

**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) September 28, 2005

UNIVERSAL HEALTH SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-10765
(Commission File Number)

23-2077891
(IRS Employer
Identification No.)

Universal Corporate Center
367 South Gulph Road
King of Prussia, Pennsylvania
(Address of principal executive offices)

19406
(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.*1. Compensation of Non-Employee Directors:*

On September 28, 2005 the Compensation Committee of the Board of Directors of Universal Health Services, Inc. (the "Company") approved changes to the cash compensation to be paid to the non-employee directors of the Company. Effective September 28, 2005, each non-employee director will receive an annual retainer of \$40,000 for service on the Company's Board of Directors. In addition, the Audit Committee chairperson will receive an annual retainer of \$10,000 for his service in that capacity and each member of the Audit Committee, excluding the chairperson, will receive an annual retainer of \$2,500. The committee chairperson of the Compensation Committee and the Nominating and Governance Committee will each receive an annual retainer of \$5,000 for his or her service in that capacity. Each non-employee director will be paid a meeting fee of \$1,000 for participation in each committee meeting in excess of 30 minutes. All retainers and meeting fees will be paid in cash and will be paid on a pro-rata basis at the increased rate from September 28, 2005 through December 31, 2005.

Prior to the changes approved on September 28, 2005, each non-employee director received an annual retainer of \$20,000 for services on the Company's Board of Directors. In addition, the Audit Committee chairperson received an annual retainer of \$5,000 for his service in that capacity and each member of the Audit Committee, excluding the chairperson, received an annual retainer of \$2,500. There were no meeting fees paid for participation in committee meetings or annual retainers for the chairperson of the Compensation Committee and the Nominating and Governance Committee.

2. Non-qualified Stock Option Grants to Non-Employee Directors pursuant to the Company's 2005 Stock Incentive Plan:

On September 28, 2005, pursuant to the Company's 2005 Stock Incentive Plan, the Board of Directors of Universal Health Services, Inc. granted to each non-employee director options to purchase 10,000 shares of the Company's Class B Common Stock at an exercise price of \$47.80 per share. Accordingly, Leatrice Ducat, John H. Herrell, Robert H. Hotz, Robert A. Meister, Anthony Pantaleoni and John F. Williams, Jr., M.D., Ed.D., were each granted options to purchase 10,000 shares of the Company's Class B Common Stock. The stock options expire on the fifth anniversary of the date of grant.

Item 9.01 Financial Statements and Exhibits.**(c) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Universal Health Services, Inc. Non-Employee Directors' Fees
10.2	Form of Stock Option Agreement for Non-Employee Directors

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.

Date: October 3, 2005

By: /s/ Alan B. Miller

Name: Alan B. Miller
Title: President and Chief Executive Officer

By: /s/ Steve Filton

Name: Steve Filton
Title: Senior Vice President and
Chief Financial Officer

Universal Health Services, Inc. Non-Employee Directors' Fees
(Effective September 28, 2005)

Annual Retainer Non-Employee Directors	\$ 40,000
Committee Chair Retainer	
Audit	\$ 10,000
Compensation	\$ 5,000
Nominating and Governance	\$ 5,000
Committee Member Retainer	
Audit (excluding chair)	\$ 2,500
Committee Meeting Fees (Meetings in excess of 30 minutes)	\$ 1,000

All fees will be paid in cash.

UNIVERSAL HEALTH SERVICES, INC.
2005 STOCK INCENTIVE PLAN
STOCK OPTION AGREEMENT

OPTION AGREEMENT, made as of the ___ day of _____, 200___, by and between UNIVERSAL HEALTH SERVICES, INC., a Delaware corporation (the "Company"), and _____, a non-employee director of the Company (the "Optionee"), residing at _____.

WITNESSETH:

WHEREAS, pursuant to the Company's 2005 Stock Incentive Plan (the "Plan"), the Company desires to afford the Optionee an opportunity to purchase shares of the Company's Class B Common Stock, par value \$.01 per share (the "Common Stock"), as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the mutual promises hereinafter contained, the parties hereto agree as follows:

1. Grant of Option. The Company hereby grants to the Optionee an option (the "Option") to purchase all or any part of an aggregate of _____ shares of Common Stock on the terms and conditions hereinafter set forth. The Option is not intended to be an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Exercise Price. The purchase price of the shares of Common Stock covered by the Option shall be \$_____ per share, which is not less than one hundred percent (100%) of the fair market value of a share of Common Stock on the date of grant. Payment shall be made in the manner prescribed in Paragraph 6 hereof.

3. Term of Option. The term of the Option shall be for a period of five (5) years from the date hereof, subject to earlier termination as provided in Paragraph 5 hereof. The Option shall be exercisable by the Optionee as follows: [(i) after the Option has been outstanding for _____ (from the date of grant), the Optionee may purchase ___ percent (___%) of the total shares subject to the Option; (ii) after the Option has been outstanding for _____, the Optionee may purchase up to ___ percent (___%) of the total shares subject to the Option; (iii) after the Option has been outstanding for _____, the Optionee may purchase up to ___ percent (___%) of the total shares subject to the Option; and (iv) after the Option has been outstanding for _____, the Optionee may exercise the Option as to any or all of the shares subject thereto] Notwithstanding the preceding sentence, the Option shall immediately become fully exercisable upon a Change in Control (as defined in the Plan) of the Company.

4. Nontransferability. The Option may not be assigned or transferred except upon the Optionee's death to a beneficiary designated by the Optionee in a manner prescribed or approved for this purpose by the Committee or, if no designated beneficiary shall survive the Optionee, pursuant to the Optionee's will or by the laws of descent and distribution, and the Option may be exercised during the Optionee's lifetime only by the Optionee. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof, and the levy of any execution, attachment, or similar process upon the Option, shall be null and void and without effect.

5. Termination of Service. Upon the termination of the Optionee's service with the Company for any reason other than death or disability (as determined by the Board), (i) that portion of the Option, if any, which is not then exercisable shall immediately terminate, and (ii) that portion of the Option, if any, which is then exercisable may be exercised by the Optionee during the ninety (90) day period following such termination of service, but in no event later than the expiration date of the Option, and shall thereupon terminate. Upon the termination of the Optionee's service with the Company on account of death or disability (as determined by the Board), the Option shall be immediately and automatically accelerated and become fully exercisable and shall remain exercisable by the Optionee (or by the Optionee's personal representative, heir or legatee, in the event of death) during the one (1) year period following such termination of service, but in no event later than the expiration date of the Option, and shall thereupon terminate.

6. Method of Exercising Option. To the extent exercisable, the Option may be exercised in whole or in part by delivering to the Secretary of the Company (a) a written notice specifying the number of shares to be purchased, and (b) payment in full of the exercise price, together with the amount, if any, deemed necessary by the Company to enable it to satisfy any tax withholding obligations attributable to the exercise. The exercise price shall be payable in cash or by check, by means of a cashless exercise procedure, in the form of unrestricted shares of Common Stock (to the extent of the Fair Market Value thereof) or, subject to applicable law, by any other form of consideration deemed appropriate by the Committee.

7. Notices. Each notice relating to this Agreement shall be in writing and delivered in person or by first class mail, postage prepaid, to the proper address. Each notice shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it at its principal office, 367 South Gulph Road, P.O. Box 61558, King of Prussia, Pennsylvania 19406-0958 (Attention: Corporate Secretary). Each notice to the Optionee or other person or persons then entitled to exercise the Option shall be addressed to the Optionee or such other person or persons at the Optionee's address set forth in the heading of this Agreement. Anyone to whom a notice may be given under this Agreement may designate a new address by notice to that effect.

8. Provisions of Plan Control. The provisions of the Plan, the terms of which are incorporated in this Agreement, shall govern if and to the extent that there are inconsistencies between those provisions and the provisions hereof. The Optionee acknowledges receipt of a copy of the Plan prior to the execution of this Agreement.

9. Enforceability. This Agreement shall be binding upon the Optionee, his/her estate, his/her personal representatives and beneficiaries. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereto and supersedes any and all prior agreements and understandings between the parties hereto. This Agreement may not be modified, other than as provided in the Plan, except by written instrument executed by the parties hereto.

10. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflict of laws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UNIVERSAL HEALTH SERVICES, INC.

By: _____

Name: Steve Filton
Title: Sr. Vice President and CFO

By: _____

Name: