

UNITED STATES  
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 (Date of earliest event reported): November 1, 2001  
(October 16, 2001)

UNIVERSAL HEALTH SERVICES, INC.

-----  
(Exact name of registrant as specified in its charter)

Delaware

1-10765

23-2077891

-----  
(State or other jurisdiction  
of incorporation)

-----  
(Commission File  
Number)

-----  
(IRS Employer  
Identification No.)

Universal Corporate Center  
367 South Gulph Road  
King of Prussia, Pennsylvania

19406

-----  
(Address of principal executive offices)

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(Zip Code)

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

Not applicable.

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(Former name or former address, if changed since last report)

Item 5. Other Events.

On October 16, 2001, Universal Health Services, Inc. issued a press release announcing its financial results for the third quarter ended September 30, 2001 and other recent developments. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated by reference herein in its entirety.

Item 7. Financial Statements and Exhibits.

(c) Exhibits:

99.1 Press release, dated October 16, 2001.

SIGNATURES

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 hereunto duly authorized.

UNIVERSAL HEALTH SERVICES, INC.

By: /s/ KIRK E. GORMAN

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Name: Kirk E. Gorman  
Title: Senior Vice President, Treasurer  
and Chief Financial Officer

Date: November 1, 2001

EXHIBIT INDEX

Exhibit No. -----	Exhibit -----
99.1	Press release, dated October 16, 2001.

## FOR IMMEDIATE RELEASE

CONTACT: Kirk E. Gorman  
Chief Financial Officer  
610-768-3300

October 16, 2001

## UNIVERSAL HEALTH SERVICES, INC. ANNOUNCES

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33% INCREASE IN THIRD QUARTER EARNINGS PER SHARE TO \$.48  
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KING OF PRUSSIA, PA - Universal Health Services, Inc. (NYSE: UHS) announced today that its earnings per share (diluted) for the third quarter ended September 30, 2001 were \$.48 compared to \$.36 for the same period in 2000. Net income for the three-month period ended September 30, 2001 was \$30.3 million compared to \$22.3 million in the same period of 2000. EBITDA (earnings before interest, tax, depreciation, and amortization) was \$90.1 million during the third quarter of 2001, an increase of 27% from the comparable quarter last year. Net revenues for the quarter increased 28% to \$721 million. At September 30, 2001 balance sheet debt, net of cash, was approximately \$601 million and shareholders' equity was approximately \$799 million.

For the nine-month period ended September 30, 2001 earnings per share (diluted) were \$1.56 and net income was \$98.8 million, increases of 31% and 33% respectively from the results recorded in the same period of the prior year. Net revenues for the 2001 nine-month period were \$2.1 billion, an increase of 30% over the comparable period in 2000. For the nine-month period the Company's coverage of EBITDA to interest expense was 9.7 times.

Patients and their physicians continue to choose UHS facilities for care. Admissions to the Company's acute care hospitals owned for more than a year rose 7.1% during the quarter compared to the same period in the prior year. Admissions to the Company's behavioral health facilities owned for more than a year increased 7.5% in the quarter compared to the same period in the prior year. Revenue per adjusted admission increased 8.4% at the Company's acute care hospitals and 4.1% at the Company's behavioral health facilities for the current quarter compared to the same period in the prior year.

During the quarter, the Pennsylvania Insurance Commissioner obtained a rehabilitation order for the insurance company that provides UHS the majority of its professional liability insurance. This order gives the Pennsylvania Department of Insurance statutory control over the insurance company including the ability to thoroughly analyze, evaluate, and oversee financial operations. No provision has been made for any potential contingencies on UHS's September 30, 2001 financial statements as a result of the rehabilitation order as such amount, if any, could not be reasonably estimated. UHS believes the insurance company continues to have a substantial liability to pay claims on behalf of UHS and an inability to discharge this liability could have a material adverse affect on UHS.

The Company opened the 180-bed replacement hospital in Laredo, Texas in late August and is continuing to build the new George Washington University Hospital with an expected opening in mid-2002. We expect to announce an acquisition of an acute care hospital within a few days and to complete another acquisition before year-end. Our French company is also actively pursuing acquisition opportunities and we expect to announce one acquisition in France in the very near future and perhaps another one before year-end.

Universal Health Services, Inc. is one of the nation's largest hospital companies, operating in 22 states, Washington, D.C., Puerto Rico and France. It acts as the advisor to Universal Health Realty Income Trust, a real estate investment trust (NYSE: UHT).

Certain statements in this release may constitute forward-looking statements that are subject to various risks and uncertainties as discussed in the Company's filings with the Securities and Exchange Commission. The Company is not obligated to update these forward-looking statements even if the Company's assessment of these risks and uncertainties changes.

For additional information on the Company, visit our web site:  
<http://www.uhsinc.com>.

Universal Health Services, Inc.  
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Consolidated Statements of Income  
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(in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
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Net revenues	\$720,784	\$ 561,790	\$2,116,329	\$1,627,622
Operating charges:				
Salaries, wages and benefits	282,225	219,371	832,785	632,902
Other operating expenses	167,958	132,123	488,740	369,669
Supplies expense	94,275	74,780	276,622	221,295
Provision for doubtful accounts	68,682	49,221	186,587	136,084
Depreciation and amortization	32,587	28,475	94,630	84,278
Lease and rental expense	13,884	12,482	39,994	36,351
Interest expense, net	9,846	6,994	28,808	21,514
	669,457	523,446	1,948,166	1,502,093
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Income before minority interests, effect of foreign Exchange and derivative transactions and income taxes	51,327	38,344	168,163	125,529
Minority interests in earnings of consolidated entities	3,700	3,172	11,324	9,686
Losses on foreign exchange and derivative transactions	108	0	1,509	0
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Income before income taxes	47,519	35,172	155,330	115,843
Provision for income taxes	17,265	12,837	56,515	41,570
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Net income	\$ 30,254	\$ 22,335	\$ 98,815	\$ 74,273
	=====	=====	=====	=====
Earnings per common share - basic	\$ 0.50	\$ 0.37	\$ 1.65	\$ 1.23
	=====	=====	=====	=====
Earnings per common share - diluted	\$ 0.48	\$ 0.36	\$ 1.56	\$ 1.19
	=====	=====	=====	=====
Weighted average number of common shares - basic	59,921	59,786	59,889	60,402
Weighted average number of common share equivalents	7,496	7,902	7,373	3,636
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Weighted average number of common shares and equiv.- diluted	67,417	67,688	67,262	64,038
	=====	=====	=====	=====

## EARNINGS PER SHARE CALCULATION

Net income	\$ 30,254	\$ 22,335	\$ 98,815	\$ 74,273
Add: Debenture interest, net of taxes	2,051	1,970	6,070	2,208
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Adjusted net income	\$ 32,305	\$ 24,305	\$ 104,885	\$ 76,481
Weighted average number of common shares - basic	59,921	59,786	59,889	60,402
Add: Shares for conversion of convertible debentures	6,578	6,578	6,578	2,472
Other share equivalents	918	1,324	795	1,164
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Weighted average number of common shares and equiv. - diluted	67,417	67,688	67,262	64,038
Earnings per common share - diluted	\$ 0.48	\$ 0.36	\$ 1.56	\$ 1.19
	=====	=====	=====	=====

Universal Health Services, Inc.

Condensed Consolidated Balance Sheets

(in thousands)

	September 30, 2001	December 31, 2000
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Assets:		
Cash and cash equivalents	\$ 24,591	\$ 10,545
Accounts receivable, net	404,585	376,601
Other current assets	100,673	89,309
Property, plant and equipment, net	989,257	838,246
Funds restricted for construction	10,121	37,381
Other assets	482,017	390,295
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	\$2,011,244	\$1,742,377
	=====	=====
Liabilities and Stockholders' Equity:		
Current portion of long-term debt	\$ 1,273	\$ 689
Other current liabilities	319,474	248,151
Other noncurrent liabilities	103,503	71,730
Minority interest	130,504	120,788
Long-term debt	623,858	548,064
Deferred income taxes	33,420	36,381
Stockholders' equity	799,212	716,574
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	\$2,011,244	\$1,742,377
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