190)	(\$190)
Accounts payable and accrued expenses	19,861	(6,556)	6,676	(908)	(9,424)	9,649
Federal and state taxes	---	---	---	---	---	---
TOTAL CURRENT LIABILITIES	21,588	(8,283)	6,676	(908)	(9,614)	9,459
Other non-current liabilities	459	---	---	---	---	459
Long-term debt, net of current maturities	80,990	(80,990)	30,503	(30,503)	(1,968)	(1,968)
Common stockholders' equity	35,211	30,156	34,539	4,037	(30,032)	73,911
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$138,248	(\$59,117)	\$71,718	(\$27,374)	(\$41,614)	\$81,861

(B) To adjust the carrying value of property and equipment acquired to fair value.

(C) To record the excess of cost over fair value of net tangible assets acquired.

(D) To capitalize financing costs incurred in connection with issuance of \$135 million Senior Notes.

(E) To reclassify income taxes currently payable as a result of these transactions.

(F) To record the net borrowings necessary to finance the Aiken and Manatee transactions and the financing costs incurred in connection with the \$135 million Senior Notes.

ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT:

(a) To reflect the historical revenues and operating expenses of the hospitals acquired and divested as part of the Manatee and Aiken transactions.

SIX MONTHS ENDED JUNE 30, 1995

	THE AIKEN TRANSACTION				NET ACQUISITIONS/ DIVESTITURES
	MANATEE	AIKEN	WESTLAKE	DALLAS FAMILY	
Net Revenues	\$65,003	\$44,233	(\$15,258)	(\$10,266)	\$83,712
Operating Charges					
Operating expenses	28,061	21,546	(8,094)	(4,226)	37,287
Salaries and wages	19,764	12,474	(6,744)	(4,238)	21,256
Provision for doubtful accounts	4,615	5,638	(880)	(848)	8,525
Depreciation and amortization	2,921	1,907	(1,108)	(764)	2,956
Lease and rental expense	816	576	(1,763)	(347)	(718)
Interest expense, net	5,375	92	---	---	5,467
Total expenses	61,552	42,233	(18,589)	(10,423)	74,773
Income (loss) before income taxes	3,451	2,000	(3,331)	(157)	8,939
Provision (benefit) for income taxes	---	822	(1,289)	(61)	2,172
Net income (loss)	\$ 3,451	\$ 1,178	(\$ 2,042)	(\$ 96)	\$ 6,767

(b) To eliminate intercompany interest received by Manatee from an affiliate	(\$750)
(c) To eliminate interest income earned by Manatee on cash investments	(862)
(d) To eliminate management fees charged by UHS to Manatee	(1,100)
(e) To adjust operating expenses at Manatee for state and local taxes other than income taxes and other operating costs	500
(f) To eliminate management fees paid to affiliates of Aiken and Manatee	(2,042)
(g) To adjust historical depreciation and amortization expense of Manatee and Aiken based on average depreciable lives of 20 years for buildings and improvements, 5 years for equipment and 15 years for amortization of goodwill	3,519
To adjust historical depreciation expense on the real property transferred to UHT as part of the Aiken transaction	(425)
To record amortization expense on capitalized financing costs	155
Net increase in depreciation and amortization expense	3,249
(h) To record lease and rental expense relating to the assets transferred from UHS to UHT	1,193
(i) To eliminate the historical interest expense at Aiken and Manatee	(5,467)
To record interest on borrowings to finance the Aiken and Manatee transactions using borrowings generated from the Company's \$135 million Senior Notes, commercial paper and revolving credit facilities. The average interest rate on all funds used for the acquisitions was assumed to be 8.5% for the six months ended June 30, 1995	8,173
Net increase in interest expense	2,706
(j) To adjust income tax expense	(1,513)

(C) EXHIBITS:

99.1 Asset purchase agreement among Baptist Hospitals and Health Systems, Inc. and Affiliated Companies and Manatee Memorial Hospital, L.P. and Universal Health Services, Inc., dated as of June 30, 1995, incorporated by reference in the Company's registration statement on Form S-3, File No. 33-60287, declared effective on July 18, 1995.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNIVERSAL HEALTH SERVICES, INC.
(Registrant)

By: /s/ Kirk E. Gorman

Senior Vice President and Chief Financial Officer

Dated: September 15, 1995

(Principal Financial Officer and
Duly Authorized Officer)